

Lodestone Exploration Limited

**- soon to become –
Lodestone Energy Limited**

Presentation –26th June 2009

New Direction

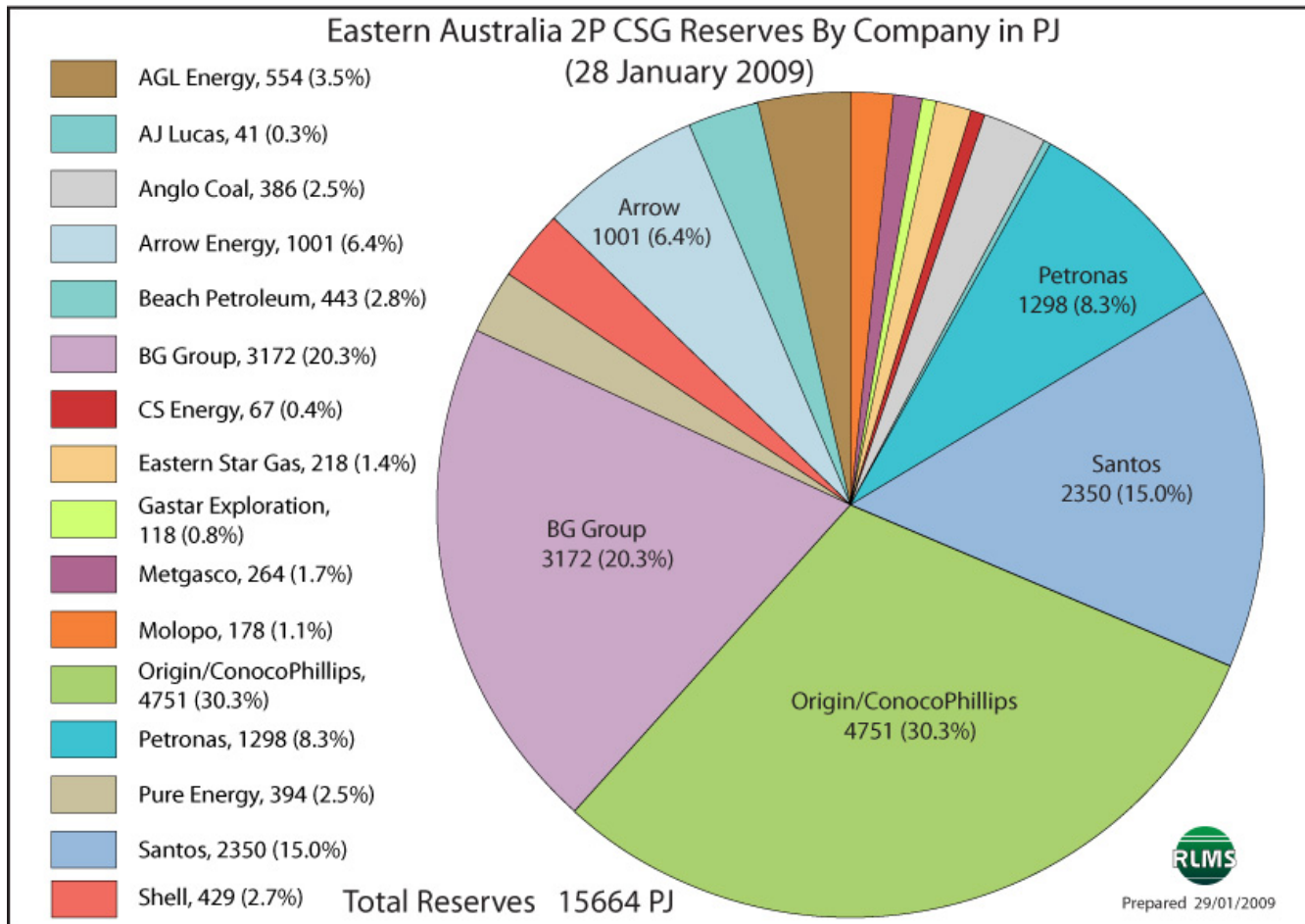
Lodestone Exploration Limited is a Queensland company listed on the ASX originally focused upon the exploration for minerals in Queensland. Lodestone has now expanded its focus to include coal and coal seam gas (CSG) in Queensland.

During the past 18 months there has been rapidly growing interest in the development of an export LNG industry based on local CSG production.

A number of competing export LNG plant proposals have also been announced between Queensland companies and international companies.

Lodestone's Objective

To build an energy business supplying coal seam gas and lower carbon emission coals from its Walloon Coal projects to domestic and export markets.



New Board and Management

To initiate the shift in focus, the Lodestone board and management have been restructured to include people with a greater strength in coal, coal seam gas, exploration and development.

Chairman	<i>Martin Ackland</i>
Directors	<i>Greg Baynton</i>
	<i>John McCawley</i>
	<i>Bill Stubbs *</i>
	<i>Lance Grimstone *</i>
	<i>Grahame Baker *</i>
CEO	<i>Jeff Jamieson *</i>
Tambo Manager	<i>Bruce Patrick *</i>

Energy Credentials of the Board and Management

Martin Ackland - former advisory board member of Conoco Australia and former CEO of Southern Cross Resources Inc

Greg Baynton – founded Arrow Energy and targeted both Moreton Energy and Tambo areas

Bill Stubbs - former Chairman of Arrow Energy

Lance Grimstone - senior coal industry consultant formerly retained by the Board of Macarthur Coal Limited

Grahame Baker - senior consultant to the chemical, process and energy industries for technical, market and strategic advice.

Jeff Jamieson - coal consultant of 28 years coal experience

Bruce Patrick – 32 years experience in management of exploration, mine development and production

Lodestone's Energy Prospects

Tambo Coal & Gas farm-in

- The ink is barely dry on the farm-in with Tambo Coal and Gas
- Lodestone will earn 50% by farming-in to the 7 EPCs and 1 EPP held by Tambo Coal & Gas
- As a result of Lodestone work, both parties have jointly pegged a number of additional EPCs
- ATP1020 is granted and offers for the EPCs have commenced

Moreton Energy farm-in

- Lodestone will earn 50% by farming-in (signed in July 08) to the 3 EPCs held by Moreton Energy
- As a result of Lodestone work, both parties are confident that a surgical mining operation can be established. An additional EPC application has been pegged
- All three EPCs are granted

