AMADEUS
ENERGY LIMITED
ABN 36 058 714 408

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AMADEUS AND LONESTAR AGREE TO CREATE A LEADING ASX-LISTED, US-FOCUSED OIL AND GAS COMPANY

Amadeus Energy Limited (ASX: AMU) ("Amadeus" or the "Company") is pleased to announce that it has entered into a binding sale and purchase agreement ("SPA") to acquire UK-based Ecofin Energy Resources Plc ("EER"), the holding company for Texas-based Lonestar Resources, Inc. ("Lonestar"), from its controlling shareholder Ecofin Water & Power Opportunities plc ("Ecofin") and EER's other minority investors.

Subject to approval by Amadeus shareholders, the combination will create a leading ASX-listed mid-cap oil and gas company with a portfolio of US onshore conventional and unconventional assets, including material exposure to the Eagle Ford and Barnett Shales in Texas, as well as acreage prospective for the Bakken / Three Forks formations in the Williston Basin, Montana.

Amadeus Chairman Craig Coleman said:

"We are delighted to announce this exciting transaction, which combines Amadeus' low-risk conventional oil and gas portfolio and strong balance sheet, with Lonestar's high growth unconventional assets focused on the Eagle Ford Shale."

"Lonestar's US-based management team brings extensive technical, operational and financial experience in running successful US oil and gas businesses in North America's most established energy basin with a growth focus on the Eagle Ford Shale."

"Overall, we believe this will create a company with a significantly more compelling investment proposition, including an attractive valuation relative to ASX-listed peers and the potential for substantial future earnings growth from both existing assets and new acquisitions."

Ecofin's Chief Investment Officer, Bernard Lambilliotte added:

"Lonestar has evolved rapidly under our stewardship and now has an enviable position in the most exciting unconventional oil and gas play in the USA. Combining with Amadeus will cement our position and enable the combined group to take advantage, in a measured way, of attractive opportunities to embark on an accelerated growth profile. Ecofin looks forward to participating in the next leg of value-creation from the strengthened business platform and management team that this transaction brings."

Level 11, 225 St Georges Terrace, Perth Western Australia 6000
PO Box 7778, Cloisters Square WA 6850 Telephone +61-8-9226 0222 Fax +61-8-9226 0333
www.amadeusenergy.com info@amadeus.net.au

Highlights

- Provides Amadeus shareholders with a significant increase in scale in terms of reserves, net acreage, production and earnings:
  - Pro-forma combined Proved ("1P") reserves as at 30 June 2012 of 12.7 mmboe and pro-forma combined Proved and Probable ("2P") reserves of 18.4 mmboe, with 65% of pro-forma 2P reserves being crude oil, condensate, and NGLs ("liquids");
  - An estimated net present value at 10% discount rate[1] ("PV10") for 1P reserves alone of US$229 million;
  - In addition to Amadeus' existing portfolio of conventional production assets, 5,093 net acres in the Eagle Ford Shale, 474 net acres in the Barnett Shale and 32,625 net acres in the Williston Basin;
  - Pro-forma combined average production of 2,887 boepd for the 3 months ended 30 September 2012, expected to increase to between 3,300-3,800 boepd in the year ending 31 December 2013[2]; and
  - Estimated pro-forma EBITDA[3] for year ending 31 December 2012 of US$26-29 million (excluding synergies or transaction costs), expected to increase to between US$43-55 million for the 12 months ending 31 December 2013.
- Operatorship of all unconventional and the majority of conventional assets.
- Successful engagement of a proven and experienced management team with extensive collective operating experience with publicly-listed North American oil and gas companies.
- The Company's balance sheet will be well positioned for future growth. Upon completion the Company will have modest levels of net debt, undrawn capacity in its debt facilities, and strong cash flow generation from the combination of Amadeus and Lonestar's existing production assets to fund future development and organic growth.
- Ecofin is a supportive major shareholder. Ecofin is a London Stock Exchange ("LSE") listed, specialist utilities and energy closed-end investment fund and intends to remain a major shareholder to participate in future value-creation. Ecofin is managed by Ecofin Limited, a US$1.3 billion global fund management company, specialising in energy, utilities and infrastructure.
- Transaction unanimously recommended by the Amadeus Board of Directors, and completion subject to limited conditions.
- Company to be renamed Lonestar Resources Limited upon completion, subject to shareholder approval.

