

PLACEMENT COMPLETED

9 July 2010

LODESTONE ENERGY LIMITED (ASX: LOD) is pleased to announce the completion of a placement of \$3.3 million to sophisticated investors, led by strategic investor Square Resources Pty Ltd.

The placement, priced at \$0.08 per share will provide total proceeds of \$3.3 million, and will result in the issue of 41,250,000 new shares, expected to occur on or before 14 July 2010 subject to receipt of cleared funds.

The placement proceeds will fund the recommencement of the exploration program for the Tambo Coal & Gas Project along with related project expenditures and general corporate overheads. The drilling program at the Tambo Project will recommence as soon as possible, with an initial shallow-target coal exploration program due to commence as soon as access arrangements are finalised.

The \$3.3 million placement follows the appointment of Mr Staffan Ever as CEO of Lodestone and the approval of the acquisition of Tambo Coal & Gas Pty Ltd and Moreton Energy Pty Limited by the Company's shareholders last week.

Square Resources contributed one-third of the current placement and previously undertook a strategic investment in Lodestone Energy during December 2009. Staffan Ever, CEO of Lodestone, is also a Director of Square Resources.

The new shares issued under the placement arrangements will represent 6.7 per cent of the issued capital of the Company immediately following the issue of shares in relation to the acquisition of Tambo Coal & Gas and Moreton Energy approved by shareholders on 29 June 2010.

Ends

Further information:

Staffan Ever
Chief Executive Officer
Lodestone Energy Limited
Mobile: 0417 793 453

Greg Baynton
Director
Lodestone Energy Limited
Mobile: 0414 970 566