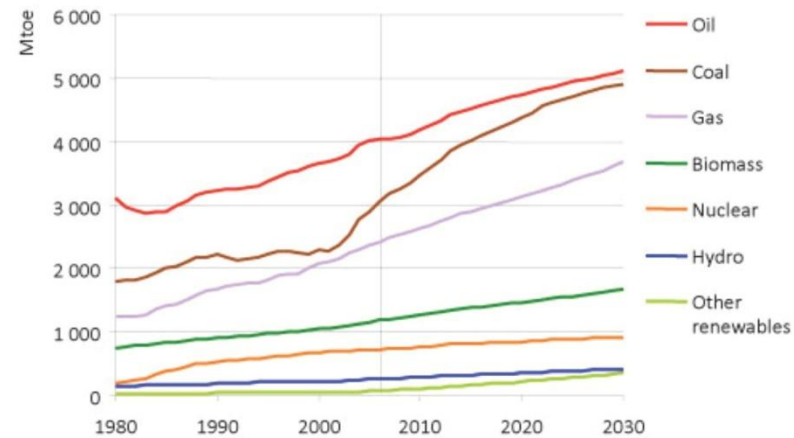




LODESTONE ENERGY

PRESENTATION TO EGM

29th June 2010



World energy demand expands by 45% between now and 2030 – an average rate of increase of 1.6% per year – with coal accounting for more than a third of the overall rise (World Energy Outlook - OECD/IEA 2008).

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Lodestone's New Direction

During the past 24 months, the board has re-positioned the company to be able to respond to the inevitable surge in world energy requirements over the next two decades, particularly in Asia. The company has achieved this by securing a substantial foothold in the Upper Surat Basin.



Today is a key step in ensuring that the company can achieve the maximum outcome from this new direction. It intends to confirm that the Upper Surat provides new opportunities for thermal coal, coal seam gas and underground coal gasification, together with underlying conventional and unconventional gas plays.

AFTER CONSOLIDATION, LODESTONE ENERGY NOW CONTROLS

One of the largest grassroots acreages prospective for coal in Australia

Quite possibly the largest prospective acreage for UCG in Australia

A very large acreage prospective for CSG

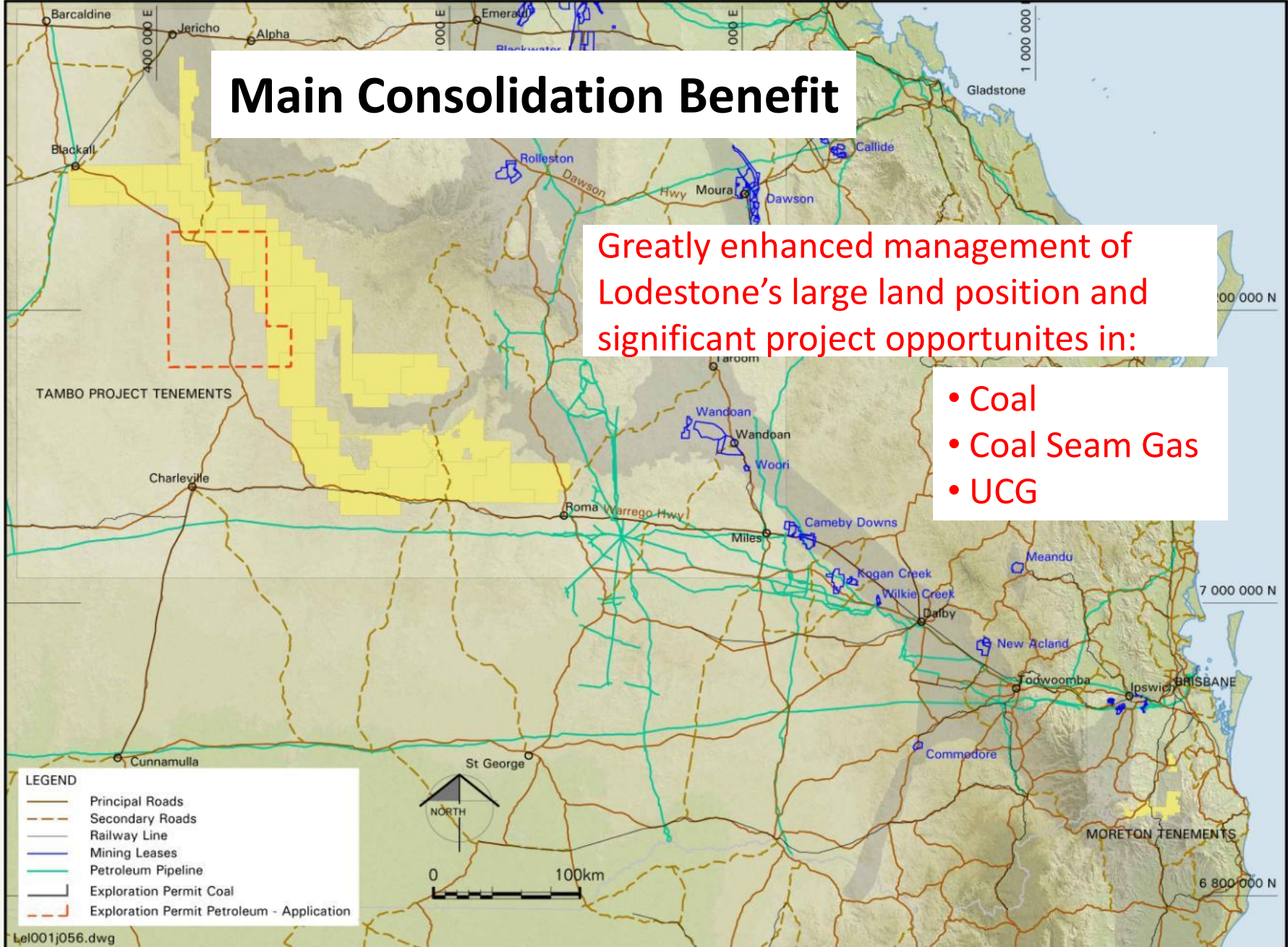
All of which is a logical extension of currently established mines and gas fields within the Walloon Coal Measures of the Surat Basin in Southern Queensland

And close to existing rail and pipeline infrastructure

Main Consolidation Benefit

Greatly enhanced management of Lodestone's large land position and significant project opportunities in:

