



ASX Release
18 May 2010

ASX: RSL

Re-Entitlement Option Issue

As outlined in its Prospectus of December 2009, the Board of Directors of Resource Star Limited (**ASX Code: RSL**) is pleased to announce the terms and conditions of the Shareholder Entitlement Option Issue. The Issue was ratified at the May Board Meeting and is proposed to raise approximately A\$250,000 which will be applied to exploration activity.

The terms and timeframe for the entitlement will be subject to a Prospectus and will be made on the following basis:

- The Offer will be on the basis of one Option for every two Share held at the Record Date.
- The Subscription Price for the Options will be one cent (\$0.01) per Option.
- The Option Exercise Price will be twenty cents (\$0.20) per Share.
- Options will have a term of approximately two years, expiring 30 Sep 2012.
- The Record Date and indicative timetable will be released shortly.
- The Prospectus, including entitlement form, will be mailed to Shareholders after the Record date.
- The Offer will be non-renounceable, meaning that Shareholders will not be able to sell their rights to the Options.
- The Company will apply to have the Options listed on ASX.
- Allegra Capital has been appointed Lead Manager of the issue.

Chairman Andrew Bell said: "The Entitlement Option Issue as stated in the Prospectus was always intended to reward the Shareholders that remained on the Resource Star share register from our March re-listing. We believe the Options will offer Option holders considerable upside when the inherent underlying value returns to Resource Star's share price."

Andrew Bell
Chairman

About Resource Star Limited

Resource Star Limited is a publicly-listed Australian company (ASX:RSL) that has interests in uranium exploration assets in the Northern Territory, in Western Australia and in Malawi. These interests are held through Resource Star Limited and through two wholly-owned subsidiaries, Orion Exploration Pty Ltd and Eastbourne Exploration Pty Ltd.

Contact Details

Richard Evans
Chief Executive Officer
Telephone: +61 3 9607 1322

Tom Young
Allegra Capital Pty Ltd
Telephone: +61 8 9321 9888

Andrew Bell
Chairman
Telephone: +44 7766 47 48 49