

RETAIL STAR

9 May 2007

FOR IMMEDIATE RELEASE

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Retail Star Limited (Retail Star) agrees to acquire 100% of uranium exploration company – Orion Exploration Pty Ltd (Orion)

Highlights

- **Retail Star has reached agreement to acquire 100% of the issued capital of Orion, a uranium exploration company, subject to certain conditions being satisfied and shareholder approval.**
- **Orion is targeting uranium mineralisation at five projects in the Northern Territory, two of which are located in the highly prospective Rum Jungle Uranium field and one in Western Australia.**
- **Orion has identified a number of targets at Edith River and Woolgni and, subject to the completion of this transaction, will compile and interpret all available information with a view to commencing RAB drilling on the warranted targets.**
- **Orion's parent company, Red Rock Resources Plc (Red Rock), is applying for exploration licences in Africa and these tenements will also form part of the package if granted.**
- **The consideration payable for the acquisition of Orion and the Australian related assets is \$1.5 million in cash. In order to fund the acquisition, Red Rock has agreed to subscribe for 80,000,000 shares, 20,000,000 options and 20,000,000 performance shares in Retail Star for a total subscription sum of \$1.5 million.**
- **Red Rock will receive a further 60,000,000 performance shares in consideration of Retail Star being transferred the exploration licences located in southern Africa upon grant.**
- **As part of the transaction, Retail Star intends to raise a further \$562,500 by the issue of 37,500,000 shares at 1.5 cents each, part of which will be used to fund the further development of the tenements.**

Summary

Retail Star has entered into an agreement to acquire 100% of uranium exploration company – Orion Exploration Pty Ltd (**Orion**) from Red Rock Resources Plc (a company incorporated in the United Kingdom and listed on AIM).

The consideration for the acquisition is \$1.5 million in cash. This cash consideration will be funded through Red Rock subscribing for 80 million fully paid ordinary shares, 20 million options (with an exercise price of 2.5 cents each and an expiry of 30 June 2008) and 20 million converting performance shares for a total subscription sum of \$1.5 million. The 20 million converting performance shares will convert into ordinary shares on a one for one basis when ELA 24414 is granted.

A further 60 million converting performance shares will also be issued to Red Rock in consideration of Retail Star being transferred certain exploration licences located in southern Africa applied for by Red Rock (**African Tenements**). These performance shares similarly convert into ordinary shares on a one for one basis in the event the African Tenements are granted and transferred to Orion.

Set out below are details of the acquisition together with an update on Retail Star's exiting business.

Update on Existing Business

On-line Retail Business

The board of Retail Star intends to continue the retail business previously operated by G Retail focusing on internet shopping through an on-line portal. The opportunity is to utilize the look and feel of shopping in an actual retail store. Management has recognized that the internet offers substantial cost reductions associated with both retail display and transactional services. This will enable Retail Star to sell quality clothing in the sports and leisure markets at a price which attracts the middle income earners.

Retail Star is positioned to emulate the success of Australia's leading outdoor and activity-based retailers of semi-prestigious brand leisure and sportswear products. Sports and leisure clothing have more standardized sizes with less need for a precise fit than designer clothing, making them more suitable to on-line retailing.

The management of the Retail Star intends to develop an easy-to-use on-line portal that emulates the off-line shopping experience as much as possible. Customers are expected to be drawn to the Retail Star website by the user experience and the products on offer. With the increasing adoption of broadband Internet access, there is an opportunity to provide customers with a rich, interactive, on-line retail experience.

Development of the website and on-line portal is currently underway.

Path for Growth

Retail Star has an arrangement in which stock is currently being held in a warehouse in Alexandria, New South Wales. Further, Retail Star has access to a database of some 59,000 names, which it intends to utilize in developing its on-line portal.

Over the next 12-18 months, the Board has resolved to put in place strategic initiatives to enable Retail Star to realise growth. This includes

- demographic analysis of our target market. Current focus is on low to middle class shoppers that are both price sensitive but aspire for quality branding and image. Management is initiating a market review and survey that identifies internet shopper and their behaviour/profile.