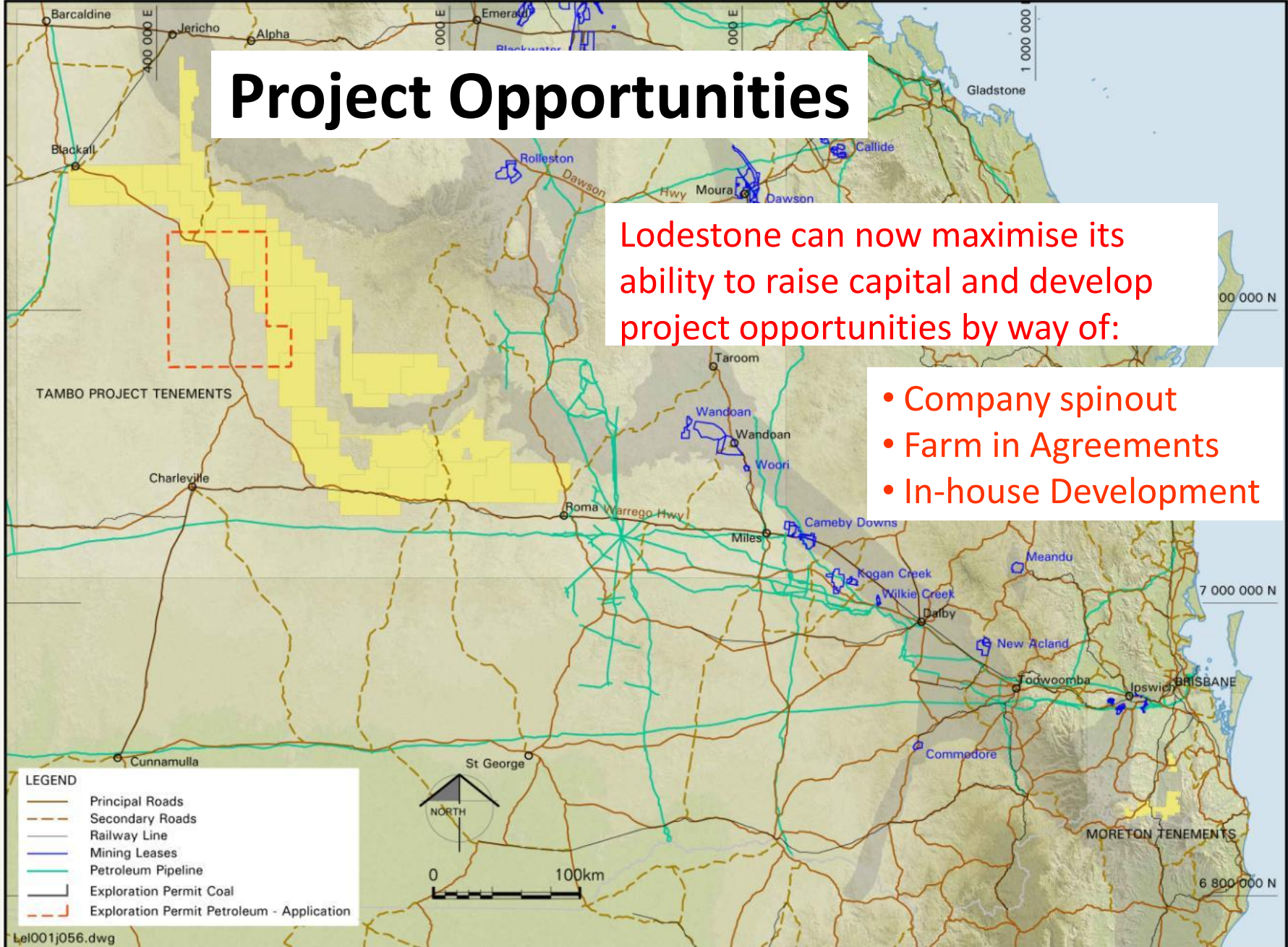
- Coal
- Coal Seam Gas
- UCG



Project Opportunities

Lodestone can now maximise its ability to raise capital and develop project opportunities by way of:

- Company spinout
- Farm in Agreements
- In-house Development



Board and Management

The company's board and management have been structured to include people with the strengths to capitalise on the opportunities in coal, coal seam gas, and gasification.

Chairman

Martin Ackland

former advisory board member of Conoco Australia and former CEO of Southern Cross Resources Inc.

Directors

Greg Baynton

founding Director of Arrow Energy NL, former Director of Pipe Networks.

Bill Stubbs

founding Chairman of Arrow Energy NL and founding Director of Bligh Coal Ltd.

Lance Grimstone

senior coal industry consultant formerly retained by the board of Macarthur Coal Ltd.

Grahame Baker

senior consultant to chemical, process and energy industries.

Management

Staffan Ever, CEO

past CEO of QCoal with vast experience in coal production and marketing.

Bruce Patrick

32 years experience in coal exploration, development and production.

Consultants

Industry best eg MBA, JB Mining

Key Milestones

The company has secured a firm footprint in the exploration and development of a new energy coal province in the Upper Surat Basin and seeks to raise additional exploration funding.

Work currently at foot includes:

- Collation of existing drilling and seismic work.
- Consolidation of LOD interest in the tenements

Planned work includes:

- Continuation of its drilling programs to confirm the likelihood of coal and coal seam gas resources.



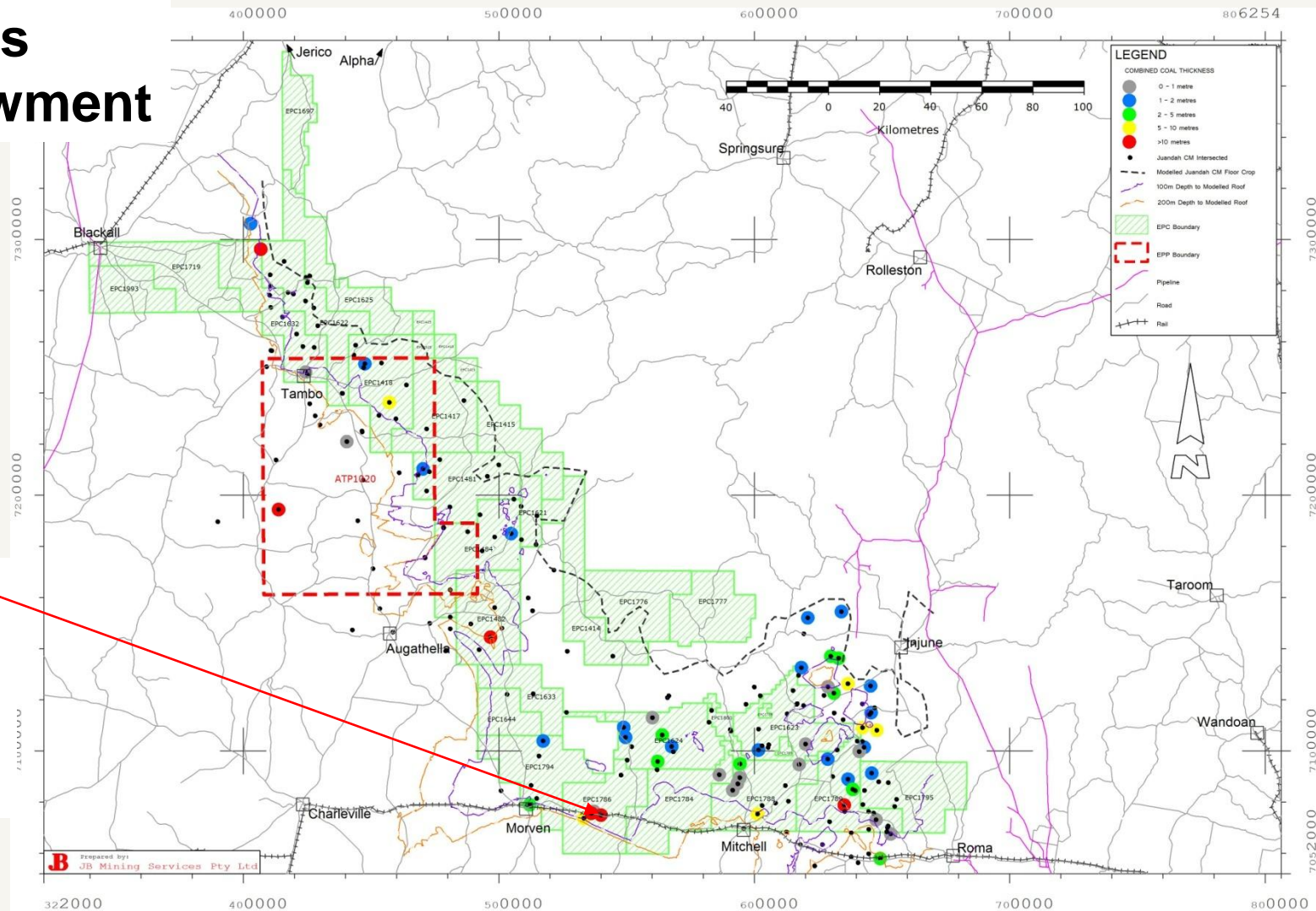


THE TAMBO PROJECT

Lodestone's Coal Endowment



Coal seams up to 20m thick were recorded in Upper Jurassic Blythesdale Fm sediments from 118m in oil wells near the rail line at Mungallala, but coal quality is uncertain. This is one of the Company's early coal mining targets