Tambo Energy Prospect

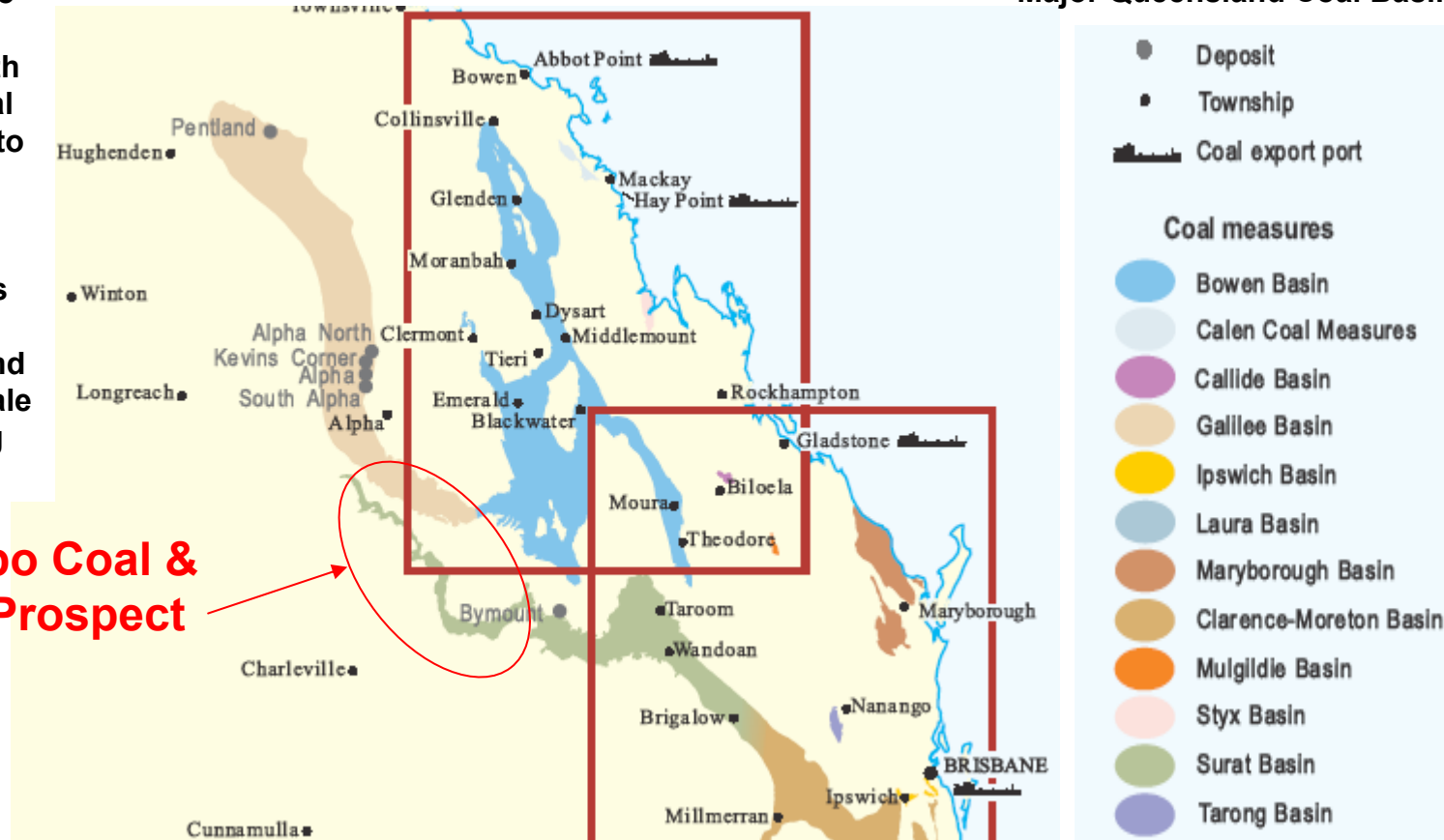
A Unique, One-Owner, Integrated Coal and Gas Prospect

Located in the Upper Surat Basin near Tambo with access to the rail and port infrastructure for both LNG and thermal coal markets, in addition to potential domestic users.

Lodestone envisages that early coal seam gas revenues will fund an eventual large scale open cut coal mining operation.

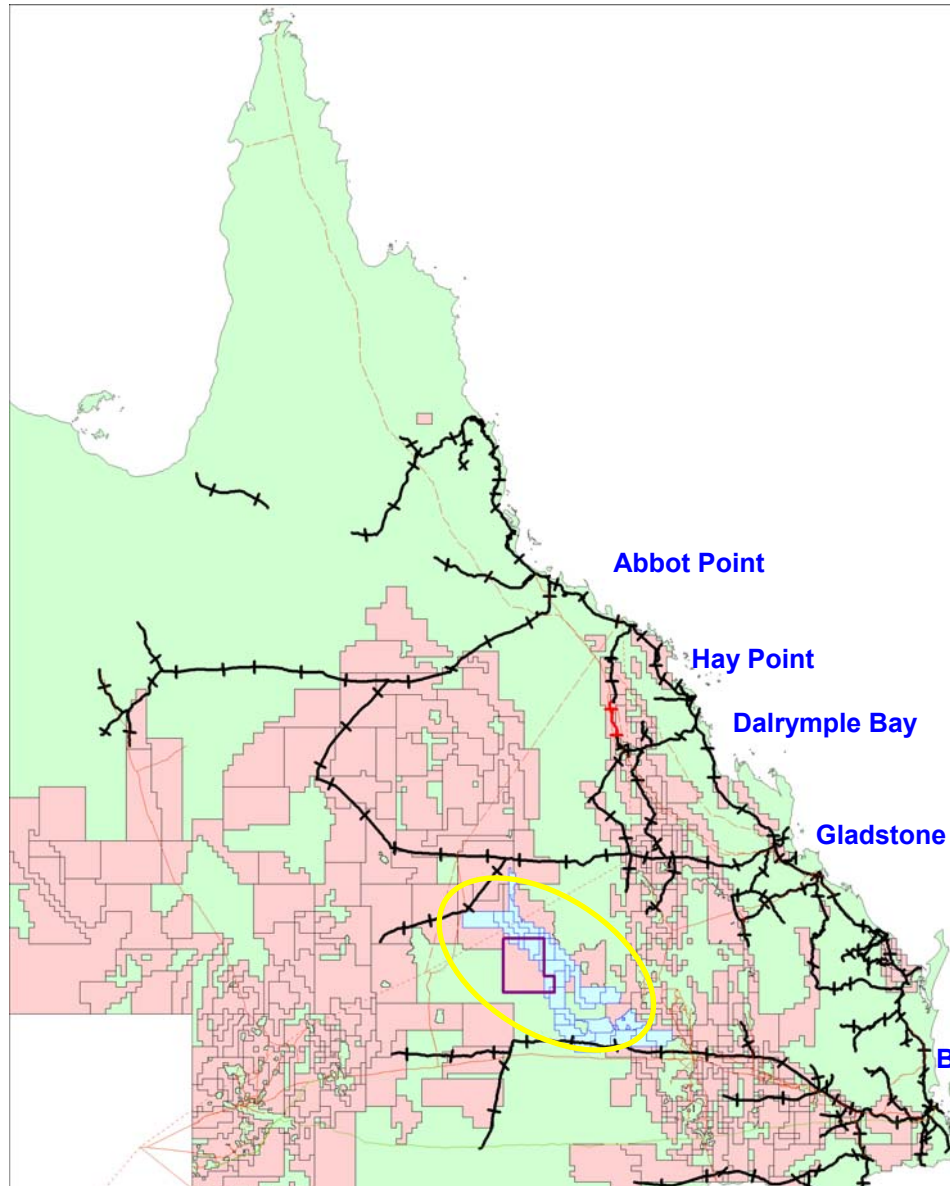
Tambo Coal & Gas Prospect

Major Queensland Coal Basins



It's a Fair Chunk of Queensland

The large coal acreage provides the company with the chance to achieve the critical mass of resources to generate a large enough coal mining project to fund the necessary investment in infrastructure.



- Gas Pipeline
- Gas Pipeline - proposed
- Oil Pipeline
- Rail
- Abbot Point Coal Export Port
- Gas Tenements
- Tambo Gas Tenements
- Tambo Coal Tenements

