

## FORM 3

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

## OMB APPROVAL

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## INITIAL STATEMENT OF 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

(Print or Type Responses)

1. Name and Address of Reporting Person <sup>*</sup> MUSHAKOV ANDREY (Last) (First) (Middle) 1701 EAST WEST HIGHWAY, APT.401 (Street) SILVER SPRING, MD 20910 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 07/27/2006	3. Issuer Name and Ticker or Trading Symbol NOVASTAR RESOURCES LTD. [NVAS.OB]	4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Executive Vice President	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
<b>Table I - Non-Derivative Securities Beneficially Owned</b>					
1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)		
Common Stock, \$0.001 par value	1,500,000 (1)	D			

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.

## Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Option	(2)	07/27/2016	Common Stock, 0.001 par value	2,250,000	\$ 0.49	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MUSHAKOV ANDREY 1701 EAST WEST HIGHWAY, APT.401 SILVER SPRING, MD 20910			Executive Vice President	

## Signatures

/s/ Andrey Mushakov	08/07/2006
<sup>*</sup> Signature of Reporting Person	Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 5(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).

The Common Stock of the Issuer was granted pursuant to an employment agreement between the Issuer and the Reporting Person, dated as of July 27, 2006. The Reporting  
(1) Person may not directly or indirectly sell, transfer or otherwise dispose of \$750,000 of such shares for a period of one year and the remaining 750,000 shares for a period of  
two years.The option vested with respect to 234,375 shares on July 27, 2006 and thereafter vests in equal monthly installments until all shares underlying the option have vested. The  
(2) option immediately and automatically vests in full upon a Change of Control, the termination of the Reporting Person's employment by the Company without Cause, or the  
cessation by the Reporting Person of the Reporting Person's employment at the Company for Good Reason (all as defined in the employment agreement).

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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