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[1] PV10 is the net present value of future net revenue, after deductions for operating and capital expenses, production taxes and ad valorem taxes, but before corporate income tax and corporate overheads, using a real, pre-tax discount rate of 10%. Key assumptions upon which this estimate is based are set out in Appendix 1 (for Lonestar) and Appendix 2 (for Amadeus).

[2] Production estimates are annual averages.

[3] These financial measures are identified and defined below under "Non-GAAP Measures". EBITDA estimates for CY13 are based on Amadeus and Lonestar's current business plans and the assumptions set out in Appendix 3 of this announcement.

Transaction Details

Amadeus has executed a binding SPA to acquire 100% of the outstanding share **ca**pital of Lonestar's holding company, EER.

In consideration for this acquisition, at completion Amadeus will issue 460 million new ordinary shares to the current owners of EER, including Ecofin and a number of senior executives of Lonestar. The shares issued to the senior executives of Lonestar will be subject to a six month voluntary escrow period.

A further 40 million shares will be issued to the current owners of EER within 18 months of completion upon the satisfaction of one of the following two conditions:

- announcement by the Company of an externally audited, Proved and Probable reserve on Lonestar's Gonzo asset with a PV10 of at least US$40 million; or
- the share price of the Company trading at a volume weighted average price of A$0.40 or more during a period of 45 consecutive trading days following completion.

Assuming the issue of all 500 million shares to the current owners of EER, Amadeus' existing shareholders will own 32% of the Company, with the remaining 68% to be owned by EER security holders.

Upon completion, it is intended that the Company will be renamed Lonestar Resources Limited.

Completion of the transaction must occur on or before 31 January 2013 and is subject to the following conditions precedent:

- **Shareholder approval**: Amadeus shareholders passing all resolutions as required to give effect to the transaction;
- **Independent Expert**: the Independent Expert appointed by Amadeus for the purposes of item 7 of section 611 of the *Corporations Act* concluding that the transaction is fair and reasonable to Amadeus shareholders;
- **Material Adverse Change**: no material adverse change in relation to Amadeus or EER/Lonestar or their respective subsidiaries occurring between the date of execution of the SPA and the date of completion;
- **Regulatory approvals**: the receipt of any necessary governmental agency or other regulatory approvals; and
- **UK Takeover Code waiver or Re-registration**: the United Kingdom Panel on Takeovers and Mergers granting a waiver of the application of the City Code on Takeovers and Mergers ("Code") to the transaction, or if such waiver is not granted, EER having effected a re-registration from a public limited company to a private limited company such that the Code does not apply to the transaction.

About Lonestar

Lonestar owns and operates a high quality portfolio of producing and development stage, unconventional oil and gas assets onshore USA.

Lonestar's portfolio is largely concentrated in the crude oil and condensate window of the Eagle Ford Shale. The properties comprise a 51% W.I. in the currently producing Beall Ranch property, as well as the development-ready Asherton and Gonzo properties, both of which are held on a 100% W.I. basis. Lonestar's other producing asset is Woodlands Estate in the Barnett Shale (75% W.I.).

Lonestar also holds a 65% W.I. in 32,625 net acres in a prospective part of the Williston Basin, where it has tested light oil from vertical completions in the Bakken and Three Forks formations.

Lonestar places a premium on control of its technical and capital programs, and operates all of its principal assets.

As at 30 June 2012, Lonestar had total 1P reserves of 8.1 mmboe, comprising 59% liquids, and 2P reserves of 11.8 mmboe, comprising 57% liquids. Lonestar's 1P reserves have been estimated to have a PV10 of US$129.1 million.[4] Lonestar is current producing oil and gas at a rate of 2,011 boepd.[5]

As at 30 September 2012, Lonestar had cash of approximately US$7 million and had drawn US$20 million of its US$29 million, reserves-based revolver facility with Wells Fargo.