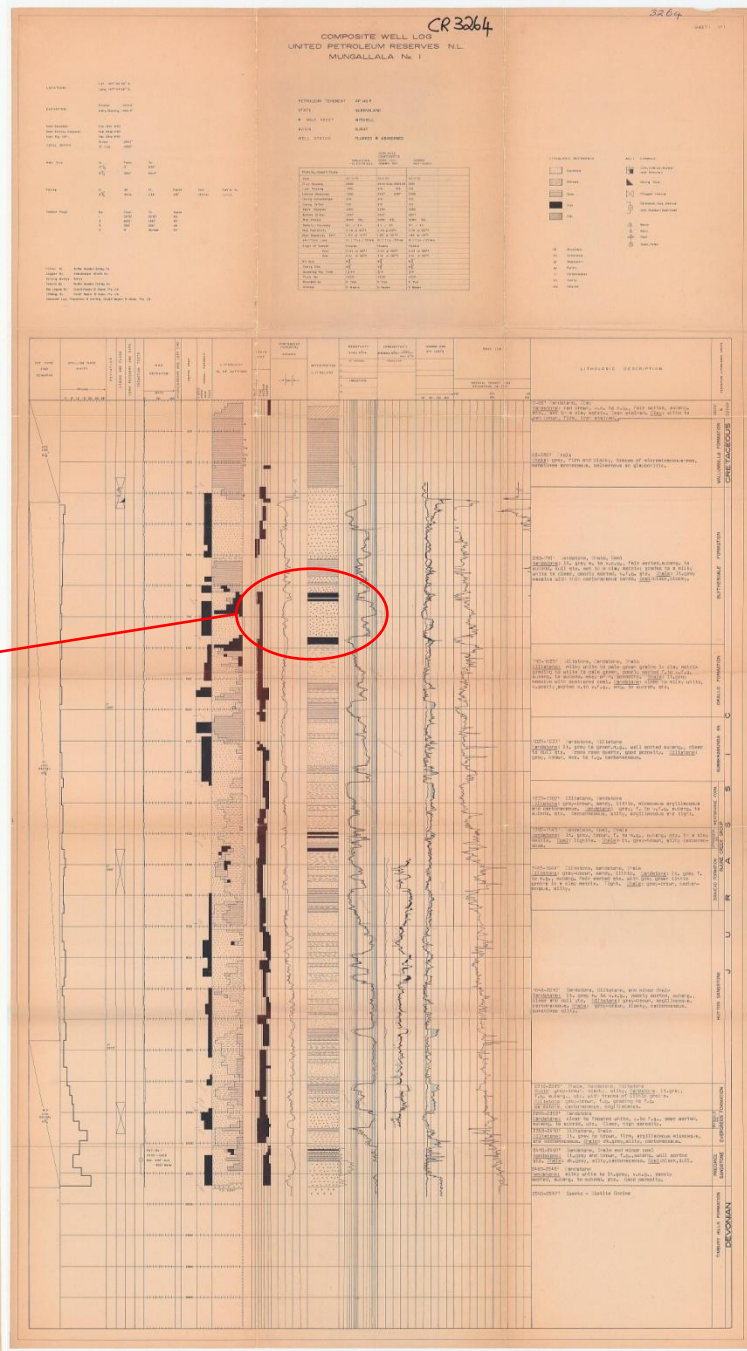
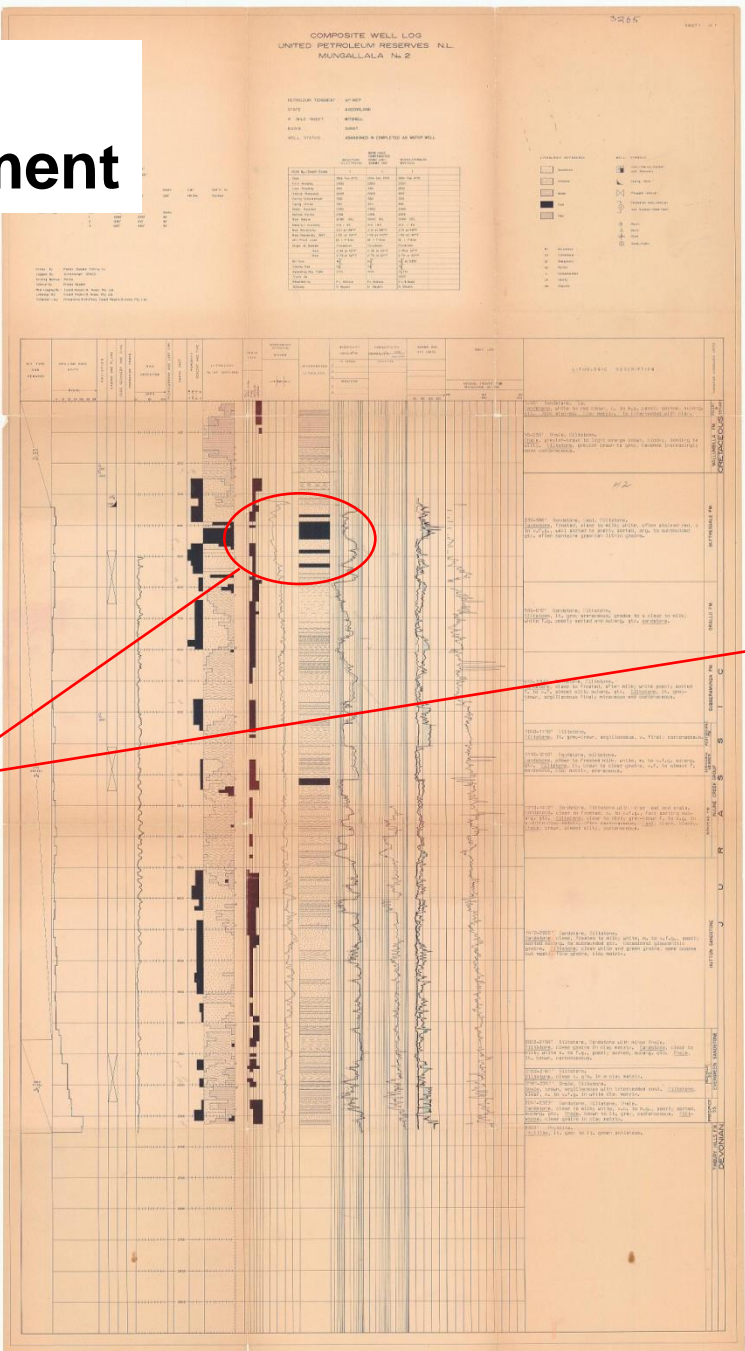


There are numerous proponents for conventional open cut coal mines based upon the Walloon Coal Measures to the east, many facing strategic cropping land issues. Lodestone's coal tenure is likely to be free of such impediment to development, and its acreage is strategically located to existing or planned export rail infrastructure servicing Wandoan to the east, Rolleston and Minerva to the northeast, and Alpha to the north.

Lodestone's Coal Endowment

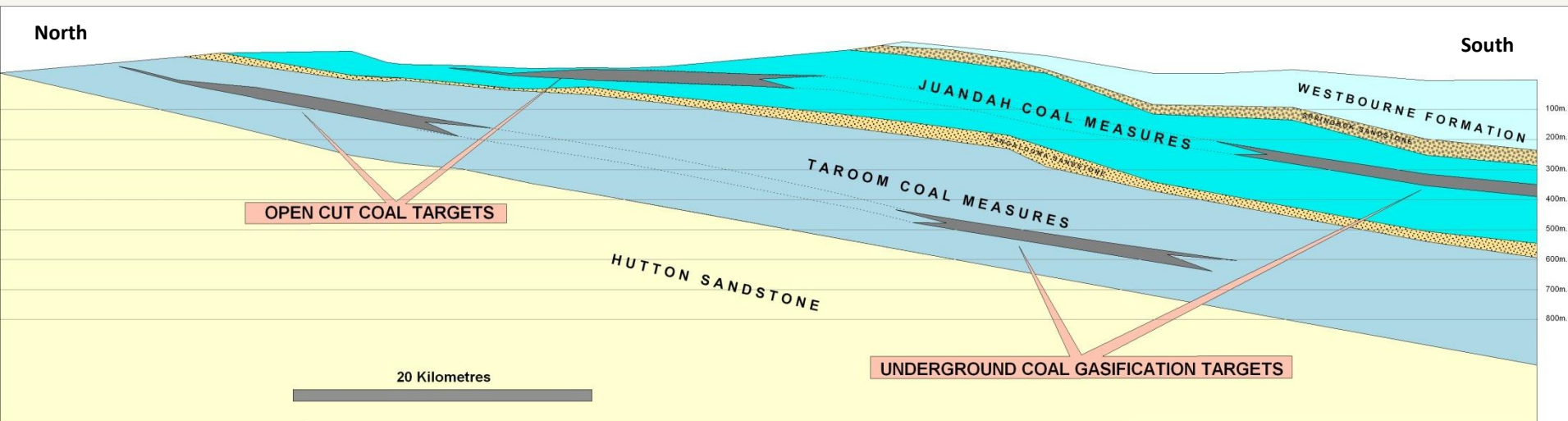


If these coal seams prove extensive near the rail line at Mungallala, they may service the company's first open cut coal mining project.



