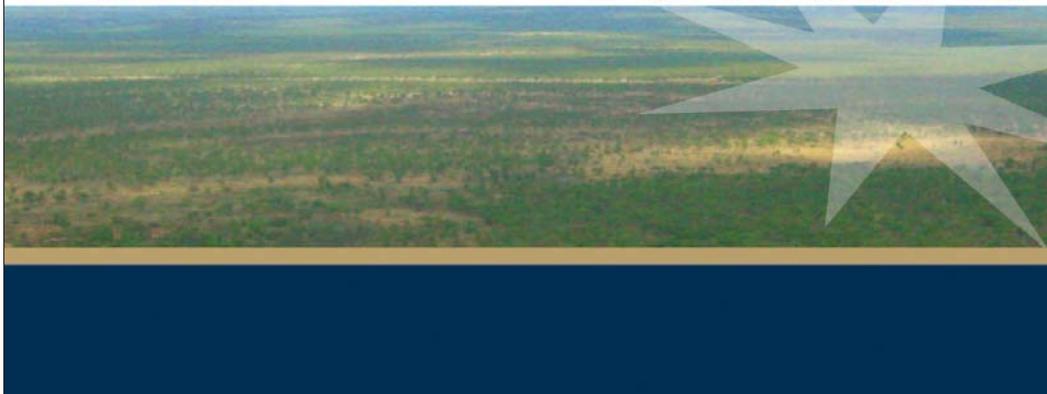


Stellar Resources Limited Tarcoola Hematite Potential



enhancing shareholder wealth, through mineral discovery.



Drilling in May 2008, upgraded the potential for hematite mineralisation within the Tarcoola Iron Ore Project area for the first time.

In this presentation, the hematite potential of the Tarcoola Project is discussed by considering:

- Geological interpretation of the May drilling results
- Western Plains Resources Ltd's Tui deposit as a Tarcoola analogy
- Comparative stratigraphy in the Middleback Ranges iron ore sequence
- Comparable geophysical profile over the Iron Magnet deposit
- August drilling program to test hematite and magnetite potential

Forward Looking Statement



This presentation contains only a brief overview of Stellar Resources Limited ("Stellar") and its activities and operations. The contents of this presentation, including matters relating to the geology of Stellar's projects, may rely on various assumptions and subjective interpretations which it is not possible to detail in this presentation and which may not have been subject to any independent verification.

This presentation may contain a number of forward-looking statements. Known and unknown risks and uncertainties, and factors outside of Stellar's control, may cause the actual results, performance and achievements of Stellar to differ materially from those expressed or implied in this presentation. To the maximum extent permitted by law and stock exchange listing rules, Stellar does not warrant the accuracy, currency or completeness of the information in this presentation, nor the future performance of Stellar, and will not be responsible for any loss or damage arising from the use of the information.

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Tarcoola Iron Ore Location



TARCOOLA IRON PROJECT

- 100% owned by Stellar
- limited drilling but large tonnage potential
- close to Trans Aus Railway (10km)
- within 480km of Whyalla and Bonython ports and infrastructure
- outside of the Woomera Prohibited Zone
- closest of the central SA iron ore projects to rail and port

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The Tarcoola iron ore deposit is located within 10km of the Trans-Australian Railway and close to the junction of that railway with the Tarcoola to Darwin line. The rail distance from Tarcoola to Whyalla is 480km. Importantly, the standard gauge rail exists, it is open access, it can handle iron ore trains and there is surplus capacity.

The South Australian Government has called for and received a number of expressions of interest to build a bulk commodity export facility at Port Bonython.

Stellar Resources believes that the State Government's initiative at Port Bonython will provide greater certainty for investors considering South Australia's iron ore projects.