Further detail on Lonestar's assets is set out in Appendix 1.

Management Team

Lonestar is managed by a highly experienced US-based management team with almost 200 years of collective experience in US onshore oil and gas, and a strong track record with public companies in the United States.

Amadeus is fortunate to have successfully engaged the entire existing Lonestar management team post completion and the current Lonestar Chief Executive Officer, Frank D. Bracken III, will assume the role of Managing Director of the Company post completion.

Mr Bracken has more than 25 years experience in oil and gas and investment banking. This includes nine years as an investment banker at Jefferies & Company, Inc. and Sunrise Securities, where he led over US$5 billion of oil and gas transactions, spanning public and private equity, debt offerings and drilling joint ventures and M&A. He was also formerly the CFO and a director of Gerrity Oil & Gas Corporation, a NYSE listed E&P company that was subsequently merged into Patina Oil & Gas Corporation (also a NYSE listed E&P company).

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[4] Reserves and PV10 estimate on Beall Ranch have been prepared by W.D. Von Gonten & Co. Reserves and PV10 estimate on Woodland Estates have been prepared by Haas Petroleum Engineering Services, Inc. Reserves and PV10 estimate on Asherton has been internally generated and not been audited by a third party. The individual reserve estimates for assets are set out in Appendix 1. PV10 is the net present value of future net revenue, after deductions for operating and capital expenses, production taxes and ad valorem taxes, but before corporate income tax and corporate overheads, using a real, pre-tax discount rate of 10%. Key assumptions upon which this estimate is based are set out in Appendix 1 (for Lonestar) and Appendix 2 (for Amadeus).

[5] Average production for the 3 months ending 30 September 2012.

Mr Bracken is part of a highly experienced team of oil and gas professionals who have generated substantial growth in their two years together at Lonestar, and will be supported by members of Amadeus' existing Denver-based management team, who will be retained to continue to drive production and ongoing development of Amadeus' existing conventional assets.

Mr Bracken said: *"We believe that the combined company creates a well-capitalised platform upon which Lonestar plans to substantially accelerate its business plan, which calls for the acquisition and development of operated leasehold in our primary focus area, the Eagle Ford Shale. We are also delighted to move forward with a supportive and experienced shareholder in Ecofin, which is managed by one of the world's leading investment management firms specialising in the energy and utilities sector."*

The combined management team will be strongly aligned with shareholders, and, subject to the receipt of all requisite shareholder approvals, upon Completion will be issued:

- 73.7 million incentive options with an exercise price of A$0.30, which will vest in three equal tranches on each of 31 December 2013, 31 December 2014 and 31 December 2015 (unless a change in control of the Company occurs, on which they will all vest); and
- a further 18.4 million incentive options with an exercise price of A$0.30, which will only vest in the event of a change in control of the Company.

Board of Directors

Upon Completion, current Amadeus Chairman Craig Coleman will continue as independent, Non-Executive Chairman of the Company.

Four new directors will be appointed, Frank D. Bracken III and three nominees of Ecofin including Lonestar's current directors, Bernard Lambilliotte and Dr Chris Rowland. Mr Lambilliotte will take the role of Deputy Chairman in the Company post completion. Mr Lambilliotte is the Chief Investment Officer of Ecofin Limited, which has a strong record in its unlisted investments, securing an average 36% internal rate of return from entry to exit. Dr Rowland has 29 years of experience in financial markets, working on both listed and unlisted investments.

Ecofin

Following completion EER's largest shareholder, Ecofin, will hold a 54% shareholding in the Company.[6]

Ecofin is a specialist energy and utilities investment trust that is listed on the main board of the LSE. At 30 September 2012, Ecofin had unaudited total assets of £513.4 million and net assets attributable to its ordinary shareholders of £336.9 million.

Ecofin established EER in July 2010 to pursue an aggregation strategy in the US shale gas industry, primarily in Texas. Ecofin currently has an 81.1% interest in the issued share capital of EER, which is its largest investment, accounting for approximately 14% of total assets at 30 September 2012.

[6] Prior to the issue of 40.0 million deferred shares and exercise of management incentive options.