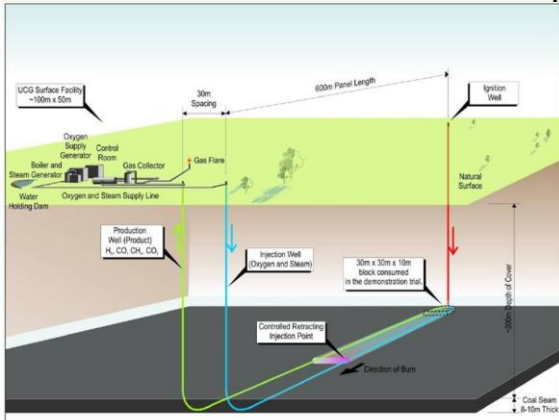
Lodestone's Coal Endowment

In its Coal Exploration tenements, Lodestone believes there is sufficient coal to service open cut coal mining and underground coal gasification projects



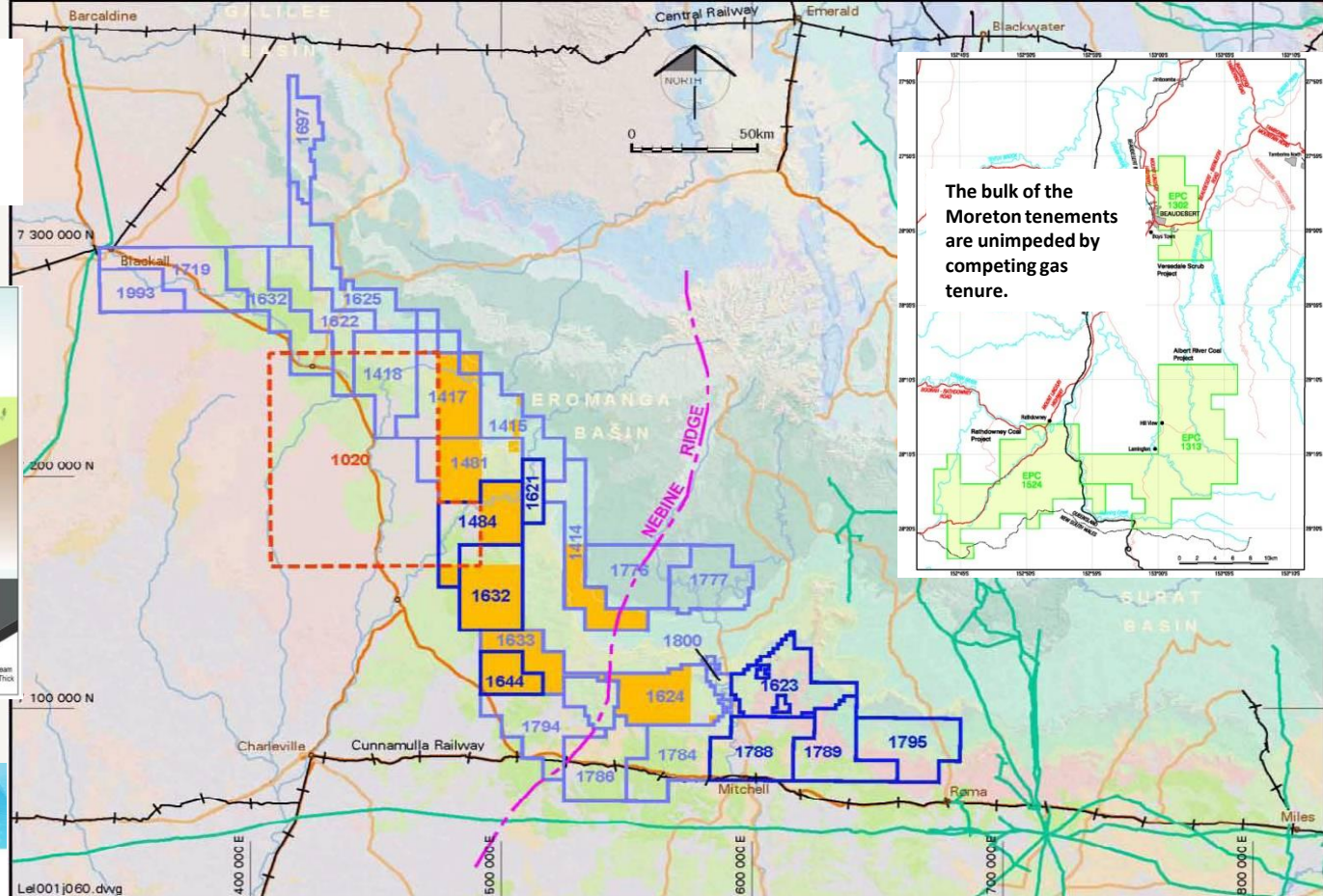
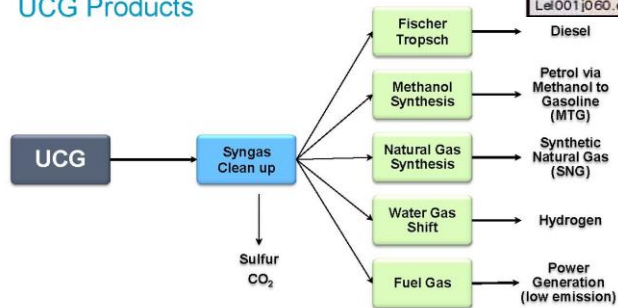
Unlike the proponents for conventional open cut coal mines based upon the Walloon Coal Measures to the east, Lodestone's coal tenure is unimpeded by strategic cropping land issues. Moreover, its coal exploration tenure is strategically located to existing or planned export rail infrastructure servicing Wandoan to the east, Rolleston and Minerva to the northeast, and Alpha to the north.

Lodestone's UCG Endowment



CarbonEnergy

UCG Products



UCG proponents in Queensland are impeded by competing gas tenure overlying their projects.

Not only is Lodestone's UCG tenure is entirely free of such an impediment to development, its acreage is strategically located to domestic energy markets.