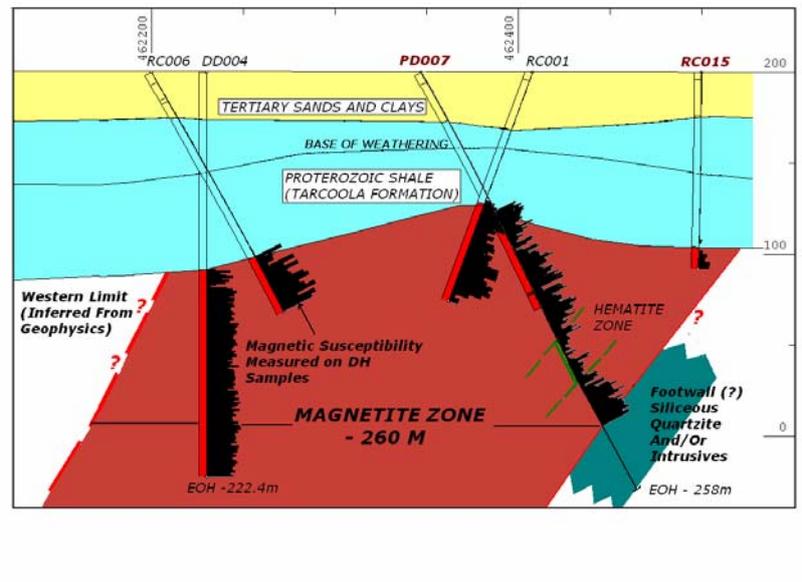
May drilling based on ground magnetics

April 2008 ground magnetic survey completed over the Coolybring iron ore deposit at Tarcoola. Survey results showed:

- **a significant body of magnetite mineralisation over a 1,500m strike length previously identified by limited drilling and aero-magnetics**
- **magnetite zone extended further east than estimated from previous drilling**
- **the presence of a non-magnetic zone close to the eastern boundary and extending for the strike length of the magnetite**

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Section 6609770N



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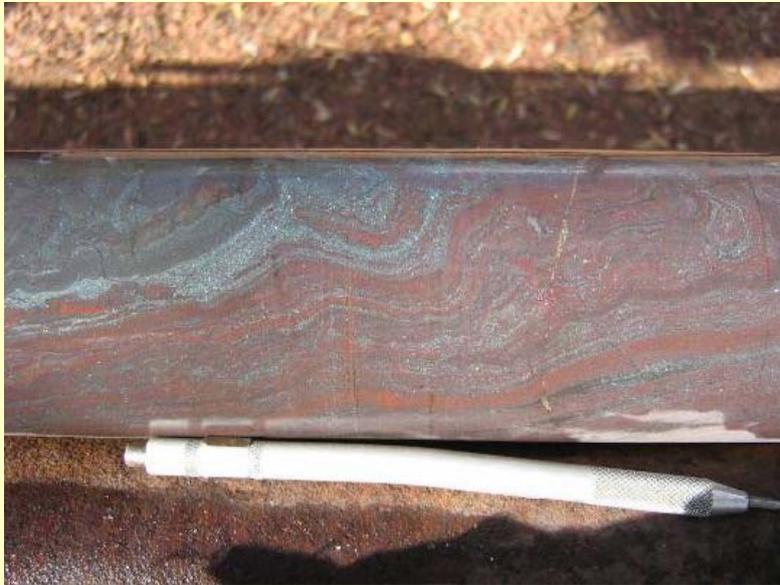
The revised section incorporates geological information from diamond hole PD007 angled at 60° east and vertical hole RC015.

PD007 and RC015 confirm that the magnetite zone is at least 260m wide or 60m wider than previously implied from drilling. In addition, a 37m hematite-magnetite-quartz zone was intersected from 157m to 194m (down hole).

Assays from PD007 are compared with results from previous holes RC006, DDH004 and RC001 in the table below. The results show that iron grades are higher in the western part of the section although the average grade across all holes of 35% iron is comparable with other Australian magnetite resources.

Hole	Easting m	Northing m	Length m	From m	To m	Fe %	SiO ₂ %
DDH04	2230	9770	114	108	222	39.2	43.4
RC006	2200	9770	34	116	150	39.3	38.3
RC001	2408	9770	57	77	134	34.8	na
PD007	2347	9770	133	86	219	29.0	na

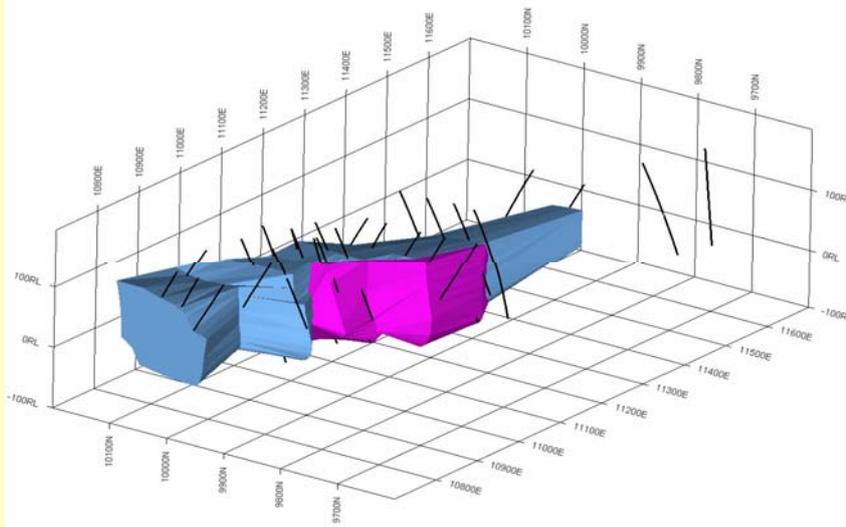
PD007 core showing specular hematite



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An example of silvery primary specular hematite with red siliceous banding from the hematite-magnetite-quartz zone in PD007 (157m-194m down hole).