Ecofin has been supportive of the growth objectives of Lonestar Resources and its intention is to remain a major shareholder in the Company with a view to participating in substantial further value creation.

Ecofin acknowledges that, immediately following the completion of the transaction, the free float in the Company will be limited, in part due to the size of Ecofin's holding. Accordingly, Ecofin intends to support initiatives by the Company aimed at increasing the Company's free float in the near term.

Benefits to Amadeus Shareholders

The acquisition of Lonestar has been unanimously recommended by the Directors of Amadeus, who believe that the transaction represents a compelling proposition for Amadeus shareholders, both immediately and through the potential for material additional value creation in the medium term.

Subject to shareholder approval, the Directors believe this transaction will deliver Amadeus investors with a repositioning of the Company, through a major increase in scale in terms of production profile, acreage, reserves, earnings and market capitalisation, whilst continuing the Company's strategic focus on onshore US oil and gas assets that are operated and controlled internally.

Lonestar's asset portfolio brings significant production upside in three key unconventional oil and gas basins in the US at a time of increasing understanding of these assets in Australia and increasing investor appetite among local investors. In addition, Lonestar brings to the Company a well developed pipeline of additional acquisition opportunities within current areas of interest.

Transaction Conditions and Other Terms

The transaction is subject to the approval of Amadeus shareholders pursuant to item 7 of section 611 of the *Corporations Act* and Chapter 11 of the ASX Listing Rules. In addition, Amadeus shareholders will be required to vote on a number of other resolutions, including the grant of incentive options to Frank D. Bracken III, and the proposed change of name to Lonestar Resources Limited.

Under the terms of the SPA, the parties have agreed to mutual exclusivity arrangements, including mutual "no shop / no talk", notification and matching undertakings, subject to standard fiduciary exceptions. The parties have also agreed to a mutual break fee arrangement, under which Amadeus must pay A$1 million to the sellers of EER on the occurrence of certain events, including a failure to unanimously recommend the transaction and the completion of a rival proposal. However, the break fee is not payable by Amadeus if the independent expert concludes that the transaction is not fair and reasonable to Amadeus shareholders. The sellers of EER must pay Amadeus A$1 million on the occurrence of certain events, including on the completion of a rival proposal.

Each party has certain rights to terminate the SPA, including because of a material breach by another party, on the occurrence of specific events relating to material assets and transactions, and if the Amadeus board recommends a superior proposal.

The parties have agreed to certain covenants under which they will provide ongoing co-operation in relation to the completion of the transaction. The SPA also contains commercial warranties, which are customary for a transaction of this nature.

A more detailed summary of the key terms of the SPA will be included in the notice of meeting to be dispatched to Amadeus shareholders shortly.

Indicative Timetable

Shareholders in Amadeus will be asked to vote on the proposed transaction. It is intended that this will occur at Amadeus' Annual General Meeting which is currently scheduled for 30 November 2012. A Notice of Meeting, including the Independent Expert's Report, is intended to be distributed to shareholders in late October. Subject to shareholder approval, the transaction is expected to complete early in December 2012.

Advisers

Amadeus is being advised by Azure Capital and Hardy Bowen. EER and Lonestar are being advised by Deutsche Bank and Herbert Smith Freehills.

Contacts

For further information please contact:

Media / Brokers
John Gardner / Dudley White
MAGNUS Corporate Communication
Phone: +61 413 355 997 / +61 413 439 883

Lonestar Resources, Inc.
Frank D. Bracken III
Phone: +1 817 546 6400

Amadeus Energy Limited
Craig Coleman
Phone: +61 401 990 472

About Amadeus

Amadeus operates and produces oil and gas from its low-risk, long-life conventional assets located in Texas, Oklahoma and Louisiana.

Amadeus is currently producing oil and gas at a rate of 876 boepd.[7] Further detail on Amadeus' assets is set out in Appendix 2.