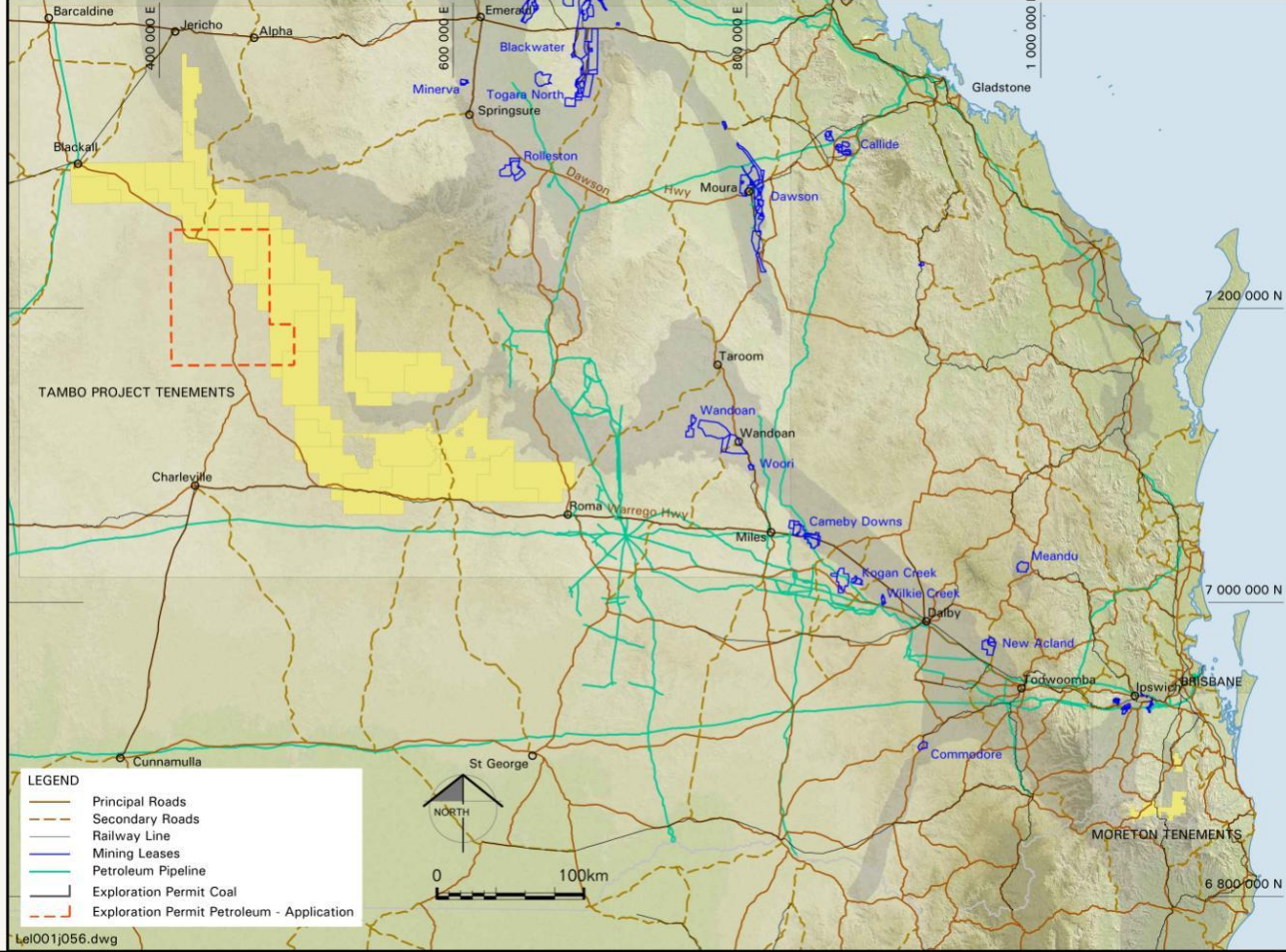


Lodestone's CSG Endowment

Proponents of LNG projects in Gladstone will face many issues in sourcing sufficient gas, including access to strategic cropping land on the Eastern Darling Downs.

Lodestone's acreage is free of such impediments and strategically located to make-up any such shortfalls.

Number of entry points via the independents is shrinking fast and Lodestone offers other energy supply options eg coal and UCG

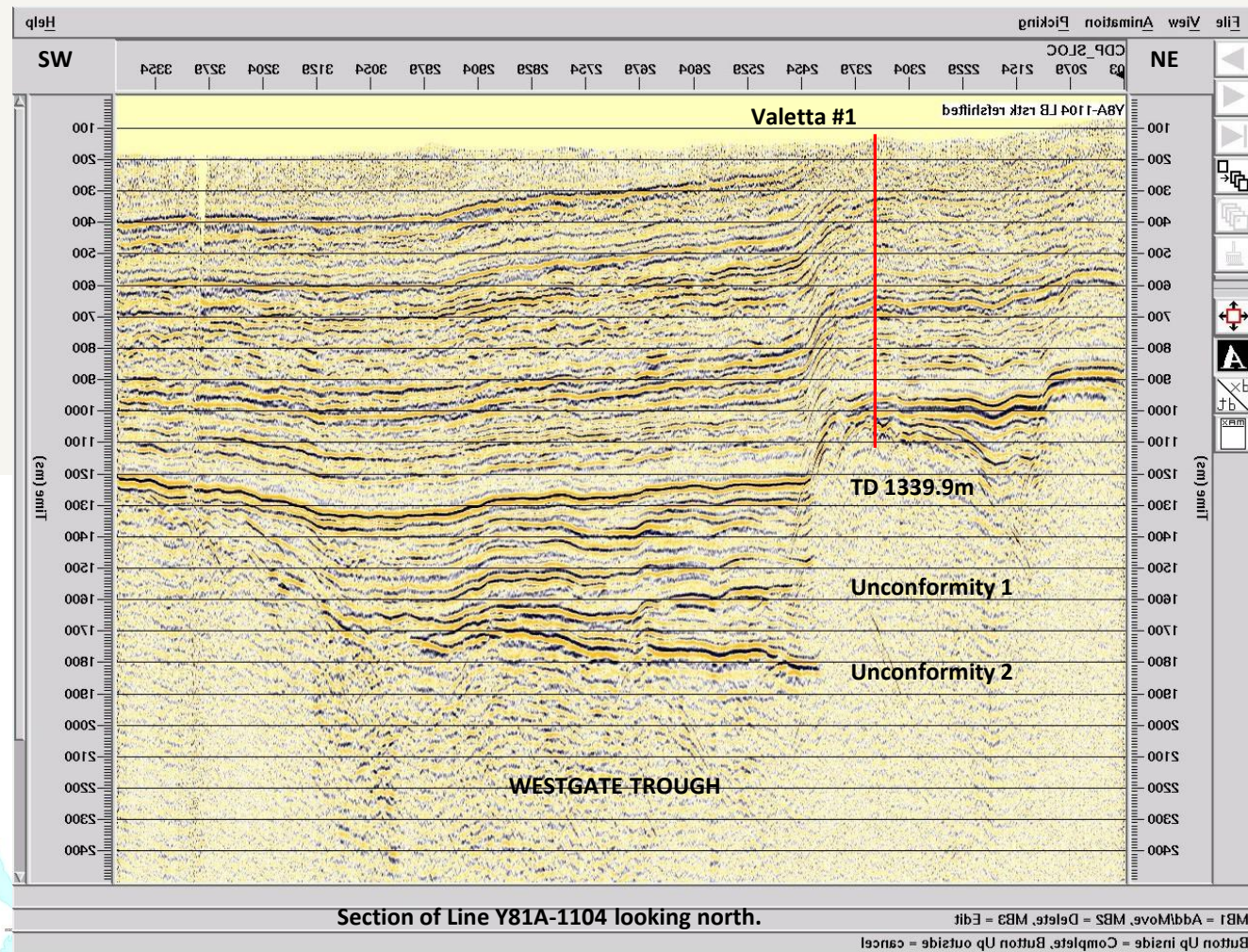
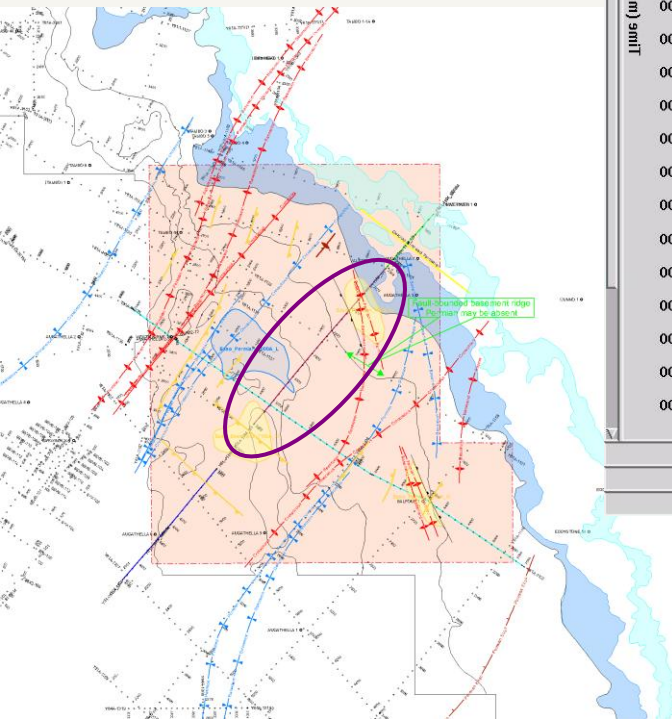
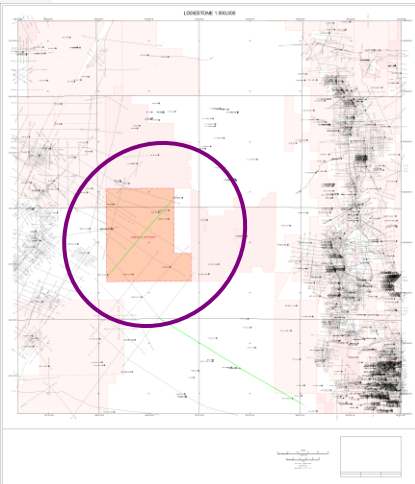