- develop systems for product procurement and quality testing. Essential to the business is that we obtain quality product that has been tested to withstand ordinary wear and tear.
- design and develop an on-line catalogue. Most important is attracting buyers to our on-line shopping experience. The development of glossy on-line and interactive catalogue that emphasis quality, image and price sensitivity is necessary to bring in internet shoppers.
- build an on-line shopping portal that is capable of accepting most credit cards and Direct Debit facilities. There are a number of contractors and banks that offer this service. To start, we will review these available on-line billing services with special attention to customer identification, credit card authorization, goods tracking and final billing.
- finally, management are reviewing procurement of goods, packaging of customer products and distribution/tracking for customer delivery and satisfaction

The proposed budget for the existing Retail Star's existing business and the ongoing administration of the Company for the next 12 months is as follows:

Action	Amount (\$)
Development of website and on-line portal	200,000
Administration expenses	270,000
Review and evaluation of new projects	200,000
Expenses of capital raising and new investment	80,000
TOTAL	750,000

Notes:

The above table is a statement of current intentions as of the date of this announcement. As with any budget, intervening events (including success or failure from business ventures) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis

New Opportunity

Notwithstanding this, the opportunity to invest in Orion allowed the Company to commit a small amount of funding to an exploration program for a uranium entity. The Company has **not** made a decision to change the nature of its existing business and that decision will only be made if the Board considers this to be in the interests of all shareholders. In the event that the exploration program developed by Orion thereafter requires further expenditure, the Board will consider that expenditure at that time.

It may be that at this time the activities of the Company will be sufficient to change the nature and/or scale of its operations. ASX has advised it is likely to require full re-compliance with Chapters 1 and 2 of the ASX Listing Rules in the event the Company applies additional funding to the Orion project, acquires additional projects or raises additional funds in connection with the above.

Summary of Orion and its assets

Orion's assets consist of five granted exploration licences and one application for an exploration licence in the Northern Territory and an interest in a granted exploration licence in Western Australia. The details are as follows:

Prospect Name	Tenement	Grant/(Application Date)	Size	State
Celia	ELA 24414	(10/07/04)	13.05 km ²	NT
Marrakai	EL 24614	12/02/2005	20.9 km ²	NT
Edith River	EL 23568	17/02/2003	228.8 km ²	NT
Hayes Creek	EL 24432	02/12/2005	130.1 km ²	NT
Daly River Road	EL 24391	02/12/2005	20.04 km ²	NT
Woolgni	EL 23569	17/06/2003	718.6 km ²	NT
Yilgarn District	E 29/581	08/09/2006	210.5 km ²	WA

Woolgni/Edith River Prospect – Northern Territory

- Several uranium prospects were discovered in 1952 within the Lower Proterozoic Cullen Granite; the development of 9 vertical shafts with cross drive were completed with grades returning between 0.1% U – 0.2% U₃O₈.
- The highly anomalous uranium grade is associated with shear/fault zones within the Cullen Granite.
- Extensive radiometric anomalies remain untested throughout the area with little historical exploration work follow up.
- Highly prospective for uranium mineralisation including unconformity, sandstone, quartz-pebble conglomerate, vein, and IOCGU deposit types.

Celia Prospect – Northern Territory

- Hosted within the highly favourable Rum Jungle Complex which has yielded over 70 mineral occurrences of a variety of commodities. Past mining has included uranium, base metals and gold.
- Two extensive untested radiometric anomalies over airborne uranium channel lies south and north-west within the current tenure area.

Marrakai – Northern Territory

- Untested radiometric anomalies are associated with the favourable lithologies and structures which have hosted uranium deposits in the Pine Creek region.
- The area shows potential to host unconformity-type uranium deposits as the radiometric anomalies are associated with sandstone lithologies.
- Primary exploration focus has concentrated on iron ore and gold mineralisation.

Daly River Road – Northern Territory

- Several first order and second order high priority radiometric anomalies are associated with sandstone units of the Pine Creek Area.
- The area shows potential to host unconformity-type uranium deposits as the radiometric anomalies are associated with sandstone lithologies.

Hayes Creek – Northern Territory

- The tenement is located nearby uranium mined out deposits and uranium occurrences of Lady Josephine, Burrundie and Fleur de Lys.
- The area highly prospective for unconformity-type uranium deposits, believed to be located at or near the contact between the Jindare Formation and the Stray Creek Sandstone. The tenement is hosted to one first/second order radiometric anomaly and five second order radiometric anomalies, which all remain untested.

