

Date: 17 August 2010

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir,

UNLISTED OPTIONS CANCELLED

Lodestone Energy Limited (ASX:LOD) advises that 2,000,000 unlisted options exercisable at 7 cents each have been cancelled in accordance with the provisions of the Employee Share Option Plan.

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

Number of Options	Expiry Date	Exercise Price
167,000	27/01/2011	20 cents
167,000	27/01/2011	25 cents
167,000	27/1/2011	30 cents
10,000,000	10/09/2010	7 cents
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) 9,250,000 which have vested
- b) 9,250,000 subject to vesting conditions.

Yours faithfully,



Leni Stanley
Company Secretary