Tambo Energy Tenements



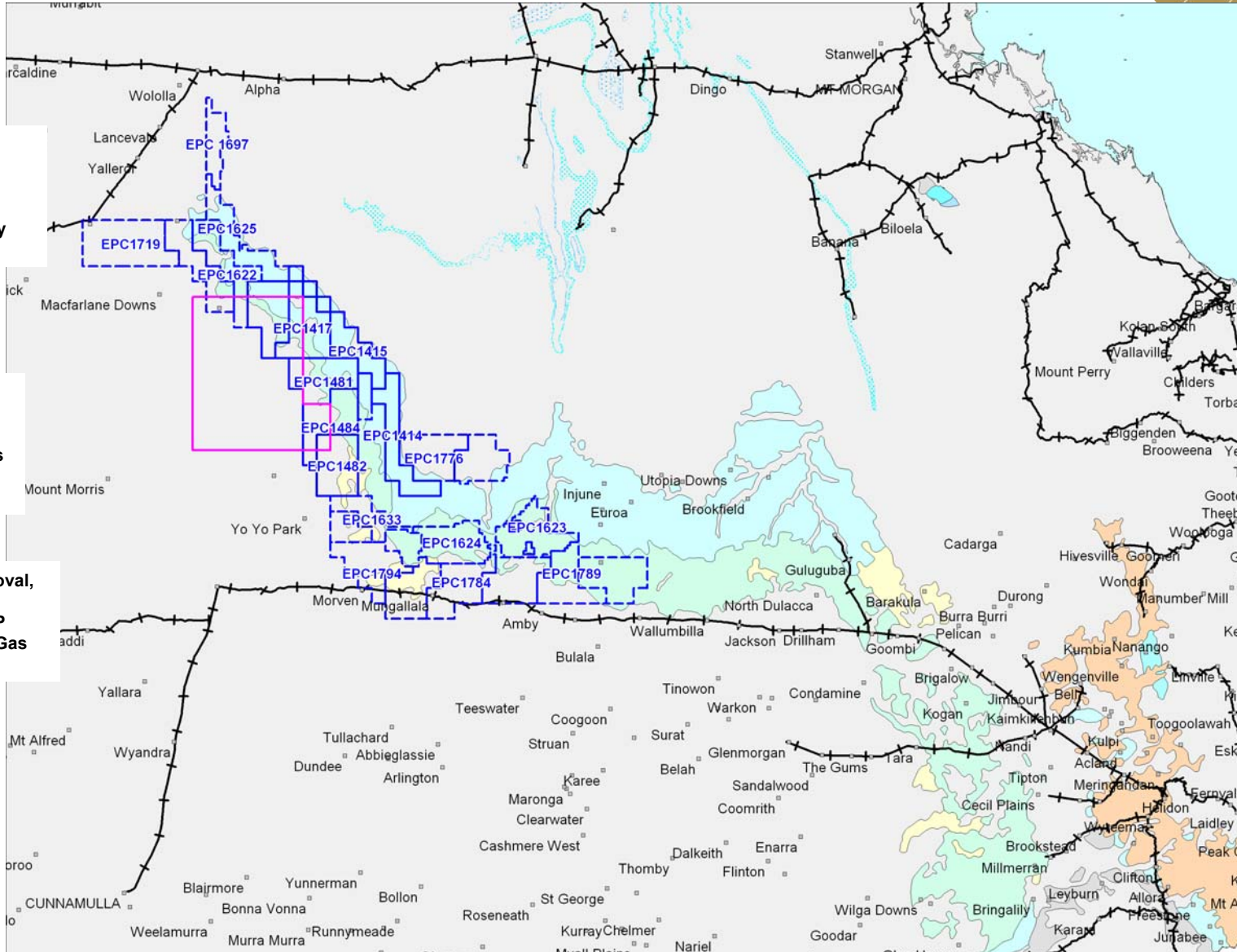
Subject to shareholder approval, a Lodestone subsidiary has farmed-in to earn 50% of EPCs 1414-15, 1417-18, 1481-2, 1484 held by Tambo Coal & Gas Pty Ltd



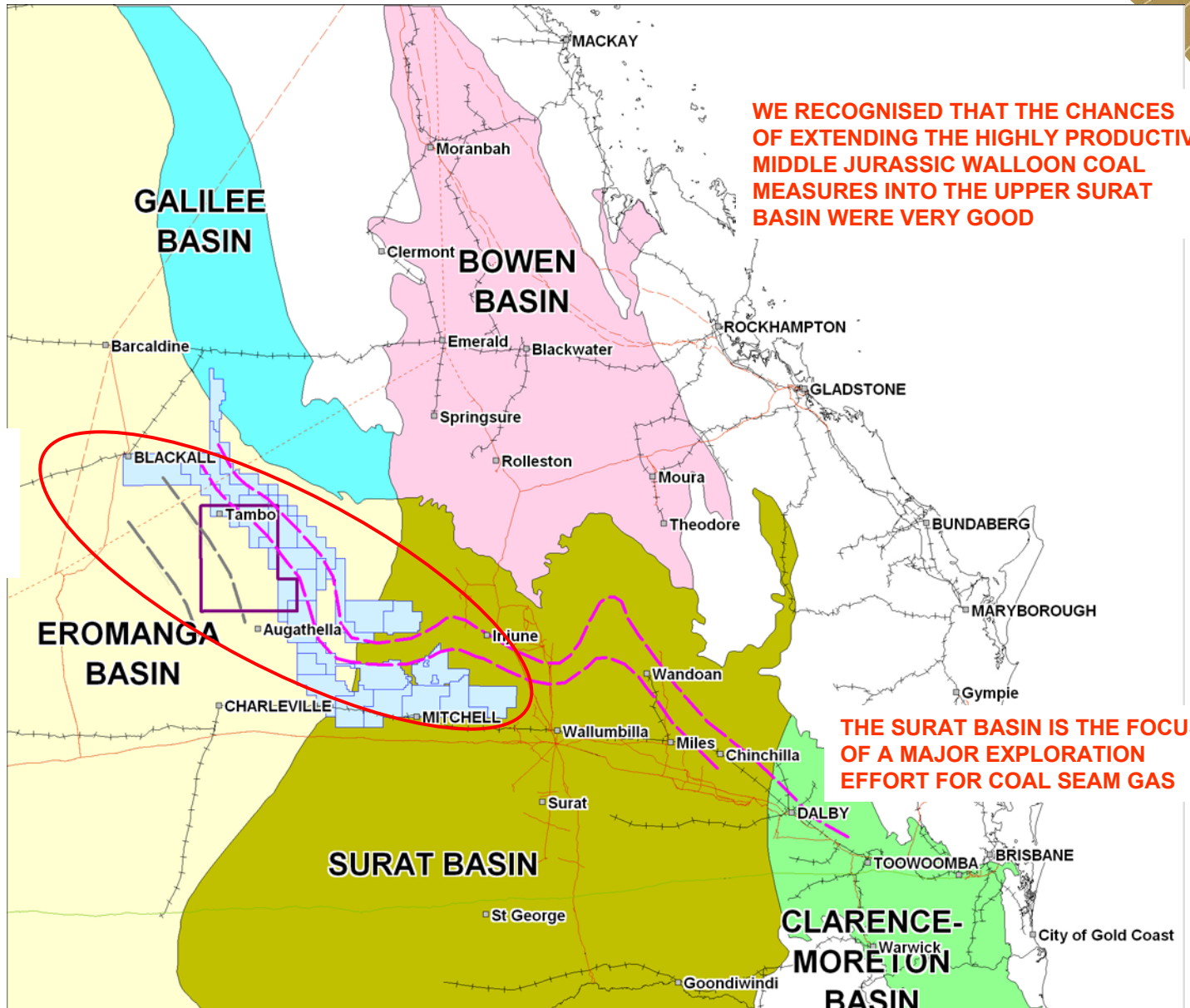
EPCs 1621-7, 1632-3, 1644, 1697, 1719, 1776-7, 1784, 1786, 1788-9, 1794-5 held jointly by Tambo Coal & Gas Pty Ltd and Lodestone Exploration Ltd



Subject to shareholder approval, a Lodestone subsidiary has farmed-in to earn 50% of EPP 1020 held by Tambo Coal & Gas Pty Ltd



A New Coal and CSG Frontier?