Tui comparison



Source: Western Plains Resources Ltd 6th May 2008

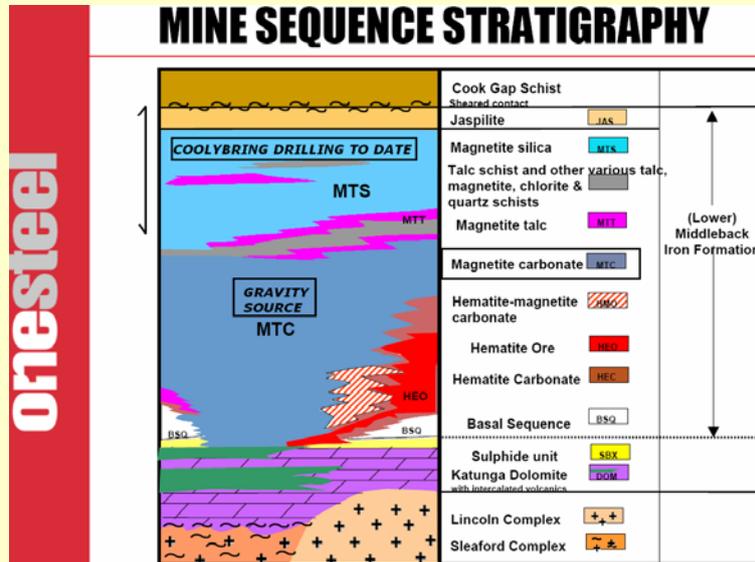
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Western Plains Resources Ltd (ASX:WPG) published the 3D image or block model to demonstrate the distribution of hematite banded iron formation in blue and high grade hematite in red at their Tui deposit, 100km to the northeast of Tarcoola.

In the case of Tui, Western Plains have reported an indicated and inferred resource of 4.3 million tonnes of high grade hematite grading 60.2% iron.

The blue zone appears to be similar to the hematite-magnetite-quartz zone intersected by Stellar in PD007 and demonstrates the possibility for pods of high grade hematite along strike within this zone.

Middleback Ranges Iron Ore Equivalents



Source: OneSteel Limited

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Core from PD007 was examined by an independent iron ore specialist who previously worked for several years on the Middleback Range iron ore deposits in South Australia and the Giffen Well and Hawks Nest iron ore deposits 50km and 100km respectively to the northeast of Tarcoola.

In his opinion, PD007 intersected an iron ore formation that is typical of the magnetite-quartz horizon labelled MTS in the schematic mine sequence shown for Middleback Ranges iron ore deposits.

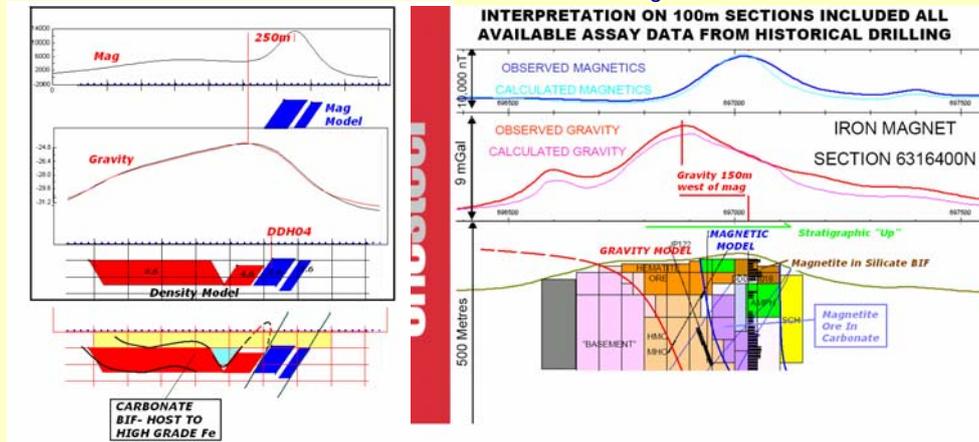
If more of the Middleback Range sequence is preserved at Tarcoola it is likely to be the MTC (magnetite-carbonate) and hematite ore equivalents.