Proposal	Proponent	LNG train capacity (MMtpa)	No. of trains	Ultimate project size (MMtpa)	Initial commissioning date
Gladstone LNG	Arrow + LNG	1.7	2	3.5	2012? Project in abeyance
Queensland Curtis LNG	BG Group	4.25	4.3	12.8	Q1-2014
Australia Pacific LNG	Origin + ConocoPhillips	3.7–4.0	4	16	Q4-2014
GLNG	Santos + Petronas	3.7-4.0	3	11	Q1-2014
Shell Australia LNG	Shell [CSG] Australia Pty Ltd	4.0	4	16	Q1-2015
EWC	Energy World Corporation	3.0	2	6	2015



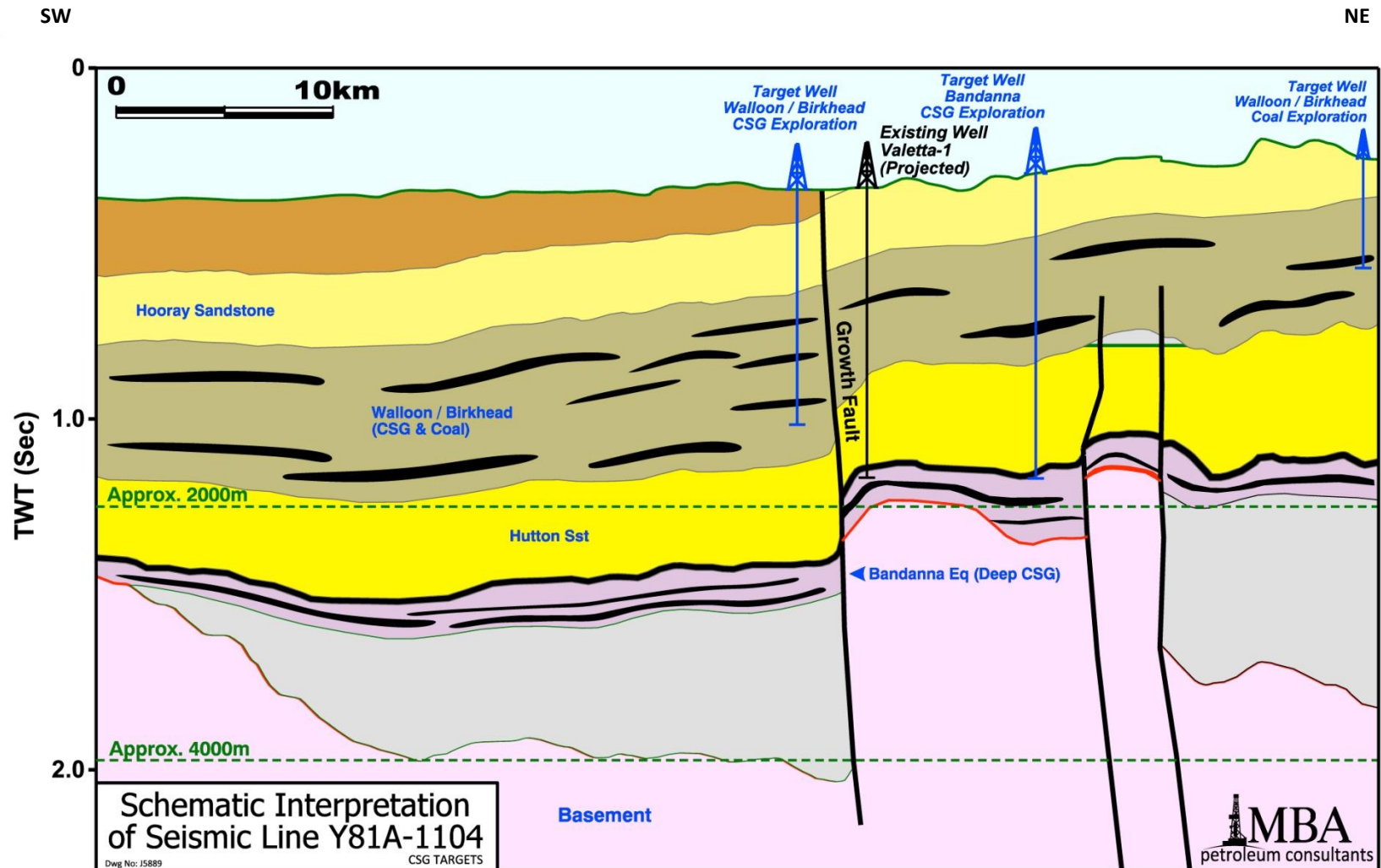
Map extracted from Independent Expert’s report on Lodestone website; LNG proposal data from media

RE-PROCESSED SEISMIC HAS ENHANCED PROSPECTIVITY FOR GAS



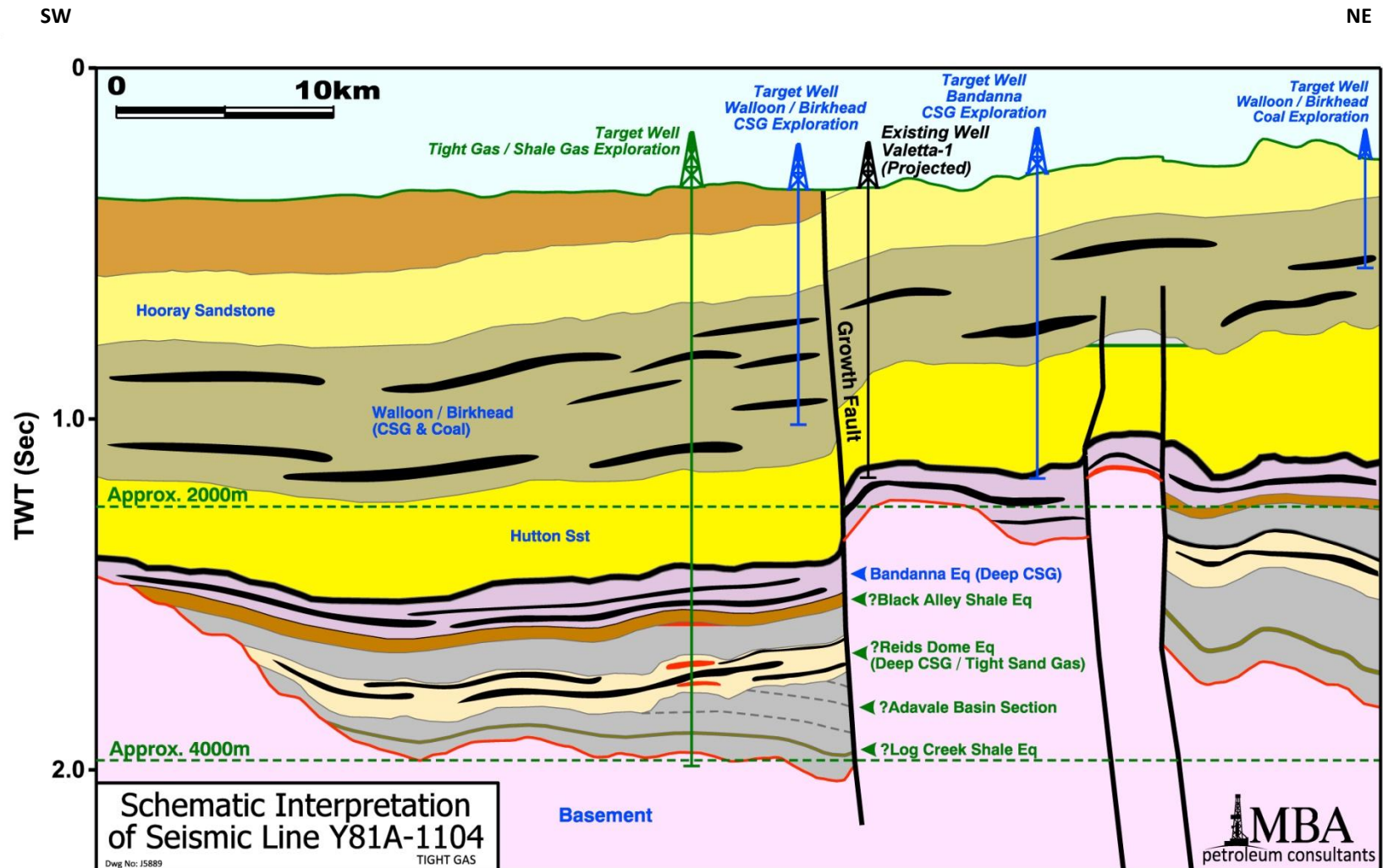
MBA's reprocessing of old seismic data captured the upper 300-400ms normally discarded in old paper sections in reports. It has also highlighted the northern arm of the Westgate Trough and the prospect for considerable Early Permian hydrocarbon accumulation within the sedimentary pile.

