



Lodestone Exploration Limited

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10 December 2008

The Manager
Companies Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Farm-In to Tambo Coal Project and Tambo Gas Project

Lodestone Exploration Limited ("Lodestone Exploration" or "the Company") is pleased to announce that it has executed Farm-In Agreements with Tambo Coal & Gas Pty Ltd ("Tambo Coal & Gas") to farm in to a number of coal and coal seam gas project areas in southern central Queensland.

The project represents a unique opportunity to explore for both coal and coal seam gas.

The areas subject to farm-in are under applications held by Tambo Coal & Gas, a company which is controlled by Mr Greg Baynton, a Director of Lodestone Exploration.

These applications cover more than 160 kilometres of strike length in a largely unexplored region of the Surat Basin.

The Farm-In Agreements are subject to a number of conditions precedent, including shareholder approval. An Extraordinary General Meeting of the Company will be convened for the purposes of obtaining shareholder approval and a Notice of Meeting, Explanatory Memorandum and Independent Expert Report will be circulated to shareholders shortly.

Under the Farm-In Agreements, subject to satisfying exploration and expenditure commitments, Lodestone Exploration has the right to earn up to 50% interest in all permits over a five stage process.

Further details of the Farm-In Agreements will be provided to shareholders in the Notice of Meeting and accompanying documents to be circulated to shareholders shortly for the purposes of the Extraordinary General Meeting.

Yours faithfully,

Martin Ackland
Chairman

Lodestone Exploration Limited
Exploring Queensland

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