



Lodestone Exploration Limited

ABN 20 075 877 075

www.lodestonex.com

**ASX Release
5 August 2008**

**ASX Code
LOD**

The Manager
Company Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

LODESTONE RECEIVED WAIVER FROM LISTING RULE 10.13.3 FROM ASX

Lodestone Exploration Limited is pleased to advise that ASX Limited has granted the Company a waiver from listing rule 10.13.3 to the extent necessary to permit the Company's Notice of Meeting released to ASX today seeking approval for the issue of shares to state that some of those shares may not be issued within one month of the date of the meeting.

The full terms and conditions of the waiver are set out in the attached advice from ASX Limited.

Yours faithfully,

Leni Stanley
Company Secretary



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7 July 2008

Mr. Jonathan Cheyne
Senior Associate
Carter Newell
Level 13
215 Adelaide Street
BRISBANE QLD 4000

By e-mail: JCheyne@carternewell.com

Dear Mr. Cheyne

Lodestone Exploration Limited

We refer to the application by Lodestone Exploration Limited (the "Company") for a waiver from listing rule 10.13.3

ASX Limited has considered the Company's application and decided as follows:

1. "Based solely on the information provided, ASX Limited ("ASX") grants Lodestone Exploration Limited (the "Company") a waiver from listing rule 10.13.3 to the extent necessary to permit the Company's notice of meeting (the "Notice") seeking approval of the issue of up to 9,000,000 fully paid ordinary shares to Orbit Capital Pty Ltd ("Orbit") in accordance with the performance by the Company of its obligations under a conditional farm-in deed entered into between the Company, Moreton Energy Pty Ltd and Orbit (the "Farm-in Deed") on 18 June 2008, to state that up to 6,000,000 fully paid ordinary shares may not be issued within 1 month of the date of the meeting, on the following conditions.
 - 1.1. The Notice states that up to 3,000,000 shares may be issued to Orbit or a related body corporate of Orbit upon the granting of EPC1302, EPC1299 and EPC1313, and in the case of EPC1299, Orbit also transferring its beneficial interest in that tenement to Moreton. 1,000,000 shares are to be issued for each tenement that is granted, or in the case of EPC1299, granted and transferred to Moreton (the "Tranche 2 Shares"). The date by which the Company will issue the Tranche 2 shares may not be later than the date that is 9 months after the date of the meeting.

- 1.2. The Notice states that up to 3,000,000 shares be issued to Orbit or a related body corporate of Orbit upon the Company carrying out exploration work and expenditure to the value of \$1,000,000 with 1,000,000 shares in respect of each permit that the Company elects to retain an interest in ("Tranche 3 Shares") and that these Tranche 3 Shares be issued upon the Company carrying out exploration work and expenditure to the value of \$1,000,000 and in any event no later than the date that is 3 years of the date of the meeting.
 - 1.3. The Company releases the terms of this waiver to the market at the time of the release of the Notice.
 - 1.4. The Company undertakes to include in each annual report during the period in which fully paid ordinary shares may be issued pursuant to the terms of the Farm-in Deed, a statement that those securities remain to be issued, and the details of the performance hurdles which are to be met prior to their issue. The undertaking is to be given and executed as a deed.
2. ASX has considered listing rule 10.13.3 only and makes no statement as to the Company's compliance with other listing rules.

BASIS FOR DECISION

Listing Rule 10.13.3

Underlying Policy

1. Notice of meeting requirement – approval of an issue of securities for listing rule 10.11 purposes – statement that securities will be issued within one month of meeting – securities must be issued before approval is stale – approval not vitiated by change in entity's circumstances – provides certainty to security holders.

Present Application

2. Issue of securities in two tranches to related party vendors pursuant to the terms of a farm-in deed – deferred consideration only payable upon specific events occurring – meeting to be held to approve issue - waiver granted on condition that the two tranches of deferred securities that are to be issued in accordance with the deed are issued within nine months and within three years (respectively) of the date of the meeting to approve the issue and that the annual report discloses details of the commitment to issue additional securities and performance hurdles pursuant to the terms of the farm-in deed."

If you have any queries in relation to the decision please let me know.

Yours sincerely,



Patrick O'Connor
Adviser, Issuers (Brisbane)

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