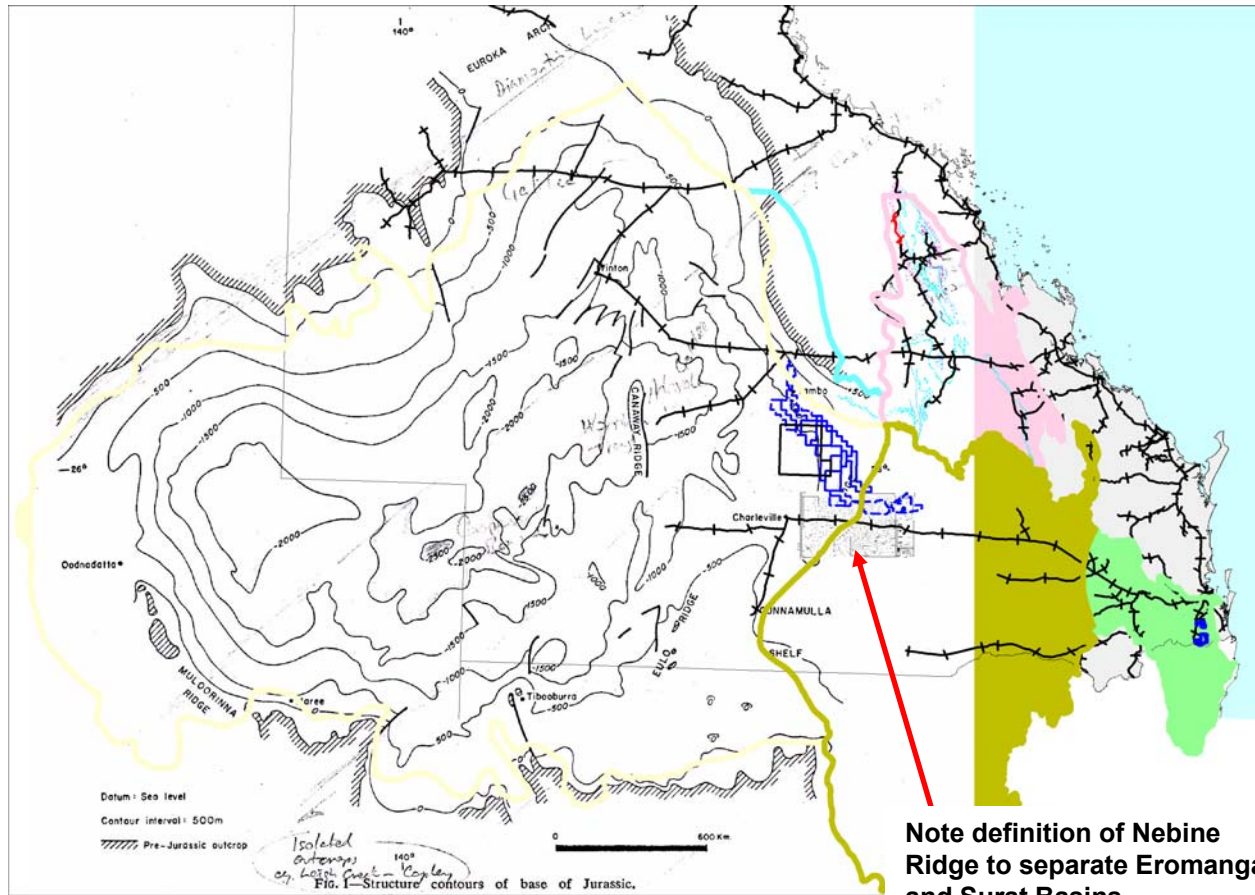


WE RECOGNISED THAT THE CHANCES OF EXTENDING THE HIGHLY PRODUCTIVE MIDDLE JURASSIC WALLOON COAL MEASURES INTO THE UPPER SURAT BASIN WERE VERY GOOD

AS A RESULT, A NEW FRONTIER COAL AND GAS BASIN COULD EMERGE.

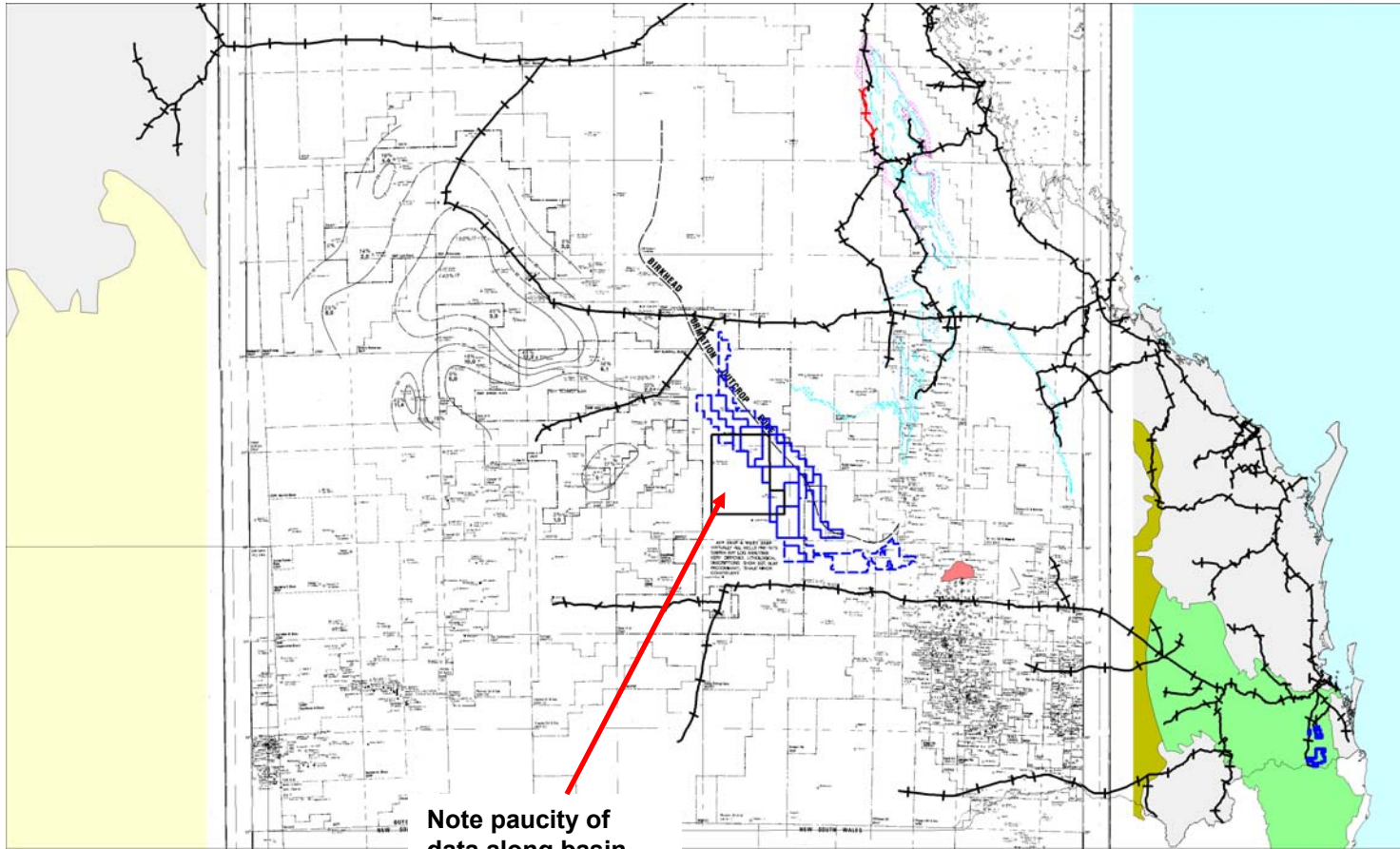
THE SURAT BASIN IS THE FOCUS OF A MAJOR EXPLORATION EFFORT FOR COAL SEAM GAS

30 Years Ago



State of knowledge 30 years ago – Structure contours of base of Jurassic.

