



**ASX Release
23 APRIL 2009**

**ASX Code
LOD**

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

MARKET UPDATE

Lodestone Exploration (ASX: LOD) is pleased to provide an update on its recent activities.

Energy Projects - Update

Lodestone has redirected its core focus to the identification and appraisal of energy prospects in Queensland. In particular, Lodestone is now focused on coal seam gas (CSG) and energy coal projects in South and Central Queensland, in particular:

- the **Tambo Coal & Gas Project** in the Upper Surat Basin, and
- the **Moreton Energy Coal Project** in the Clarence-Moreton Basin.

Tambo Coal & Gas Project (LOD 50%, or earning 50%): Lodestone has entered into two farm-in agreements with Tambo Coal & Gas Pty Limited in relation to the Tambo Coal Project and the Tambo Gas Project. In addition, Lodestone has jointly applied for a number of coal exploration permits in neighbouring areas with Tambo Coal & Gas Pty Limited.

The Queensland Department of Mines & Energy (DME) granted ATP1020 on 20 April 2009.

In accordance with the Tambo Gas Project farm-in agreement and subject to shareholder approval, Lodestone has the right to earn up-to 50% of ATP1020, a petroleum exploration permit area that overlaps much of the Tambo Coal Project that is believed to be prospective for coal seam gas.

An independent expert's opinion as to the 'fair and reasonableness' of the Tambo farm-in agreement is currently being finalised and a shareholders' meeting is planned for late June 2009. Notice of that meeting will be circulated to shareholders as soon as these arrangements are in place.

Moreton Energy Project (LOD earning 50%): Lodestone has farmed into three coal-bearing areas in the Moreton Basin approximately 60 kilometres from Brisbane. Of these three tenements areas, DME has now EPC1299 (Bromelton) and EPC1302 (Veresdale Scrub Deposit).

All three tenements within the Moreton Energy Project are prospective for energy coals. Each is close to road and rail infrastructure, with good access to the Port of Brisbane. Lodestone's initial focus will be on the Veresdale Scrub and Bromelton areas. Planned fieldwork includes mapping, seismic surveys and an initial drilling program.

Further updates will be provided to the market as additional material information becomes available.

Yours faithfully



Martin Ackland
Director

For further information please contact:

Jeff Jamieson
Chief Executive Officer
07-3229-6606
jammo@lodestonex.com

Information regarding exploration results contained in this report has been compiled by Jeff Jamieson who is a "competent person" for the purposes of the Australian Stock Exchange Listing Rules. Mr. Jamieson is CEO of Lodestone Exploration Limited and has consented in writing to the inclusion in this report of the matters based on the information in the form and context in which it appears.

About Lodestone Exploration Limited (ASX: LOD) – Lodestone Exploration is a Queensland company whose core focus has been redirected to the identification and appraisal of energy prospects. In particular, Lodestone is focused on coal seam gas (CSG) and energy coal projects in Queensland.