

## **Novastar Resources confirms significant progress towards completing merger agreement with Thorium Power, Inc.**

*There is hardly much of a market for Thorium, I would have thought.*

Business News  
February 03, 2006

Novastar Resources Ltd. (OTCBB:NVAS), a commercial mining firm engaged in the exploration of Thorium, Platinum Group Metals, and Rare Earth Metals has today announced significant progress in completing the final definitive merger agreement with Thorium Power, Inc. On January 10, 2006, the Company announced the commencement of formal negotiations to merge with privately held Thorium Power, Inc. As of today's date, the companies have successfully concluded negotiations of all material terms of the agreement. The Company anticipates the execution of the final written agreement (reflecting the successfully negotiated terms), in the very near future.

Upon the execution of the definitive merger agreement, Novastar Resources Ltd. and Thorium Power, Inc. will operate as a combined entity and Mr. Seth Grae will assume the positions of President and Chief Executive Officer.

### **About Novastar Resources**

Novastar Resources Ltd. is a publicly traded company within the commercial mining sector and is a significant commercial mining source of Thorium, a naturally occurring metal that can be used to provide nuclear energy, with non-proliferation, waste, and economic advantages, in comparison to standard Uranium fuels. The company's stock is traded and quoted on the OTC Bulletin Board under the symbol NVAS. Further information is available on the company's website at [www.novastarresources.com](http://www.novastarresources.com).

### **About Thorium Power**

Thorium Power, Inc. was founded in 1992 to develop technology invented by Dr. Alvin Radkowsky, the first chief scientist of the U.S. Naval Reactors program under Admiral H.G. Rickover from 1950-1972 and head of the design team of the first commercial nuclear power plant in Shippingport, Pennsylvania. The Company was formed to develop and deploy nuclear fuel designs developed by Dr. Radkowsky to stop the production of weapons suitable plutonium and eliminate existing plutonium stockpiles. Thorium Power, Inc. has been collaborating with nuclear scientists and engineers at Russia's prestigious Kurchatov Institute since 1994. For more information, please visit: [www.thoriumpower.com](http://www.thoriumpower.com).

This news release contains "forward-looking statements", as that term is defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements in this press release which are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, among other things the completion of the final definitive merger agreement with Thorium Power Inc., Novastar as a significant commercial mining source for Thorium and the advantages of Thorium over standard Uranium fuels.

Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainty of financial estimates and projections, stock market conditions, and the risks and

unforeseen difficulties associated with the Company's status as an exploration stage mining company. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although the Company believes that the beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that such beliefs, plans, expectations or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in the Company's annual report on Form 10-KSB for the 2004 fiscal year, the Company's quarterly reports on Form 10-QSB and other periodic reports filed from time-to-time with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.