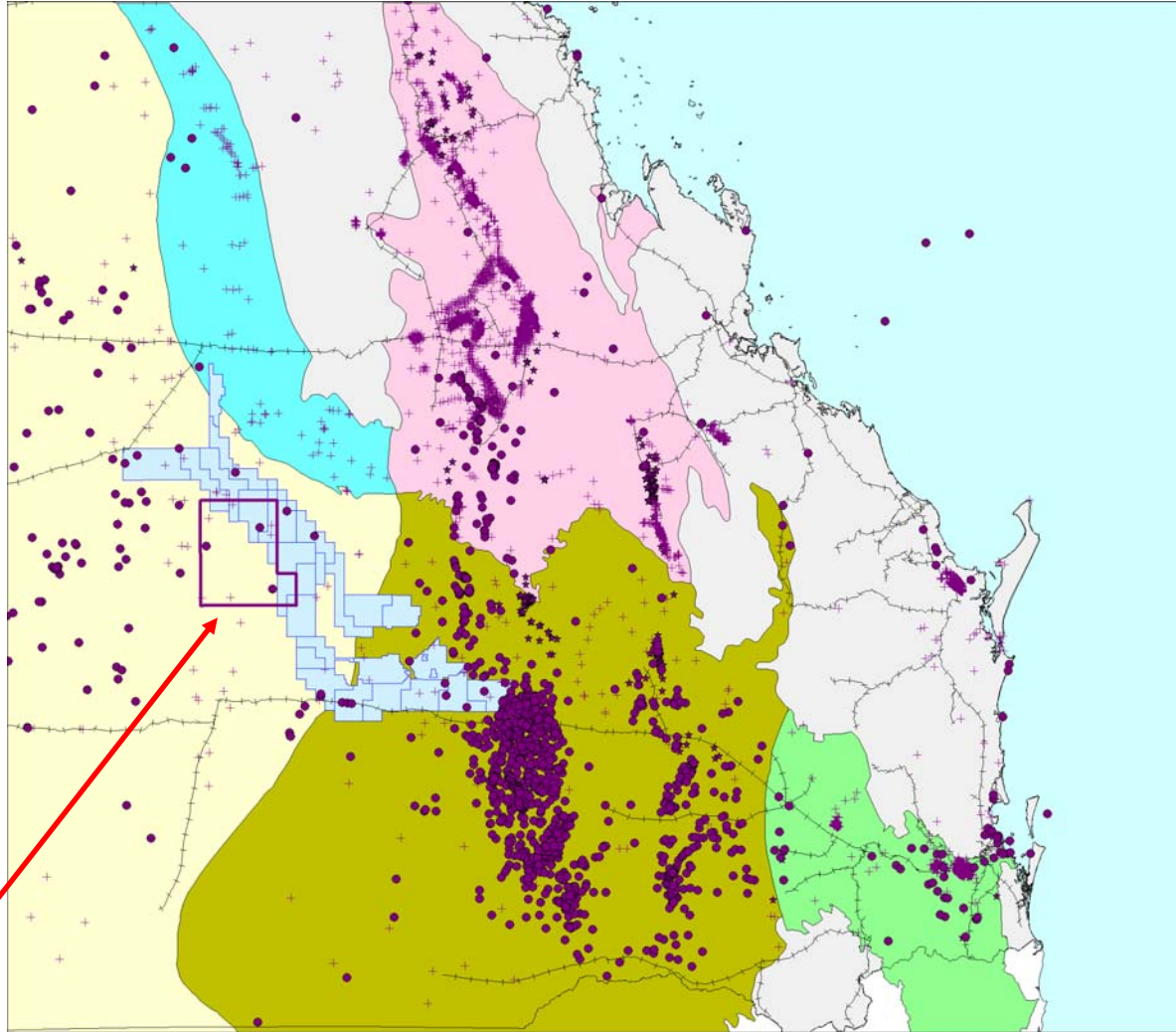
20 Years Ago



Note paucity of data along basin margins between Tambo and Mitchell

State of knowledge of Birkhead Formation 20 years ago

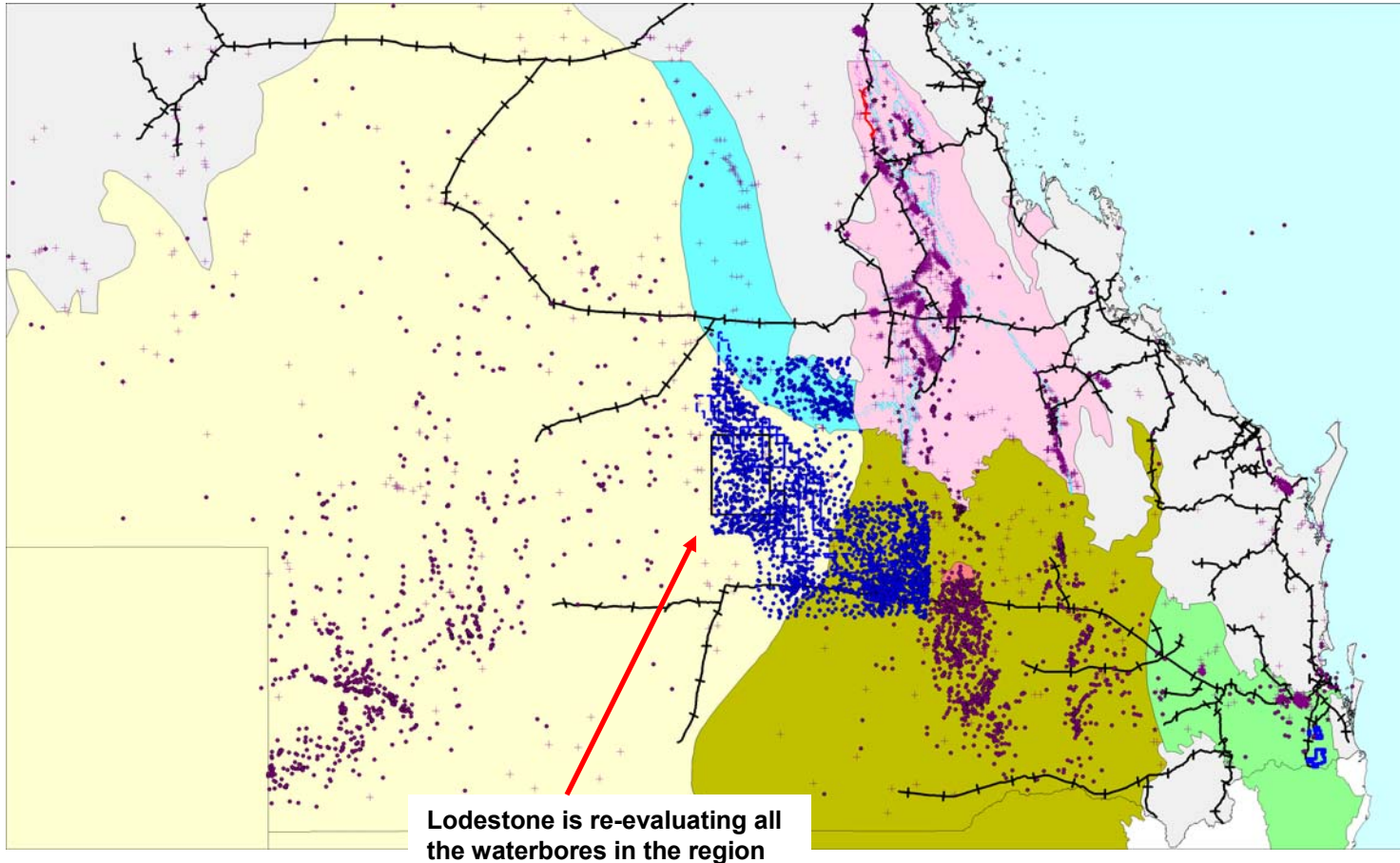
Everybody Else Today



Note paucity of data
still remains along
basin margins between
Tambo and Mitchell

