



Lodestone Exploration Limited

ABN 20 075 877 075

www.lodestonex.com

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The Manager
Companies Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Farm-In to Tambo Coal Project and Tambo Gas Project

Lodestone Exploration Limited (“Lodestone Exploration” or “the Company”) is pleased to announce that it has executed Farm-In Agreements with Tambo Coal & Gas Pty Ltd (“Tambo Coal & Gas”) to farm in to a number of coal and coal seam gas project areas in southern central Queensland.

The project represents a unique opportunity to explore for both coal and coal seam gas.

The areas subject to farm-in are under applications held by Tambo Coal & Gas, a company which is controlled by Mr Greg Baynton, a Director of Lodestone Exploration.

These applications cover more than 160 kilometres of strike length in a largely unexplored region of the Surat Basin.

The Farm-In Agreements are subject to a number of conditions precedent, including shareholder approval. An Extraordinary General Meeting of the Company will be convened for the purposes of obtaining shareholder approval and a Notice of Meeting, Explanatory Memorandum and Independent Expert Report will be circulated to shareholders shortly.

Under the Farm-In Agreements, subject to satisfying exploration and expenditure commitments, Lodestone Exploration has the right to earn up to 50% interest in all permits over a five stage process.

Further details of the Farm-In Agreements will be provided to shareholders in the Notice of Meeting and accompanying documents to be circulated to shareholders shortly for the purposes of the Extraordinary General Meeting.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "M. Ackland".

Martin Ackland
Chairman

Lodestone Exploration Limited
Exploring Queensland

Lodestone Exploration Limited GPO Box 762 Brisbane QLD 4001 Australia