As at 30 June 2012, Amadeus had 1P reserves of 4.7 mmboe and 2P reserves of 6.6 mmboe, with a PV10 estimate of 1P reserves (using consistent commodity price assumptions as Lonestar's reserves estimates) of US$99.5 million.[8]

In year ended 30 June 2012, Amadeus generated EBITDAX[9] of US$10.4 million, and as at 30 September 2012 the company had no debt and cash reserves of approximately US$13 million. In addition, Amadeus has an undrawn US$40 million revolving facility with Wells Fargo.

[7] Average production for the 3 months ending 30 September 2012.
[8] Amadeus' Proved reserves and PV10 estimate have been audited by La Roche Petroleum Consultants, Limited. Amadeus' Probable reserves have been generated internally and have not been audited by a third party. PV10 is the net present value of future net revenue, after deductions for operating and capital expenses, production taxes and ad valorem taxes, but before corporate income tax and corporate overheads, using a real, pre-tax discount rate of 10%. Key assumptions upon which this estimate is based are set out in Appendix 1 (for Lonestar) and Appendix 2 (for Amadeus).
[9] These financial measures are identified and defined below under "Non-GAAP Measures"

Technical information

Lonestar's Proved and Probable reserves and PV10 estimate on Beall Ranch have been prepared by W.D. Von Gonten & Co. The Proved and Probable reserves and PV10 estimate on Woodland Estates have been prepared by Haas Petroleum Engineering Services, Inc. The Probable reserves on Asherton have been internally generated by Lonestar and have not been audited by a third party. Reserves information contained in this announcement relating to Asherton has been compiled by Tom Olle, a full-time employee of Lonestar with more than 36 years' experience in the practice of petroleum engineering. Mr Olle is a member of the Society of Professional Engineers and has a BS Mechanical Engineering with Highest Honors from the University of Texas at Austin.

Amadeus' Proved reserves and PV10 estimate have been audited by La Roche Petroleum Consultants Limited. Amadeus' Probable reserves have been generated internally by Amadeus and have not been audited by a third party. Technical information contained in this announcement relating to Amadeus has been reviewed by Carey Bradley, who is a Registered Petroleum Reservoir Engineer with over 20 years experience.

Each person named above consents to the inclusion in this announcement of the information in the form and context in which it appears.

Aggregate petroleum reserve estimates for the pro forma post-completion entity and for Amadeus and Lonestar have been calculated by arithmetic summation of the reserve estimates for individual projects.

Disclaimer

This document has been prepared by Amadeus in connection with providing an overview to interested analysts / investors and is being provided for the sole purpose of providing preliminary background information to enable recipients to review the acquisition of Lonestar. This announcement is thus by its nature limited in scope and is not intended to provide all available information regarding Amadeus or Lonestar.

This announcement is not intended as and shall not constitute an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any securities in any jurisdiction and should not be relied upon as a representation of any matter that a potential investor should consider in evaluating Amadeus.

Neither Amadeus nor Lonestar, nor any of their respective affiliates, subsidiaries, directors, agents, officers, advisers or employees, make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this announcement, and they do not accept any liability or responsibility for any statement made in, or omitted from, this announcement. Amadeus accepts no obligation to correct or update anything in this announcement, except as required by law. No responsibility or liability is accepted and any and all responsibility and liability is expressly disclaimed by Amadeus and Lonestar and their respective affiliates, subsidiaries, directors, agents, officers, advisers and employees for any errors, misstatements, misrepresentations in or omissions from this announcement.

Users of this information should make their own independent evaluation of an investment in or provision of debt facilities to Amadeus. Nothing in this announcement should be construed as financial product advice, whether personal or general, for the purposes of section 766B of the *Corporations Act 2001* (Cth). This announcement does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. This announcement does not take into account the objectives, financial situation or needs of any person, and independent personal advice should be obtained.

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Forward looking information

Statements in this announcement reflect management's expectations relating to, among other things, target dates, Amadeus' expected drilling program and the ability to fund development are forward-looking statements, and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Statements relating to “reserves” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that some or all of the reserves described can be profitably produced in the future. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include risks related to: exploration, development and production; oil and gas prices, markets and marketing; acquisitions and dispositions; competition; additional funding requirements; reserve estimates being inherently uncertain; incorrect assessments of the value of acquisitions and exploration and development programs; environmental concerns; availability of, and access to, drilling equipment; reliance on key personnel; title to assets; expiration of licences and leases; credit risk; hedging activities; litigation; government policy and legislative changes; unforeseen expenses; negative operating cash flow; contractual risk; and management of growth. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such assumptions include, but are not limited to, general economic, market and business conditions and corporate strategy. Accordingly, investors are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this announcement is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Amadeus and Lonestar disclaim any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. Amadeus and Lonestar have presented petroleum and natural gas production and reserve volumes in barrel of oil equivalent (“boe”) amounts. 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. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.