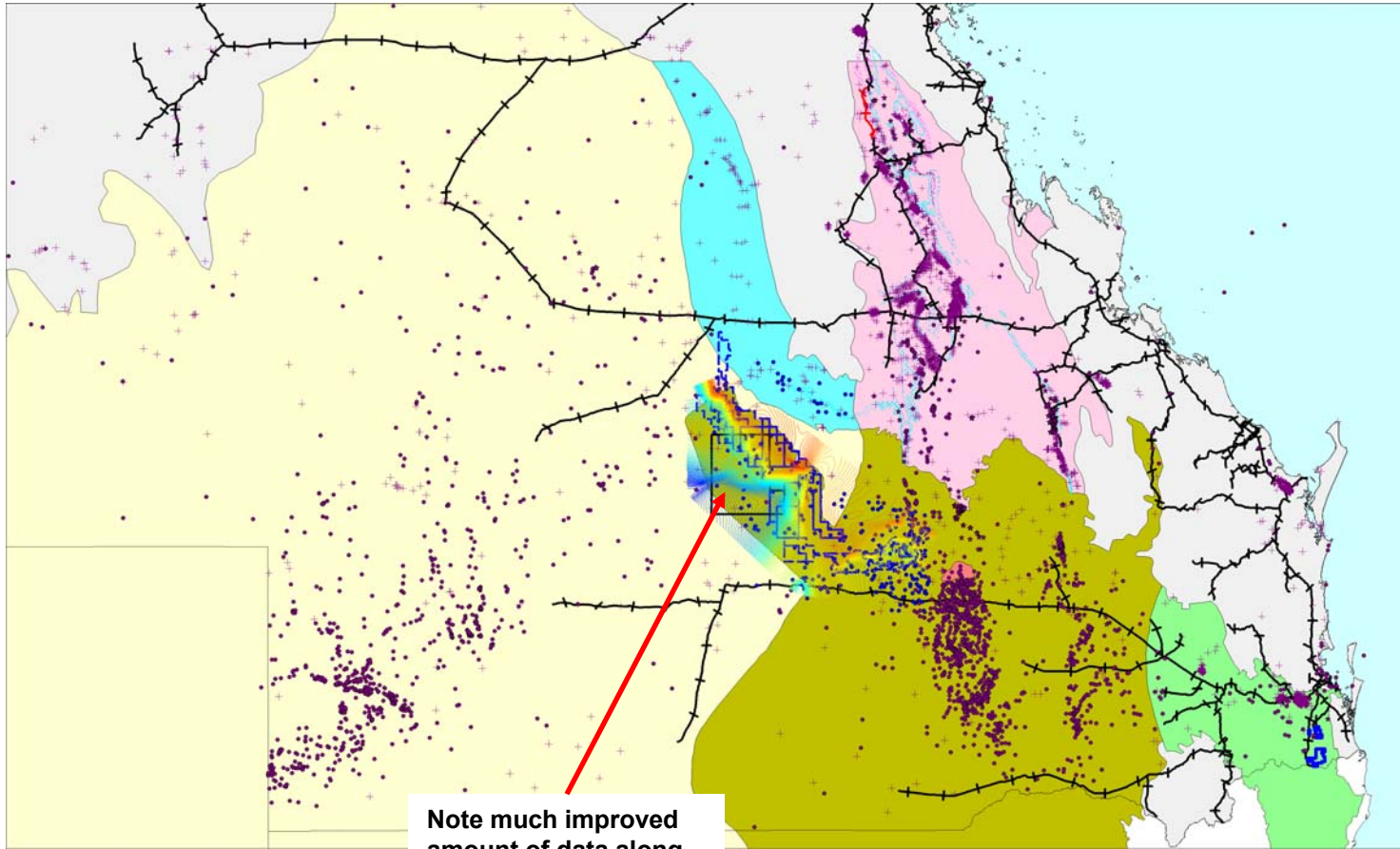
Public domain state of knowledge of Birkhead Formation today

