FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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(Print or Type Responses)

1. Name and Address of Reporting Person*	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
MERCHANT CHARLES H	NOVASTAR RESOURCES LTD. [NVAS]	_X_ Director ____ 10% Owner _X_ Officer (give title below) ____ Other (specify below) COO and Interim CEO
(Last) (First) (Middle) 3189 COUNTY ROAD 10	3. Date of Earliest Transaction (Month/Day/Year) 02/06/2006	
(Street) HEFLIN, AL 36264	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
(City) (State) (Zip)	**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**	

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common shares	02/06/2006		S		1,200	D	$ 0.855	1,958,800	D	
Common shares	02/06/2006		S		13,800	D	$ 0.85	1,945,000	D	
Common shares	02/16/2006		S		5,000	D	$ 0.80	1,940,000	D	
Common shares	02/16/2006		S		5,500	D	$ 0.79	1,934,500	D	
Common shares	02/16/2006		S		7,000	D	$ 0.761	1,927,500	D	
Common shares	02/16/2006		S		8,600	D	$ 0.761	1,918,900	D	
Common shares	02/22/2006		S		2,000	D	$ 0.68	1,916,900	D	
Common shares	02/22/2006		S		5,000	D	$ 0.685	1,911,900	D	
Common shares	02/22/2006		S		8,400	D	$ 0.68	1,903,500	D	
Common shares	02/23/2006		P		5,000	A	$ 0.62	1,908,500	D	
Common shares	02/24/2006		S		5,000	D	$ 0.71	1,903,500	D	
Common shares	02/24/2006		S		5,000	D	$ 0.71	1,898,500	D	
Common shares	03/08/2006		S		119,900	D	$ 0.55	1,778,600	D	
Common shares	03/14/2006		S		40,000	D	$ 0.62	1,738,600	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MERCHANT CHARLES H 3189 COUNTY ROAD 10 HEFLIN, AL 36264	X		COO and Interim CEO	

Signatures

/s/ Charles H. Merchant		03/15/2006
**Signature of Reporting Person		Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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