



## FOR IMMEDIATE RELEASE

### **Lonestar Resources, Ltd. Announces 70% Increase In Proved Reserves to 31.0 MMBOE**

February 2nd, 2015- Lonestar Resources, Ltd. ("Lonestar", ASX: LNR or the "Company") is pleased to announce the results of its independent engineering reports for the year ended December 31, 2014. Lonestar obtains reserve reports from the independent consultant it deems as the most knowledgeable in each of its areas of focus. Accordingly, W.D. Von Gonten & Co. was retained to conduct the independent evaluation of the Company's Eagle Ford Shale properties and LaRoche Petroleum Consultants, Ltd. was retained to conduct the independent evaluation of the Company's Conventional assets. For the year ended December 31, 2014, Lonestar's independent reserve reports and PV-10 estimates employed the commodity pricing conventions prescribed by the U.S. Securities & Exchange Commission (SEC), which employs past 12 months pricing for the projections. Use of SEC methodology allows the Company's results to be compared more directly with its U.S. peers.

Frank D. Bracken III, Lonestar's Managing Director commented, "We are pleased to announce meaningful reserve growth, based on the results generated from our independent consultants for the year ended December 31, 2014. Proved Reserves net of royalties were 31.0 million barrels of oil equivalent (MMBOE), an increase of 70% over the 18.2 MMBOE reported at year ended December 31, 2013. Lonestar's Proved Reserve PV-10 value of US\$705.8 million represents an increase of 65% over 2013 levels, which I believe reflects the significant continued success of our Eagle Ford growth strategy and the substantial Proved Reserves value which underpins our equity value."

Lonestar's Proved Reserves include 23.6 million barrels of crude oil and condensate, 3.0 million barrels of natural gas liquids, and 26.0 billion cubic feet of natural gas. By energy content, Lonestar's Proved Reserves are weighted 86% to liquids. Further, Lonestar's Proved Reserve base is comprised of 89% unconventional reserves and 11% conventional, by volume. Lastly, the Company's Proved Reserves represent an excellent balance between Proved Developed (40%) and Proved Undeveloped (60%).

At December 31, 2014, Proved & Probable Reserves were 43.2 million barrels of oil equivalent, which included 34.3 million barrels of oil, 3.7 million barrels of NGL's, and 31.3 billion cubic feet of natural gas, and had an associated PV-10 value of \$859.7 million. These results represent a 70% increase in Proved and Probable reserves and a 75% increase in the associated PV-10 value.

At December 31, 2014, Proved, Probable & Possible Reserves were 48.1 million barrels of oil equivalent, which included 38.5 million barrels of oil, 4.0 million barrels of NGL's, and 33.7 billion cubic feet of natural gas, and had an associated PV-10 value of \$952.2 million. These results represent a 90% increase in Proved, Probable & Possible reserves and a 94% increase in the associated PV-10 value.

Importantly, Lonestar's inventory of Engineered Locations, those designated as Proved, Probable or Possible, are associated with an estimated 78% of its greater than 30,000 net acres in the Eagle Ford Shale. Lonestar believes that industry activity may establish additional viable drilling locations at no cost to the Company. It is this unengineered acreage that may serve as the fuel for organic reserve growth in the future.

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During 2014, Lonestar sold its Raccoon Bend properties in south Texas, which contributed 0.3 MMBOE and \$5.2 million on of PV-10 at December 31, 2013. These assets, which were a drag on the Company's focus in the Eagle Ford, were sold for \$3.2million, and provided additional capital for Lonestar's Eagle Ford Shale drilling program while accreting to the Company's equity value. During 2015, it is likely that Lonestar will continue to rationalize its Conventional asset base, selling assets with limited focus or that lack operational control. Sale of such assets will bolster the Company's liquidity necessary to be financially flexible and opportunistic in its pursuit of additional resource in the Eagle Ford Shale trend.

With the fact in mind that SEC commodity price methodology does not reflect the current futures prices for oil and gas, Lonestar has also calculated the Company's PV-10 using its third part engineering reports, based on a distribution of flat WTI oil price decks, with those results included in Table 1 below. In the cases in which oil prices are assumed between \$45 and \$65 per barrel, the Company has forecasted that capital costs and lease operating expenses would decrease by an average of 10% from year-end levels, and has applied those reduced costs to its PV-10 calculations.