Lodestone Applied Its Grey Matter



Lodestone the state of knowledge today – All waterbores

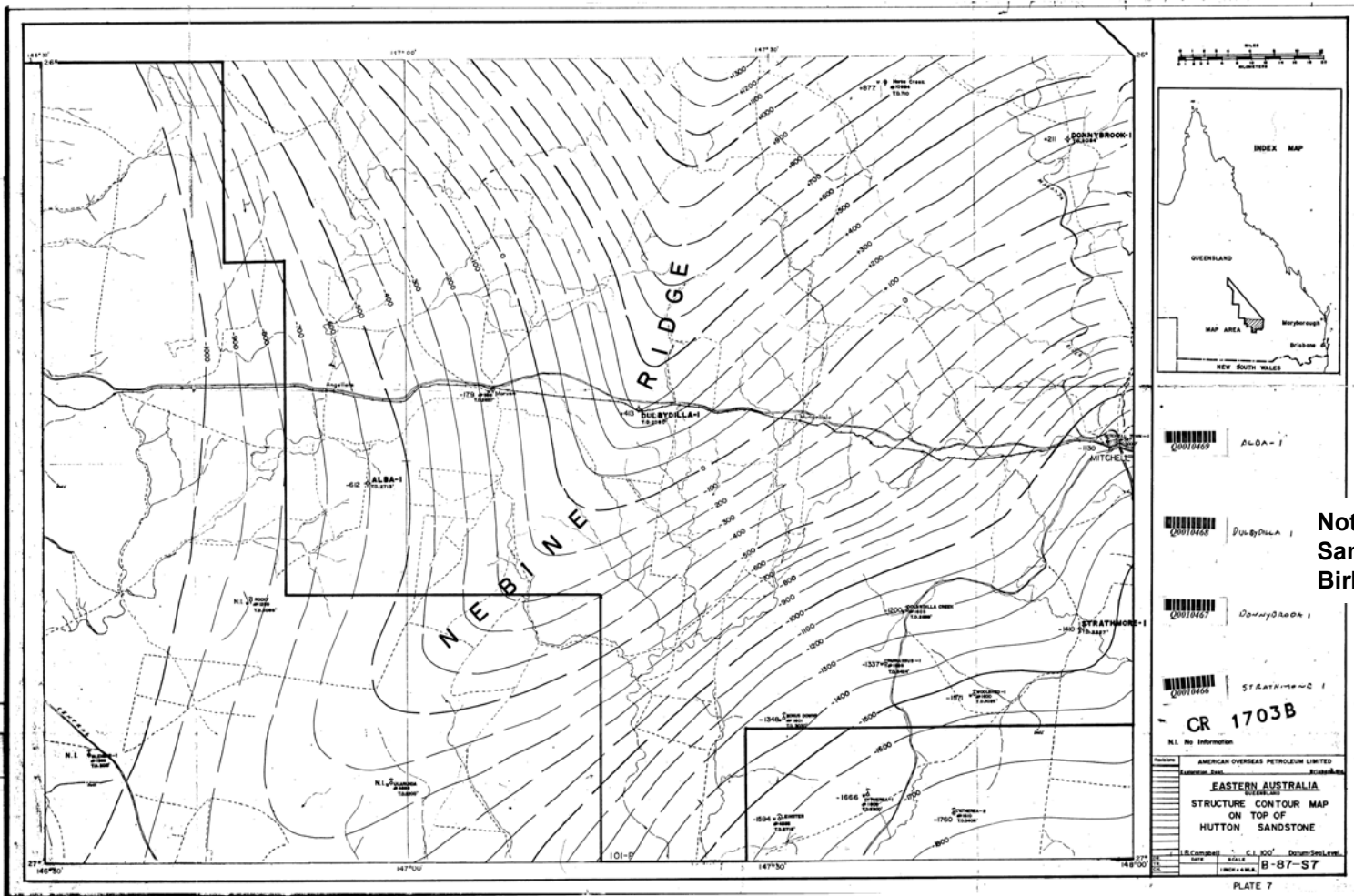
Lodestone Today



Note much improved amount of data along basin margins between Tambo and Mitchell

Lodestone state of knowledge today – holes with coal-rich intervals only

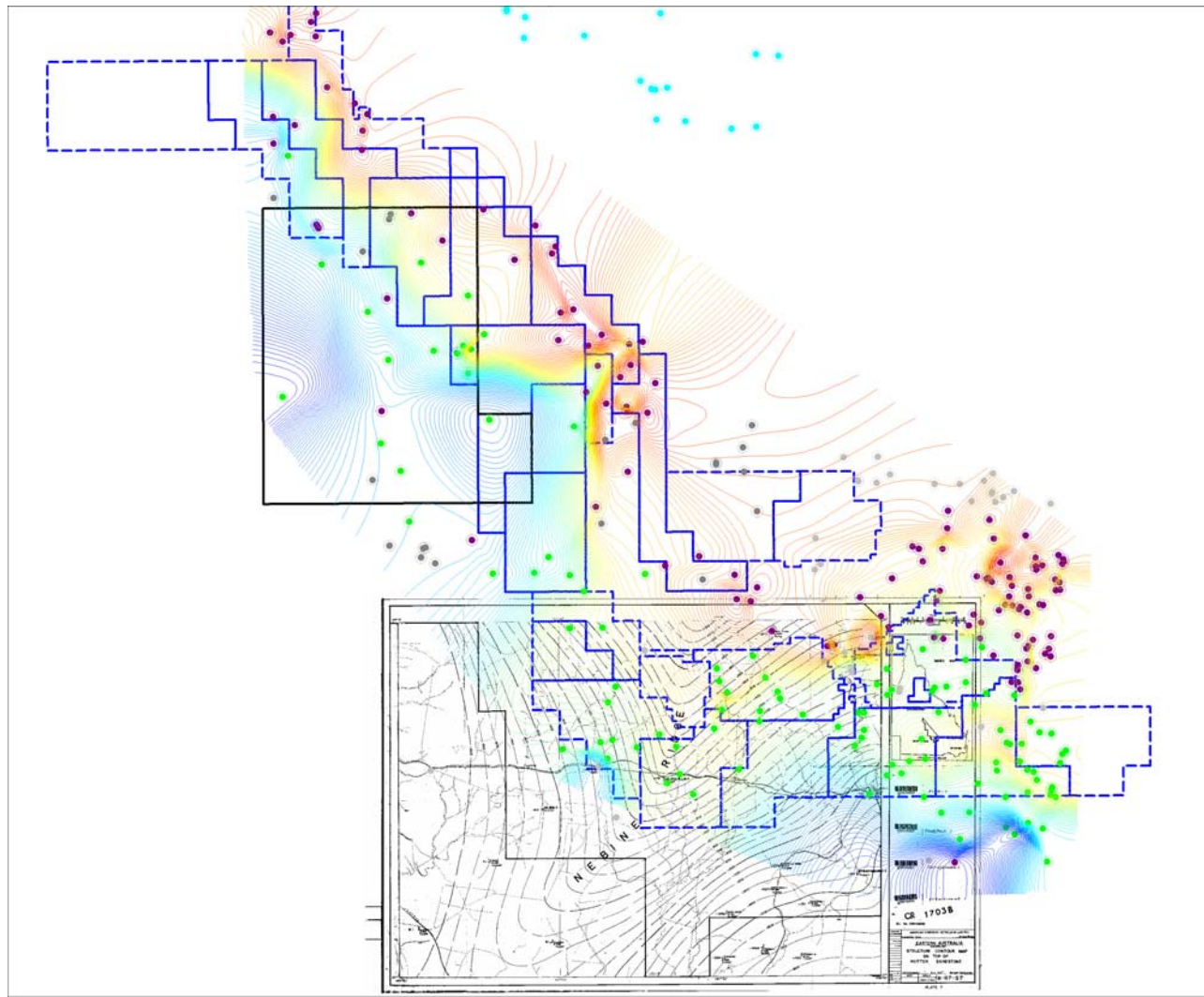
The Nebine Ridge Then



Note top of Hutton Sandstone is Base of Birkhead Formation

DEFINITION OF THE NEBINE RIDGE

The Nebine Ridge Today



Note top of Hutton Sandstone is Base of Birkhead Formation

Nebine Ridge in much higher definition

What Maintains Our Excitement?

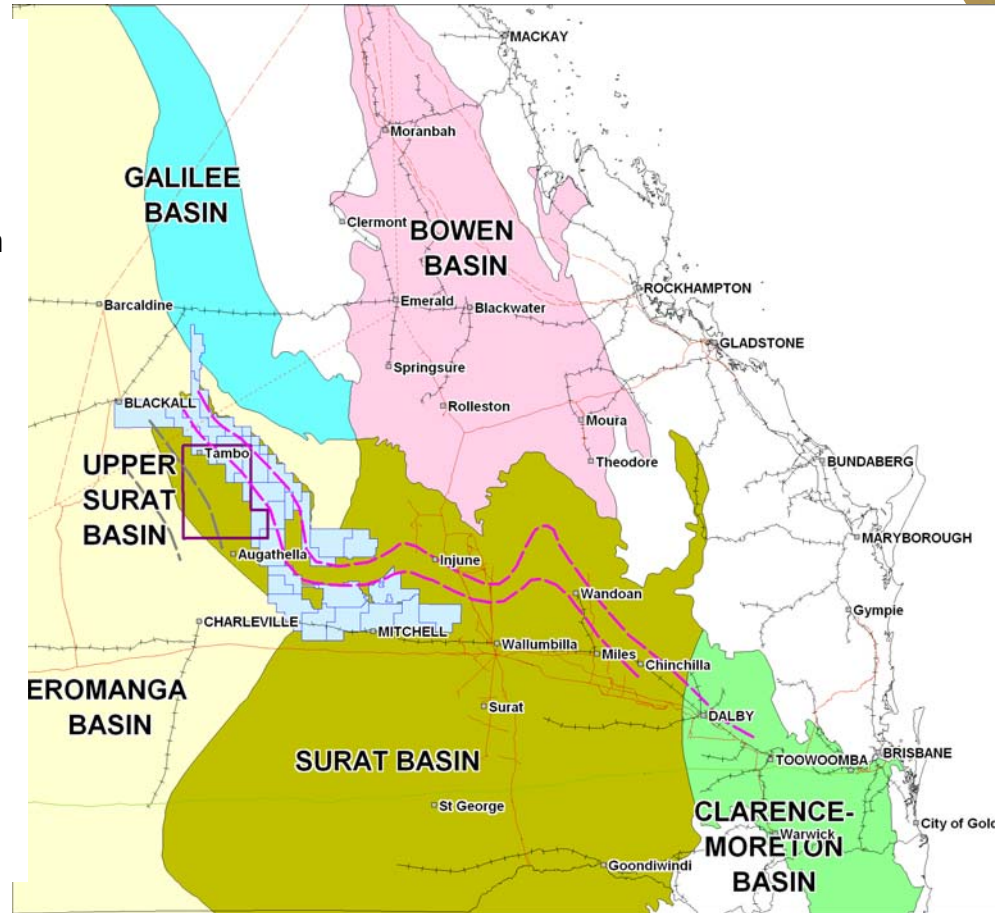
The recognition of coal seam gas as a valued energy resource has altered the economic landscape in Queensland.

Lodestone has therefore dared to question the conventional wisdom that the prospective Walloon Coal Measures thin westward across the Nebine Ridge and grade laterally into the Birkhead Formation.