CSG PLAYS WITHIN ATP 1020



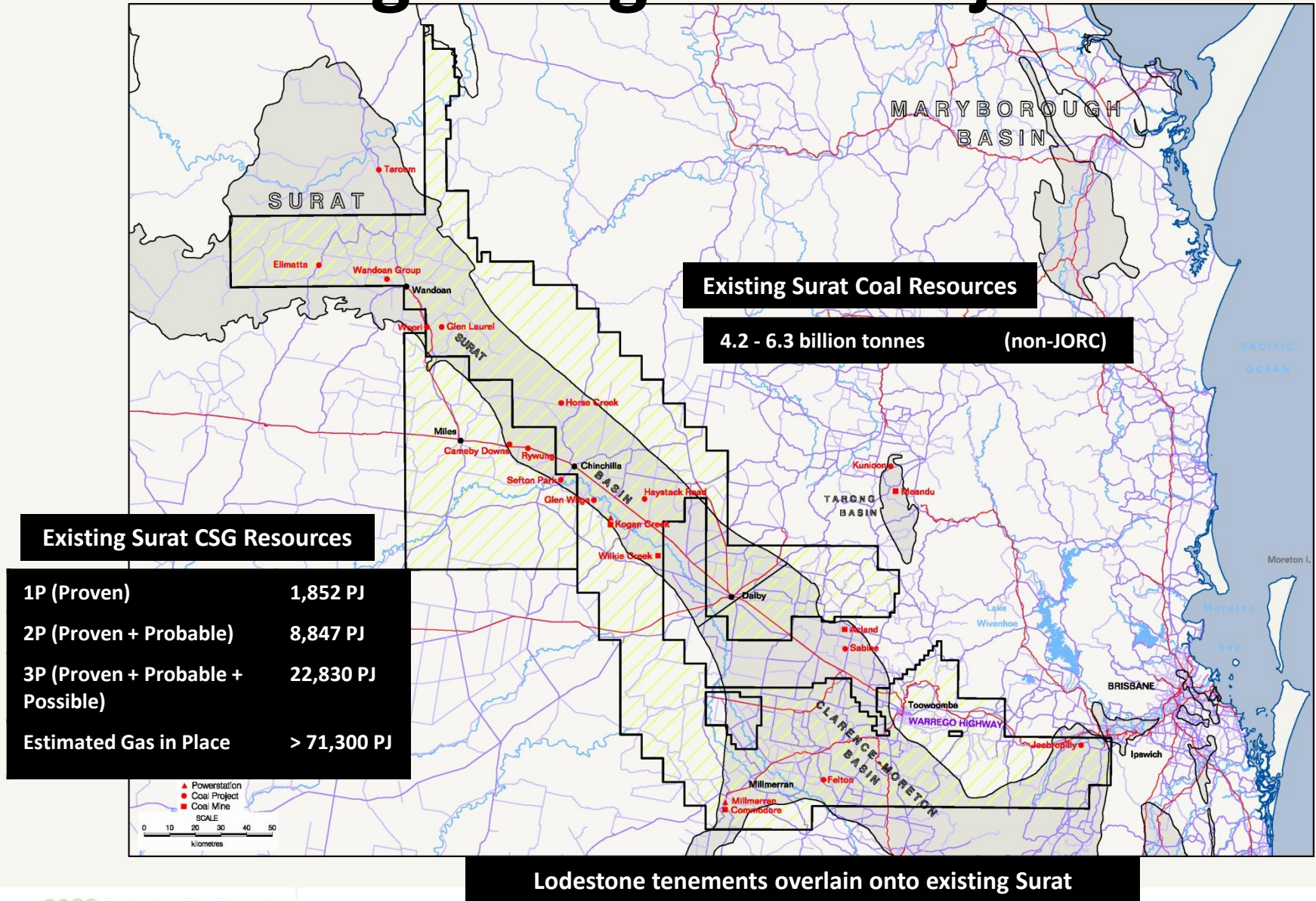
Significant coaly intersections have been mapped throughout the Walloon-Birkhead horizons within ATP 1020.

+ TIGHT GAS PLAYS WITHIN WESTGATE TROUGH



By using the significant hydrocarbon accumulations within the nearby Arbroath Trough as an analogue, MBA have produced a schematic representation of likely plays within that part of the Westgate Trough detected in ATP 1020.