**Table 1: PV-10 At Various Crude Oil Prices (in US\$ millions)**

PV-10 in \$MM	West Texas Intermediate Crude Oil Price					
	Reduced Cost Price Environment			Static Cost Price Environment		
Asset	\$45	\$55	\$65	\$75	\$85	\$95
Eagle Ford	\$200	\$330	\$470	\$560	\$722	\$890
Conventional	\$22	\$29	\$37	\$46	\$53	\$62
Hedges	\$60	\$45	\$30	\$14	(\$1)	(\$16)
<b>Total</b>	<b>\$281</b>	<b>\$404</b>	<b>\$537</b>	<b>\$620</b>	<b>\$774</b>	<b>\$937</b>

The footnotes and definitions are an integral part of these tables. Table 1 provides distribution of PV-10 values of the Company's Proved, Probable & Possible Reserves based on various West Texas Intermediate crude oil prices. Table 2 provides distribution among Proved, Probable & Possible Categories, by hydrocarbon type, based on SEC pricing. Table 3 provides distribution among Proved, Probable & Possible Categories, by area of operations, based on SEC pricing.

Important tables and disclosures follow on subsequent pages of this release.

## Table 2: Proved, Probable & Possible Reserves by Geographic Region

(all dollar figures are US dollars, in thousands)

Category	Crude Oil (Mbbbls)	NGL's (Mbbbls)	Natural Gas (MMcf)	Total (MBOE)	Future Net Revenues	
					Undiscounted	PV-10
<b>Proved Developed Producing</b>						
Eagle Ford Shale	6,971	1,212	8,360	9,576	\$519,702	\$294,190
Conventional	2,075	0	3,276	2,621	\$126,047	\$52,840
<b>Proved Developed Producing</b>	<b>9,047</b>	<b>1,212</b>	<b>11,636</b>	<b>12,198</b>	<b>\$645,750</b>	<b>\$347,030</b>
<b>Proved Developed Non Producing</b>						
Eagle Ford Shale	73	0	0	73	\$3,689	\$2,040
Conventional	65	0	355	124	\$5,176	\$2,753
<b>Proved Developed Non Producing</b>	<b>138</b>	<b>0</b>	<b>355</b>	<b>197</b>	<b>\$8,865</b>	<b>\$4,793</b>
<b>Proved Undeveloped</b>						
Eagle Ford Shale	13,817	1,833	13,167	17,844	\$874,746	\$347,408
Conventional	609	0	810	744	\$31,298	\$6,590
<b>Proved Undeveloped</b>	<b>14,426</b>	<b>1,833</b>	<b>13,978</b>	<b>18,588</b>	<b>\$906,044</b>	<b>\$353,998</b>
<b>Total Proved</b>						
Eagle Ford Shale	20,861	3,044	21,528	27,493	\$1,398,138	\$643,638
Conventional	2,749	0	4,441	3,490	\$162,522	\$62,183
<b>Total Proved</b>	<b>23,611</b>	<b>3,044</b>	<b>25,968</b>	<b>30,983</b>	<b>\$1,560,659</b>	<b>\$705,821</b>
<b>Probable Undeveloped</b>						
Eagle Ford Shale	10,679	682	5,352	12,253	\$512,589	\$153,842
Conventional	0	0	0	0	\$0	\$0
<b>Probable Undeveloped</b>	<b>10,679</b>	<b>682</b>	<b>5,352</b>	<b>12,253</b>	<b>\$512,589</b>	<b>\$153,842</b>
<b>Proved &amp; Probable</b>						
Eagle Ford Shale	31,541	3,726	26,880	39,746	\$1,910,726	\$797,479
Conventional	2,749	0	4,441	3,490	\$162,522	\$62,183
<b>Proved &amp; Probable</b>	<b>34,290</b>	<b>3,726</b>	<b>31,320</b>	<b>43,236</b>	<b>\$2,073,248</b>	<b>\$859,663</b>
<b>Possible Undeveloped</b>						
Eagle Ford Shale	4,173	302	2,377	4,871	\$267,571	\$92,513
Conventional	0	0	0	0	\$0	\$0
<b>Possible Undeveloped</b>	<b>4,173</b>	<b>302</b>	<b>2,377</b>	<b>4,871</b>	<b>\$267,571</b>	<b>\$92,513</b>
<b>Proved, Probable &amp; Possible</b>						
Eagle Ford Shale	35,714	4,027	29,257	44,617	\$2,178,297	\$889,993
Conventional	2,749	0	4,441	3,490	\$162,522	\$62,183
<b>Proved, Probable &amp; Possible</b>	<b>38,463</b>	<b>4,027</b>	<b>33,697</b>	<b>48,107</b>	<b>\$2,340,819</b>	<b>\$952,176</b>

### Table 3: Summary Reserves Comparison- 2014 vs. 2013

(all dollar figures are US dollars, in thousands)