Non-GAAP Financial Measures

References are made to certain financial measures that do not have any standardized meanings prescribed by generally accepted accounting principles ("GAAP"). Such measures are neither required by, nor calculated in accordance with, International Financial Reporting Standards (“IFRS”) and are therefore considered non-GAAP financial measures. Non-GAAP financial measures may not be comparable with the calculation of similar measures by other companies.

“EBITDA” and “EBITDAX” are commonly used in the oil and gas industry. EBITDA represent earnings before interest, tax, depreciation and amortization and EBITDAX represent earnings before interest, tax depreciation, amortization, and exploration expenses. The Company considers both key measures, as both assist in demonstrating the ability of the business to generate the cash flow necessary to fund future growth through capital investment. Neither should be considered as an alternative to, or more meaningful than net income or cash provided by operating activities (or any other IFRS financial measure) as an indicator of the Company's performance.

Defined Reserves and Resource Terms

- "bbl” means barrel of crude oil, natural gas liquids or condensate
- “bcf” billion cubic feet of natural gas
- “boe” means barrels of oil equivalent, determined using a ratio of 6 Mcf of raw natural gas to 1 bbl of condensate or crude oil, unless otherwise stated.
- “m” or “M” prefix means thousand.
- “mm” prefix means million.
- “b” or “B” prefix means billion.
- "pd" suffix means per day.
- “W.I.” means Working Interest.

Appendix 1 – Overview of Lonestar Assets

Lonestar Assets	Woodlands Estate	Beall Ranch	Asherton	Gonzo	West Poplar
Play	Barnett	Eagle Ford	Eagle Ford	Eagle Ford	Bakken / Three Forks
Gross Acreage (acres)	603	2,373	1,196	2,664	50,192
Working Interest (%)	78.6%	51.0%	97.0%	100.0%	65.0%
Net Acreage (acres)	474	1,210	1,154	2,664	32,625
Operator	Lonestar	Lonestar	Lonestar	Lonestar	Lonestar
No. Existing Wells	9	9	-	-	-
Average Current Production (boepd)	872	1139	-	-	-
Total Well Locations	9	33	10	25	n.a.

1. Average production for the 3 months ending 30 September 2012.

Lonestar Net Reserves (mmboe)	Woodlands Estate	Beall Ranch	Asherton	Gonzo	West Poplar
Proved Developed Producing	2.4	1.5	-	-	-
Proved Developed Not Producing	0.2	-	-	-	-
Proved Undeveloped	-	4.0	-	-	-
Total Proved (1P)	**2.5**	**5.5**	**-**	**-**	**-**
Probable	1.2	-	2.5	-	-
Total Proved & Probable (2P)	**3.7**	**5.5**	**2.5**	**-**	**-**
2P % Liquids	0%	86%	79%	n.a.	n.a.

1. Net reserves are stated after deductions for royalty payments.
2. Totals represent arithmetic summation of petroleum reserve estimates by category.

The assumptions upon which Lonestar's Proved and Probable reserves and PV10 estimates have been estimated based upon the following assumptions:

- 250 foot spacing on Woodland Estates for a total of 18 wells (9 producing, 9 to be developed), 500 foot spacing on Beall Ranch for a total of 33 wells (9 producing, 24 to be developed) and 500 spacing on Asherton for a total of 10 wells (none producing, 10 to be developed).
- Single well capex of US$3.0-4.5 million for Woodland Estates, US$6.6 million for Beall Ranch and US$6.6 million for Asherton.
- Oil prices and gas prices are based on a NYMEX futures pricing scenario as set out in the table below. Pricing adjustments are made to these prices for individual assets to account for quality, transportation fees, marketing bonuses and regional price differentials.