Mt Alfred Prospect – Western Australia

- Tenement is compared to Lake Maitland and Yeelirrie type deposits.
- Drainage systems around the region offer polymetallic possibilities.
- Uranium anomalies identified by Uranerz in the mid 1970s.
- Shallow auger drilling in 1977 by Uranerz returned results up to 150 ppm uranium (0.015%) from calcrete horizons.

African Prospect

Red Rock Resources Plc has applied for exploration licences in southern Africa. The licence areas (if granted), will amount to 530 sq km, and have been highlighted by an independent party as being prospective for uranium mineralisation.

If these licences are granted, Red Rock Resources Plc has agreed to transfer them to Orion in exchange for the conversion of 60 million of the performance shares into ordinary shares.

Exploration Budget

Orion has proposed an exploration budget for the various prospects referred to above.

It is intended that the exploration program will be subject to review and revision as information and experience on the project area is gathered. Accordingly, this budget is indicative only and subject to change.

The proposed budget is as follows:

ACTION	\$ Celia (Year 1)	\$ Marrakai (Year 1)	\$ Hayes Creek (Year 1)	\$ Woolgni/Edith River (Year 1)	\$ Daly River Road (Year 1)	\$ Mt Alfred (Year 1)
GIS Database	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00
Establishment of Road Tracks	\$0.00	\$2,000.00	\$5,000.00	\$10,000.00	\$2,000.00	\$5,000.00
Surface Sampling Programs (Soil/Rock Chip)	\$4,000.00	\$4,000.00	\$4,000.00	\$10,000.00	\$4,000.00	\$15,000.00
Ground Magnetic/Radiometrics Surveys	\$2,000.00	\$0.00	\$0.00	\$15,000.00	\$0.00	\$15,000.00
Geophysical Interpretation	\$1,000.00	\$1,000.00	\$1,000.00	\$6,000.00	\$1,000.00	\$5,000.00
RAB Drilling	\$0.00	\$0.00	\$0.00	\$50,000.00	\$0.00	\$40,000.00
Assays	\$1,000.00	\$1,000.00	\$1,000.00	\$9,000.00	\$1,000.00	\$5,000.00
TOTAL	\$8,000.00	\$8,000.00	\$11,000.00	\$100,000.00	\$8,000.00	\$90,000.00

As can be seen from the above, the proposed expenditure is not significant based on the Company's cash reserves of approximately \$2 million, however, it will allow the Company to evaluate whether to consider a change in the nature of its activities.

Placement and Capital Structure

As referred to above, Retail Star will place 37,500,000 shares at 1.5 cents each to raise \$562,500, less the costs of issue. It is intended that part of these funds will be applied towards the budgeted expenditure on Retail Star's existing business and the exploration program referred to in this announcement.

The Company's cash position on completion of the placement will be approximately \$2 million.

Capital Structure on Completion of the Acquisition and Placement

	Shares	%
Existing	395,529,753	77.2%
Placement	37,500,000	7.3%
Subscription by Red Rock	80,000,000*	15.5%
Total	513,029,753	

* These shares are subject to voluntary restrictions for 12 months from the date of issue.

In addition to the above:

- (a) 20,000,000 options with an exercise price of 2.5 cents each and an expiry date of 30 June 2008 will be issued to Red Rock; and
- (b) 80,000,000 Converting Performance Shares will be issued to Red Rock; and
- (c) 10,000,000 options will be granted to certain advisers involved in the transaction. These options will have an exercise price of \$0.015 each and an expiry date of 30 June 2008.

Shareholder Approval

A notice of meeting is in the process of being prepared and a meeting of shareholders will be convened shortly to seek approval for the transaction.

Proforma Balance Sheet

Set out below is a balance sheet of the Company as at 31 January 2007, together with the proforma balance sheet on the basis of the assumptions set out below.

	31 January 2007 \$	Proforma after capital raising and completion of investment \$
Assets (current)		
Cash	1,696,775	2,259,275
Trade and other receivables	37,982	37,982
Inventories	53,173	53,173
Non Current Assets		
Investment in Orion	-	1,500,000
Total Assets	1,787,930	3,850,430
Liabilities (current)		
Trade and other payables	92,748	92,748
Net Assets	1,695,182	3,757,682
Equity		
Contributed equity	25,522,645	27,385,145
Option reserve	-	200,000
Accumulated losses	(23,827,463)	(23,827,463)
Total Equity	1,695,182	3,757,682

Note 1. The movement of cash assets is reconciled as followed:

Cash Assets	\$
Opening Balance	1,696,775
Placement of Shares (assuming 1.5 cents)	562,500
Closing Balance**	2,259,275

** As a result of expenditure incurred between 31 January 2007 and the anticipated date of completion of the investment, the Company's cash position will be approximately 2 million.