Category	December 31, 2013		December 31, 2014	
	Total (MBOE)	PV-10	Total (MBOE)	PV-10
<b>Proved Developed Producing</b>				
Western	5,088	\$178,450	6,603	177,025
Central	79	\$3,580	1,575	62,082
Eastern	-	\$0	1,399	55,083
<b>Eagle Ford Shale</b>	<b>5,167</b>	<b>\$182,030</b>	<b>9,576</b>	<b>294,190</b>
<b>Conventional</b>	<b>2,896</b>	<b>\$62,565</b>	<b>2,621</b>	<b>52,840</b>
<b>Proved Developed Producing</b>	<b>8,063</b>	<b>244,595</b>	<b>12,198</b>	<b>347,030</b>
<b>Proved Developed Non Producing</b>				
Western	-	\$0	-	-
Central	-	\$0	73	2,040
Eastern	-	\$0	-	-
<b>Eagle Ford Shale</b>	<b>-</b>	<b>\$0</b>	<b>73</b>	<b>2,040</b>
<b>Conventional</b>	<b>153</b>	<b>\$3,653</b>	<b>124</b>	<b>2,753</b>
<b>Proved Developed Non Producing</b>	<b>153</b>	<b>3,653</b>	<b>197</b>	<b>4,793</b>
<b>Proved Undeveloped</b>				
Western	8,148	\$155,941	10,529	212,119
Central	1,128	\$16,623	3,822	61,427
Eastern	-	\$0	3,493	73,861
<b>Eagle Ford Shale</b>	<b>9,276</b>	<b>\$172,564</b>	<b>17,844</b>	<b>347,408</b>
<b>Conventional</b>	<b>731</b>	<b>\$7,253</b>	<b>744</b>	<b>6,590</b>
<b>Proved Undeveloped</b>	<b>10,008</b>	<b>179,817</b>	<b>18,588</b>	<b>353,998</b>
<b>Total Proved</b>				
Western	13,236	\$334,390	17,131	389,144
Central	1,207	\$20,204	5,470	125,549
Eastern	-	\$0	4,892	128,944
<b>Eagle Ford Shale</b>	<b>14,443</b>	<b>\$354,594</b>	<b>27,493</b>	<b>643,638</b>
<b>Conventional</b>	<b>3,781</b>	<b>\$73,470</b>	<b>3,490</b>	<b>62,183</b>
<b>Total Proved</b>	<b>18,224</b>	<b>428,065</b>	<b>30,983</b>	<b>705,821</b>
<b>Probable Undeveloped</b>				
Western	636	\$9,244	3,840	71,966
Central	6,515	\$53,481	7,463	64,913
Eastern	-	\$0	949	16,963
<b>Eagle Ford Shale</b>	<b>7,151</b>	<b>\$62,724</b>	<b>12,253</b>	<b>153,842</b>
<b>Conventional</b>	<b>-</b>	<b>\$0</b>	<b>-</b>	<b>-</b>
<b>Probable Undeveloped</b>	<b>7,151</b>	<b>62,724</b>	<b>12,253</b>	<b>153,842</b>
<b>Proved &amp; Probable</b>				
Western	13,872	\$343,634	20,971	461,110
Central	7,722	\$73,684	12,933	190,462
Eastern	-	\$0	5,841	145,908
<b>Eagle Ford Shale</b>	<b>21,594</b>	<b>\$417,319</b>	<b>39,746</b>	<b>797,479</b>
<b>Conventional</b>	<b>3,781</b>	<b>\$73,470</b>	<b>3,490</b>	<b>62,183</b>
<b>Proved &amp; Probable</b>	<b>25,375</b>	<b>\$490,789</b>	<b>43,236</b>	<b>859,663</b>
<b>Possible Undeveloped</b>				
Western	-	\$0	-	-
Central	-	\$0	-	-
Eastern	-	\$0	4,871	92,513
<b>Eagle Ford Shale</b>	<b>-</b>	<b>\$0</b>	<b>4,871</b>	<b>92,513</b>
<b>Conventional</b>	<b>-</b>	<b>\$0</b>	<b>-</b>	<b>-</b>
<b>Possible Undeveloped</b>	<b>0</b>	<b>0</b>	<b>4,871</b>	<b>92,513</b>
<b>Proved, Probable &amp; Possible</b>				
Western	13,872	\$343,634	20,971	461,110
Central	7,722	\$73,684	12,933	190,462
Eastern	-	\$0	10,712	238,421
<b>Eagle Ford Shale</b>	<b>21,594</b>	<b>\$417,319</b>	<b>44,617</b>	<b>889,993</b>
<b>Conventional</b>	<b>3,781</b>	<b>\$73,470</b>	<b>3,490</b>	<b>62,183</b>
<b>Proved, Probable &amp; Possible</b>	<b>25,375</b>	<b>\$490,789</b>	<b>48,107</b>	<b>952,176</b>

## **Footnotes:**

### **Reserves Reporting:**

*Pursuant to ASX Listing Rules ("LR") the reserves information in this document:*