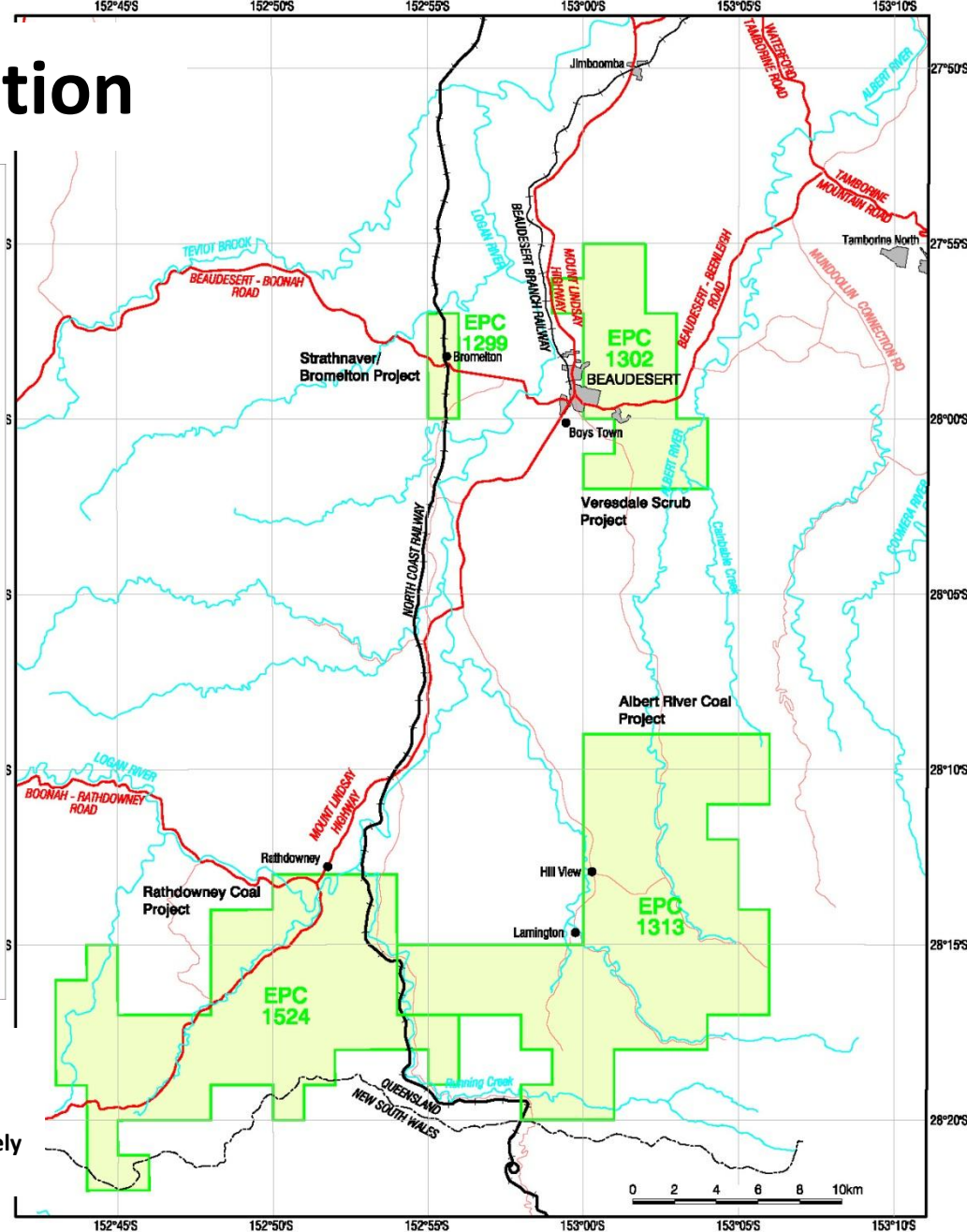
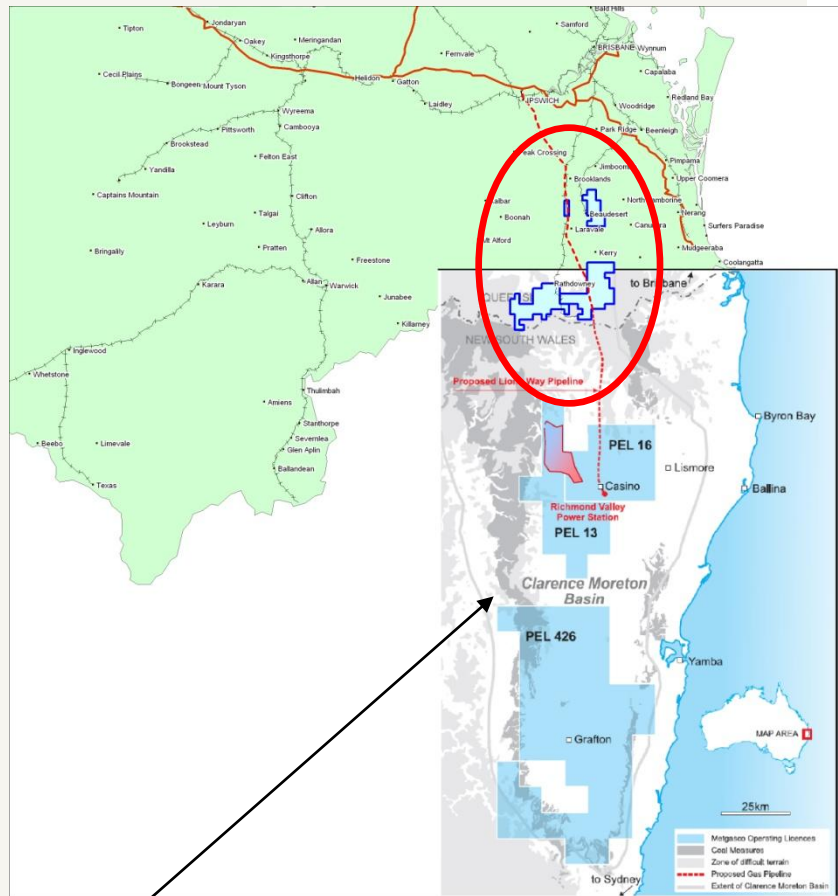
A Parting Thought on Project Scale





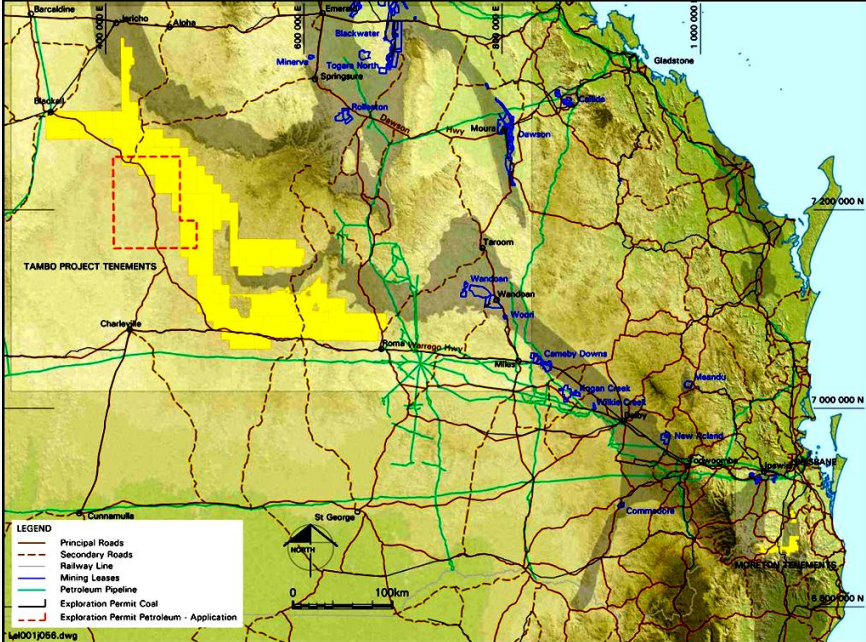
THE MORETON PROJECT

Moreton Project Location



WALLOON EQUIVALENTS EXTEND THROUGHOUT CLARENCE-MORETON BASIN
 Walloon Coal Measures are recorded in NSW part of Clarence-Moreton Basin where Metgasco reports thick coals as lateral equivalents of Juandah and Taroom CM and not unlike those intersected in Arrow Energy holes immediately downdip of southern end of EPC 1302

In Summary, What Lodestone Offers is:



- **Ground floor entry platform into a new energy province** - a large thermal coal, CSG and UCG opportunity in Queensland/Australia
- **Large strategic contiguous tenement position in the Surat Basin** - not in prime agricultural region
- **Carbon trading value** - Walloon Coals have the lowest CO₂ emissions of internationally-traded coals
- **Dominant UCG-nominated tenure portfolio in Queensland/Australia**, with opportunities for UCG-to-power generation, UCG-to-chemicals, UCG-to-liquids/fuels both in Surat and Moreton Basins
- **Elimination of tenure conflict potential** via CSG & UCG permits held under single ownership structure (post-merger)
- **Sound geological knowledge-base** in the Western/Upper Surat Basin
- **Potential to increase its CSG acreage footprint** in the Surat Basin from the 2010 ATP Gazettal process
- **Opportunity to execute various commodity options** from the Project areas
- **Potential to spin-off** various pure-play commodity companies following exploration success, as an avenue for adding value to/monetizing the portfolio

Competent Persons Statement

The Competent Persons Statement below relates to the Investor Presentation released by Lodestone Energy Limited yesterday. This Competent Persons Statement was erroneously excluded from yesterdays release.

'The information in this report that relates to previous waterbore and petroleum well drilling results at the Tambo Coal & Gas project is derived from data provided by the Queensland Government Department of Water and Natural Resources and open file reports obtained via the Queensland Department of Mines and Energy, with information compiled by Mr Lance Grimstone BSc(Hons)(Geol), Grad Dipl Mngt, FAusIMM, CPGeo, MMICA. Mr Lance Grimstone is employed by Lance Grimstone & Associates (Consulting) Pty Limited (ABN 114 977 829) and is a Director of Lodestone Energy Limited. Mr Lance Grimstone has sufficient coal geology experience to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lance Grimstone consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.'



END OF PRESENTATION
29th June 2010