



Quarterly Report for the Period ending 31 March 2008

Corporate

As indicated in the previous quarterly report, the Company has adopted a strategy of continuing exploration at the Bushranger Copper Project, and growing the Company through further acquisitions within the resource sector. The acquisition strategy is focussed in the bulk commodities (coal), copper and gold sectors.

The Company has been investigating several investment opportunities within the South Africa coal industry. There are significant opportunities to build a medium sized coal business in South Africa and the outlook for both coal demand and price are excellent. The Company has conducted due diligence on several coal assets in South Africa and continues to hold discussions with the vendors of these assets. No agreements have been reached with the vendors at the time of this report and the Company will inform the market should such agreement be reached.

As part of the Company's strategic focus, Mr. Kees Dekker has been appointed as the Company's Regional Manager – Southern Africa. Kees has 29 years of experience in the international mining industry, with a large majority of that time spent in Southern Africa and South America. Kees has held a number of senior managerial positions in both large and junior mining companies, providing him with a wealth of knowledge and experience from his involvement with the evaluation of mining projects and technical valuations. He was most recently employed as Audits Manager for RSG Global based in Johannesburg and previously spent 22 years with Goldfields of South Africa where he held the positions of Section Head - Coal and Base Metals Evaluation and Regional Manager for North and West Latin America.

On 30 January 2008, 33,333 unlisted options exercisable at \$6.45 each expired. No other share or option placements were undertaken during the quarter

Bushranger Copper Project

Drilling has started to test the IP survey targets at the Footrot Prospect. Drilling of up to five holes, each around 250m deep is planned initially, with further drilling dependant on the first phase results.

The Company recently completed an induced polarisation (IP) survey at the Bushranger Exploration Project (EL5574) in the Lachlan Fold Belt of New South Wales. The survey focussed on an area at the southern end of the tenement, known as the Footrot Prospect, approximately 6km to the south-east of the Racecourse Prospect.

Most of the work completed to date at Bushranger has been at the Racecourse Prospect. North Limited completed an IP survey early in the target phase of the Racecourse Prospect that provided an accurate location of sulphide mineralisation. Subsequent drilling proved that the IP response was associated with copper mineralisation, verifying the IP survey results. Between 2003 and 2006, Straits Resources Limited completed over 6,000 metres of RC and diamond drilling. Resource modelling completed in 2006 provided an Indicated and Inferred Resource of 27.6 Mt at 0.45% Cu at the Racecourse Prospect.

In contrast, since 2003 only 384 metres of RC drilling (4 holes) and 122 metres of shallow aircore were completed at the Footrot Prospect. Other exploration over Footrot included soil geochemistry and aircore drilling (187 holes) completed by North Limited between 1993 and 1998. The Company reviewed all the available information and considered the Footrot Prospect to be under-explored.

During February 2008, Quadrant Geophysics Pty Ltd completed an IP survey covering an area of 2.6km (north-south) by 1.8km (east-west) with a pole-dipole electrode array. Post survey processing of the raw data by Lachlan Star's geophysics consultant identified a number of discrete IP anomalies. Anomalies with a high IP response are likely to contain significant quantities of sulphide mineralisation. Whilst this does not provide proof of the occurrence of economically significant mineralisation, it does provide an excellent location to target with exploration drilling.

Princhester Mining Leases

Lachlan Star holds three mining leases at Princhester in Queensland (ML 5831, ML 5832 and ML 5846). ML5847 expired in October 2007 and formal relinquishment of this lease has been submitted to the Queensland Department of Mines and Energy.

ML 5846 is due to expire in May 2008. It is Lachlan Star's intention to relinquish this lease at this time. The remaining leases (ML 5831 and 5832) are current until 2023.

Visit our website at www.lachlanstar.com.au where further information about the Company can be found.

For and on behalf of the Board



Declan Franzmann
Managing Director

About Lachlan Star (ASX- LSA) – Lachlan Star is an ASX listed company with headquarters in Perth, Western Australia. Its primary asset is the Bushranger Copper Project located in New South Wales which hosts an Inferred resource containing 124,000 tonnes of copper with minor gold and silver credits.

Directors and Management – Declan Franzman – Managing Director

Mick McMullen – Chairman

Tom Duckworth – Director(non executive)

Hamish Bohannon - Director(non executive)

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97.

Name of entity

LACHLAN STAR LIMITED

ACN or ARBN

88 000 759 535

Quarter ended ("current quarter")

31 MARCH 2008

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(132)	(262)
	(b) development		
	(c) production		
	(d) administration	(87)	(404)
	(e) staff costs		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	27	50
1.5	Interest and other costs of finance paid		
1.6	Other (provide details if material)		
	Net Operating Cash Flows	(192)	(616)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	(7)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Cash acquired on acquisition of subsidiary	-	28
	Net investing cash flows	-	21
1.13	Total operating and investing cash flows (carried forward)	(192)	(595)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(192)	(595)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	1,017
1.15	Costs associated with the issue of shares, options etc	-	(46)
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Payment to Settle Deed of Company Arrangement		
1.19	Other (provide details if material)		
	Net financing cash flows	-	971
	Net increase (decrease) in cash held	(192)	376
1.20	Cash at beginning of quarter/year to date	1,756	1,188
1.21	Deposits at call		
1.22	Cash at end of quarter	1,564	1,564

Note: The December 2007 Appendix 5B consolidated cashflow was prepared on the basis that Lachlan Star Limited was acquired by reverse acquisition on 15 October 2007 by Ord Investments Pty Ltd. That consolidated cashflow therefore reflected the continuation of the results of the legal subsidiary, Ord Investments Pty Ltd, with the consolidation of the cashflows of Lachlan Star Limited from 15 October 2007.

In the preparation of the 31 December 2008 half-year financial report it was determined that this transaction did not meet the requirements of a Business Combination (as defined under AASB 3) and that the reverse acquisition treatment was in appropriate. The current quarter and year to date cashflows presented above have been prepared using the restated half-year statutory financial report cashflows for the 6 months ended 31 December 2007.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	70
1.24 Aggregate amount of loans to the parties included in item 1.10	—

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows:

Not applicable

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
Total	500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,564	1,756
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,564	1,756

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter %	Interest at end of quarter %
6.1 Interests in mining tenements relinquished, reduced or lapsed	ML 5847	Holder	100%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

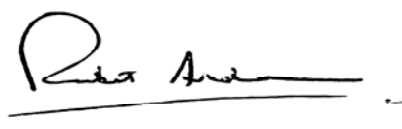
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid-up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Issued during quarter				
7.3 +Ordinary securities	770,617,371	770,617,371		
7.4 Issued during quarter				
7.5 +Convertible debt securities <i>(description and conversion factor)</i>				
7.6 Issued during quarter				
7.7 Options <i>(description and conversion factor)</i>	66,666 18,333,333		<i>Exercise price</i> \$6.30 \$0.01	<i>Expiry date</i> 19/5/2008 31/12/2008
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	33,333		<i>Exercise price</i> \$6.45	<i>Expiry date</i> 30/1/2008
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Company Secretary

Date: 21 April 2008

Print name: Robert Anderson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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