Year	Oil (US$ / bbl)	Gas (US$ / MMBtu)
2012	90.31	2.613
2013	81.39	3.525
2014	81.99	3.903
2015	82.25	4.100
2016	82.87	4.270
2017	83.37	4.433
2018	83.76	4.602
2019	84.15	4.802
2020	84.57	5.013
Thereafter	Flat	Flat

Appendix 2 – Overview of Amadeus Assets

Region	Operator	WI%	Production for year ending 30 June 2012		
			Oil (mbbls)	Gas (mcf)	BOE (mboe)
North Texas	Amadeus	35-72	51.6	-	51.6
Central Texas	Amadeus	86	50.5	227.0	88.4
West Texas	Amadeus	88	43.5	80.7	56.9
East Texas	Amadeus	56	21.7	72.7	33.8
South Texas – Hallettsville	Contractor	25-35	30.8	20.6	34.2
South Texas – Racoon Bend	Contractor	15	8.8	320.8	62.3
Louisiana	Contractor	20-27	0.7	44.0	8.0
Oklahoma	Contractor	60	10.0	-	10.0
Total			**217.6**	**765.8**	**345.2**

Amadeus Net Reserves[1]	Net Reserves		
	Oil (mmbl)	Gas (Bcf)	BOE (mmbbl)
Proved Developed Producing	2.8	4.8	3.6
Proved Developed Not Producing	0.2	0.9	0.3
Proved Undeveloped	0.6	0.6	0.7
Total Proved (1P)	**3.6**	**6.3**	**4.7**
Probable	1.6	2.4	2.0
Total Proved & Probable (2P)	**5.2**	**8.7**	**6.6**

1. Net reserves are stated after deductions for royalty payments.
2. Totals represent arithmetic summation of petroleum reserve estimates by category.

The assumptions upon which Amadeus' Proved and Probable reserves and PV10 estimates have been estimated based upon the following:

- Detail of field by field estimates of production, operating costs, capital costs, timing, analysis of production profiles, depletion statistics, log characteristics and other technical data for the recompletion, maintenance and workovers of existing wells, the drilling of new development wells and the extension drilling on the acreage positions held by Amadeus. All of the parameters in the Proved reserves were audited by La Roche Petroleum Consultants Limited, a third party professional engineering firm.
- Oil prices and gas prices are based on a NYMEX futures pricing scenario as set out in the pricing table in Appendix 1. Pricing adjustments are made to these prices for individual assets to account for quality, transportation fees, marketing bonuses and regional price differentials.

Appendix 3 – Assumptions and Key Risks Underlying EBITDA Estimates

Combined entity CY12 and CY13 EBITDA estimates are based on the following assumptions:

- Production estimates as set out in this announcement
- Oil prices and gas prices are based on a NYMEX pricing scenario as set out in the table below. Pricing adjustments are made to these prices for individual assets to account for quality, transportation fees, marketing bonuses and regional price differentials.

Year	Oil (US$ / bbl)	Gas (US$ / MMBtu)
2012	94.71	2.77
2013	94.37	4.00

- The total number of planned wells at each asset is consistent with assumptions contained in the respective reserve assessments for each company. The estimated well drilling and completion capital expenditure is based on the most recent Authorisations for Expenditures at each asset (as at 30 September 2012).
- Operating expenditure for each asset is based on the most recent Lease Operating Statements for each asset (as at 30 September 2012).

The EBITDA estimates set out in this announcement are subject to various risks which are common for oil and gas operating companies and others which are specific to the Company's asset portfolio. These risks include: changes in oil and gas prices, changes in the availability of drilling and completion equipment, changes in the costs of drilling and completion services, obtaining drilling and completion services in the time projected in our estimates, the ability to obtain proper regulatory approvals to drill, complete and produce new wells and changes in regulations associated with such approvals, weather, and associated delays in conducting work in a timely manner, continued access to adequate trucking and pipeline services to effect oil and gas sales, obtaining consistent access to natural gas processing capacity, and variability in lease operating expenses.