Geophysical model section



Tarcoola Project

Iron Magnet Mine



Source: OneSteel Limited

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Geophysical profiling of ground magnetics and gravity also supports the analogy with the Middleback Ranges iron ore deposits.

Right Profile

The cross-section on the right over the Iron Magnet Mine shows a discrete magnetic high (blue line) of 10,000 nano-teslas over magnetite-quartz (brown) and magnetite-carbonate (purple) units.

Also at Iron Magnet and offset by 100m to the west of the peak in the magnetic profile is a 9 milli-gal peak in the gravity response. The gravity anomaly is reflecting the presence of near surface hematite ore and mixed hematite-magnetite ore at depth.

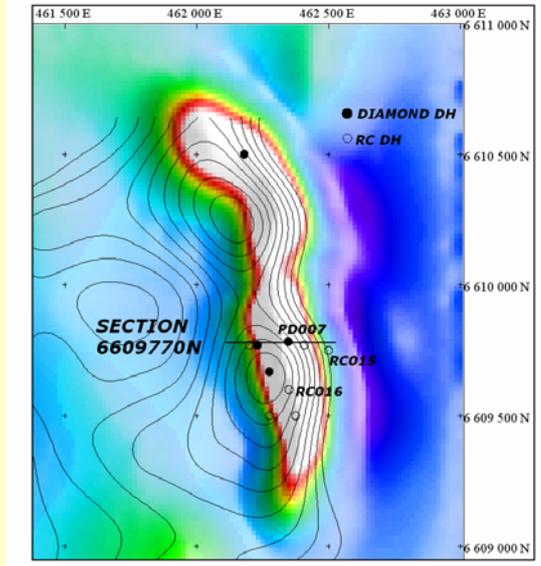
Left Profile

The magnetic profile on the left at the Tarcoola project shows a similar 10,000 nano-teslas magnetic anomaly over magnetite mineralisation shown in blue. In addition there is a 7 milli-gal gravity anomaly to the west of the magnetite zone reflecting material that compares in magnitude and location to that at Iron Magnet.

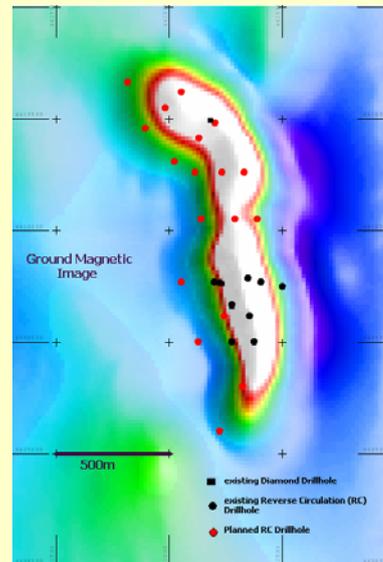
Proposed drilling in August



Magnetic image showing existing drilling



Magnetic image showing planned drilling



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Ground gravity (black lines) and ground magnetic (colour) image are shown for the Tarcoola Project in the plan on the left. The black dots represent core holes (all vertical apart from PD007) within the magnetite zone and the hollow circles RC holes.

Importantly, the ground gravity anomaly lies along the western edge of the magnetics and appears to represent dense units that are conformable and to the west of the magnetite zone rather than dense rocks within the cover sequence.

The only real test of the geophysical model is to drill. Accordingly a program of 5,000m of RC drilling is planned with hole locations shown as red dots on the right hand image.

The RC drilling program is scheduled to commence in August 2008.

Western Plains and Stellar compared



Source: Etrade Limited

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In conclusion, it is important to realise the potential impact of identifying high grade hematite on the market capitalisation of Stellar.

The nearest analogy for Stellar is Western Plains Resources Limited which holds the Peculiar Knob, Buzzard and Tui hematite deposits situated 100km to the northeast of the Tarcoola Project.

The price history for Western Plains shows strong value addition since October 2006 as hematite resources were identified and in the case of Peculiar Knob supported by a bankable feasibility study. On the basis of 37 million tonnes of hematite Western Plains has achieved a capitalisation in excess of \$100 million.

In 2008, Stellar has greatly reduced its commitment to greenfield exploration and focused on taking the Tarcoola Iron Ore project from exploration to resource definition. The next round of drilling at Tarcoola represents a major step forward for the project.



The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr. Chris Anderson (Member of the Australasian Institute of Mining and Metallurgy) who has more than 5 years experience in the field of activity being reported. Mr. Anderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It should be noted that the abovementioned resources are reported under the December 2007 provision of the JORC code for reporting historic resource estimations.