- (i) is effective as at 1 January, 2015 (LR 5.25.1)*
- (ii) has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)*
- (iii) is reported according to the Company's economic interest in each of the reserves and net of royalties (LR 5.25.5)*
- (iv) has been estimated and prepared using the deterministic method (LR 5.25.6)*
- (v) has been estimated using a 6:1 BOE conversion ratio for gas to oil, pursuant to the information in the disclaimer section of this document (LR 5.25.7)*

### **Other Reserves Information:**

*Lonestar operates most of its properties which are generally held by standard oil and gas lease arrangements. Detailed information on the operator and lease arrangements is disclosed in the Company announcement related to the initial acquisition of properties. The Company's working interest ownership (WI%) and net-revenue interest ownership (NRI%) in relation to each of its properties are generally included in the Company's presentations which are available on the ASX or the Company's websites. Well spacing assumptions and lateral length assumptions are generally included in the Company's presentations as is additional information on capital cost and taxation assumptions. In accordance with ASX LR 5.43 the Company confirms that it is not aware of any new information or data that materially affects the reserves information included in previous Company announcements including as to material assumptions and technical parameters underpinning the estimates, other than as set out in this announcement.*

### **Qualified Petroleum Reserves and Resources Evaluators:**

*In accordance with ASX Listing Rules 5.41 and 5.42:*

*The reserve reporting provided in this document in relation to the Company's Eagle Ford Shale properties is based on and fairly represents information and supporting documentation that has been prepared by Mr. William D. Von Gonten, Jr., P.E., and Mr. Taylor D. Matthes, P.E. who are employed by W. D. Von Gonten & Co Petroleum Engineering. Mr. Von Gonten holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M University and Mr. Matthes holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M University. Both of these persons are Registered Texas Professional Engineers. Mr. Von Gonten has 24 years of experience as a Petroleum Engineer and Mr. Matthes has more than 5 years of experience as a Petroleum Engineer. Both of these persons are members of the Society of Petroleum Engineers. Messrs. Von Gonten and Matthes have consented to the inclusion in this document of the information and context in which it appears.*

*The reserve reporting provided in this document in relation to the Company's Conventional properties is based on and fairly represents information and supporting documentation that has been prepared by Mr. William M. Kazmann who is President and Senior Partner La Roche Petroleum Consultants, Ltd. Mr. Kazmann received his Bachelor of Science and Master of Science degrees in Petroleum Engineering from the University of Texas at Austin in 1973 and 1975 respectively. He has worked in the oil and gas industry since that time. Mr. Kazmann is a Licensed Professional Engineer in the State of Texas and is a member of the American Association of Petroleum Geologists, Society of Petroleum Engineers, Society of Independent Professional Earth Scientists (serving as National Director from 1993 to 1996 and National Treasurer in 1994 and 1995),*

*Dallas Geological Society, and Dallas Petroleum Club (serving as Director from 2004 through 2006). Mr. Kazmann has consented to the inclusion in this document of the information and context in which it appears.*

**Commodity Pricing Used:**

*Lonestar's reserves and PV-10 have been estimated using index prices determined in accordance with US SEC pricing guidelines for oil and natural gas, without giving effect to derivative transactions, and were held constant throughout the life of the properties. The unweighted arithmetic averages of the first-day-of-the-month prices for the year ended December 31, 2014 were \$94.99 per bbl for oil and \$4.35 per mmbtu for natural gas and for the year ended December 31, 2013 were \$96.94 bbl for oil and \$3.66 per mmbtu for natural gas. These prices were adjusted by lease for quality, energy content, regional price differentials, transportation fees, marketing deductions and other factors affecting the price received at the wellhead.*

**Reserves Cautionary Statement:**

*Hydrocarbon reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future earnings are, by nature, forward looking statements and subject to the same risks as other forward looking statements.*

**Other Definitions:**

*"BOE" is barrel of oil equivalent. For purposes of computing such units, a conversion rate of 6,000 cubic feet of natural gas to one barrel of oil equivalent (6:1) is used. The conversion ratio of 6:1 is based on an energy equivalency conversion method which is primarily applicable at the burner tip and does not represent value equivalence at the wellhead.*

*"MMBOE" is million barrels of oil equivalent.*

*"MBOE" is thousand barrels of oil equivalent.*

*"Mbbls" is thousand barrels of oil or NGL's.*

*"MMcf" is million cubic feet of natural gas.*

*"Net Revenue" is calculated net of royalties, production taxes, lease operating expenses, and capital expenditures, before Federal Income Taxes.*

*"PV-10" or "NPV10" is defined as the future Net Revenues of the Company's Proved or Probable Reserves, discounted at 10% per annum. The estimated future net revenue values do not necessarily represent the fair market value of Lonestar's reserves.*