Note 2. The movement in contributed equity is reconciled as follows:

Contributed Equity	\$
Opening balance	25,522,645
Placement of 80,000,000 shares to acquire Orion (at 1.5 cents each)	1,200,000
Placement of 20,000,000 performance shares to acquire Orion (at 0.5 cent each)	100,000
Placement of 37,500,000 shares (at 1.5 cents each)	562,500
Closing Balance	27,385,145

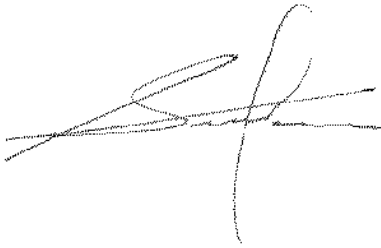
Note 3. The movement in the option reserve is reconciled as followed:

Option Reserve	\$
Opening balance	-
Placement of 20,000,000 options to acquire Orion (at 1 cent each)	200,000
Closing Balance	200,000

Note 4. The balance sheet covers Retail Star Limited as an individual entity.

If you have any queries please contact Simon Headon on 08 9367 8133.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Simon Headon', written over a horizontal line.

Simon Headon
Company Secretary

MAPS OF TENEMENT LOCATIONS

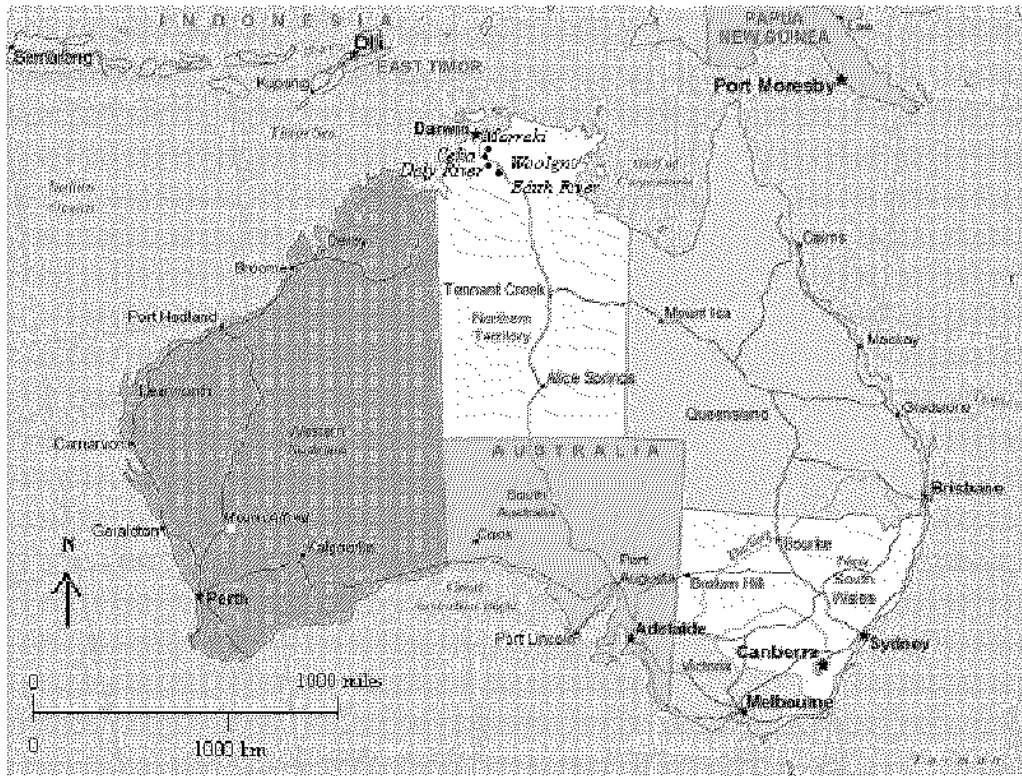


Figure 11. Location Map of the Celia, Marrakai, Woolgini/Edinb River, Daly River and Mt Alfred prospects

