

**Date:** 4 February 2011

**To:** Australian Securities Exchange  
Companies Announcement Office  
Electronic Lodgment System

Dear Sir,

**UNLISTED OPTIONS CANCELLED**

**Lodestone Energy Limited (ASX:LOD)** advises that 501,000 unlisted options exercisable at between 20 and 25 cents each have expired.

After the cancellation of these options, Lodestone has the following unlisted options on issue:

Number of Options	Expiry Date	Exercise Price
9,000,000	15/05/2011	20 cents
1,900,000	26/06/2011	7 cents
11,000,000	26/06/2011	20 cents

In addition to the unlisted options, Lodestone also has Performance Rights on issue as follows:

- a) 2,000,000 which have vested
- b) 7,250,000 subject to vesting conditions.

Yours faithfully,



Leni Stanley  
Company Secretary