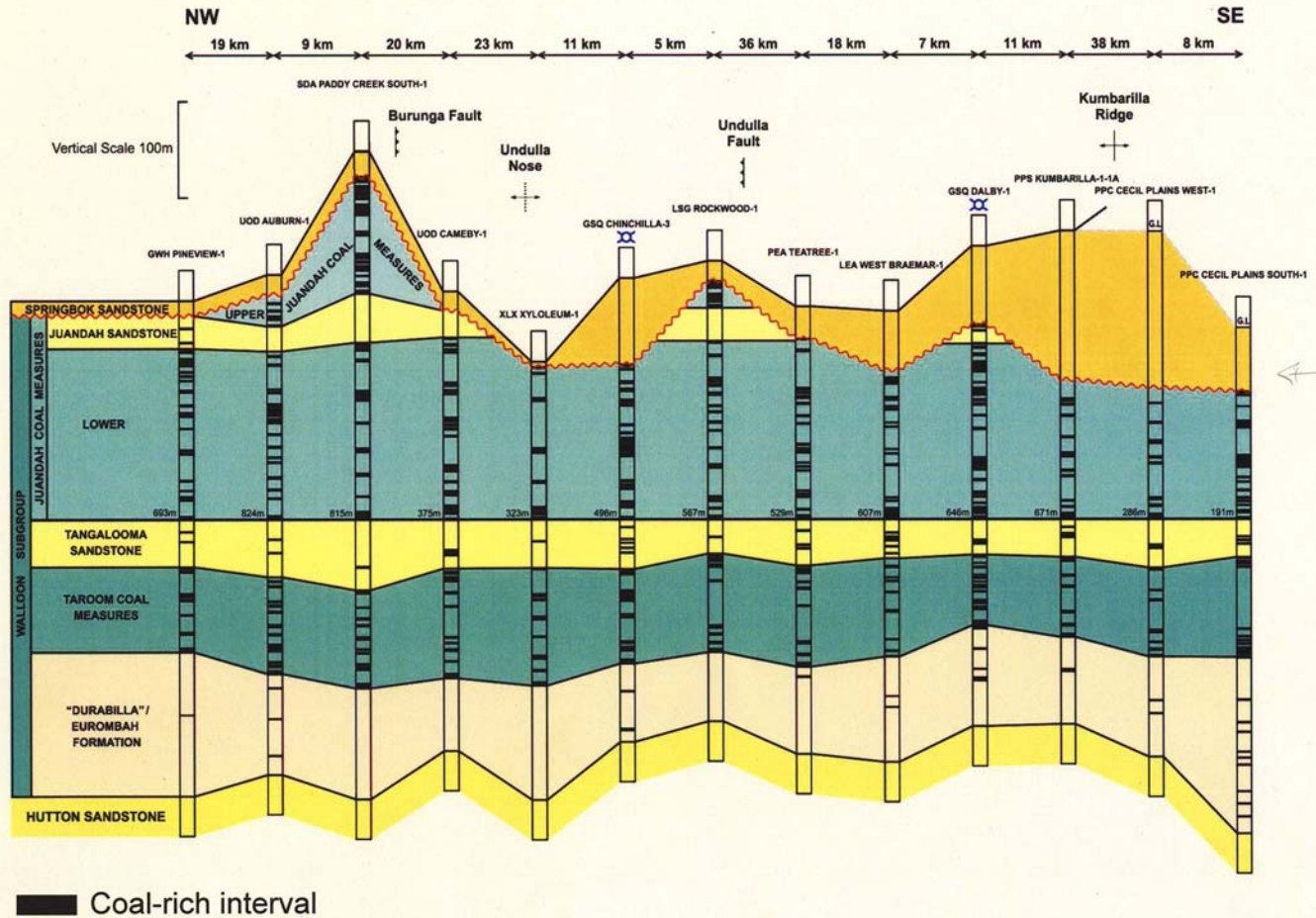
Its work has brought to light numerous significant coal intersections in waterbores across the tenements which are clearly much higher in the sequence than the Birkhead Formation.

Lodestone considers that they demonstrate the presence of a hitherto unrecognised Upper Walloon sequence (the Juandah Coal Measures).

The Company is also encouraged by the significant thicknesses of coal rich intervals reported from both Upper and Lower Walloons.



Our Job Going Forward



EXTEND THIS STRATIGRAPHY WESTWARD



Our Target

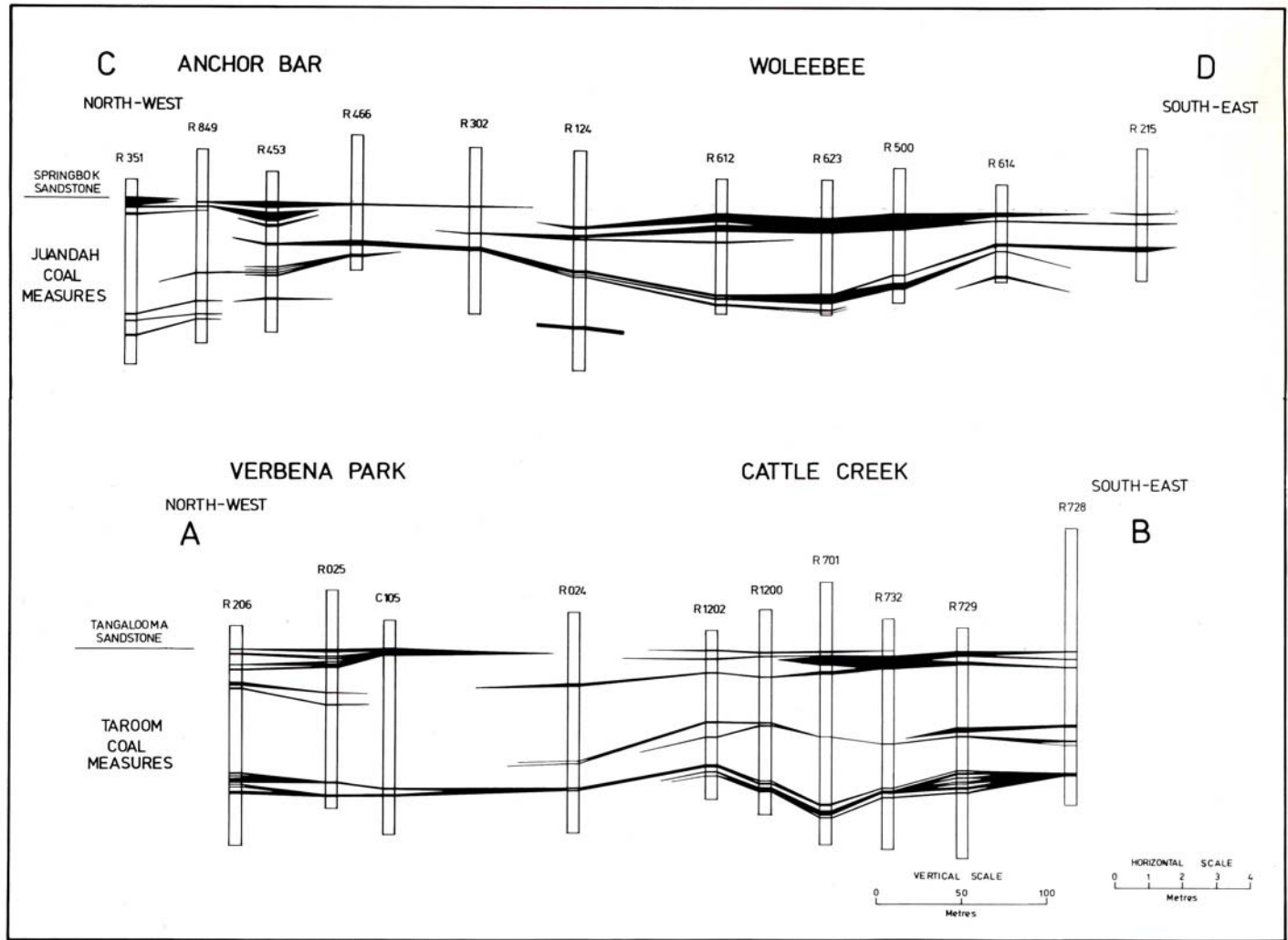


Fig. 3. Lateral seam development.

STYLE OF DEPOSIT MEANS THAT NETT COAL THICKNESS CAN VARY RAPIDLY

Lodestone Exploration Limited

END OF SLIDE SHOW

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