



Lodestone Exploration Limited

ABN 20 075 877 075

www.lodestonex.com

30 April 2009

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

Dear Sir

ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2009

Lodestone's activities in the March Quarter of 2009, along with significant other events, consisted of:

Activities related to Energy Projects:

Moreton Energy Project (50% Lodestone)

- Lodestone has an agreement to earn 50% equity in the Moreton Energy Project, which consists of three thermal coal tenements in the Beaudesert District, near Brisbane.
- The first of these EPC's 1299 near Bromelton was granted by the Department of Mines and Energy (DME) on the 13 November 2008. An exploration program for EPC 1299 has been planned, in accordance with both EPC expenditure commitments to the DME and the JV agreement. The normal environmental review of the EPC area, prior to any drilling has been undertaken.
- The two remaining EPCA's were granted by DME:
 - EPC 1302 in March 2009; and
 - EPC 1313 in April 2009.

Tambo Project (50% Lodestone)

- As advised to the ASX during the period, Lodestone entered into two Farm-in Agreements for gas and coal tenements in the Tambo area of Southern Queensland with Tambo Coal & Gas Pty Ltd. These two Farm-in Agreements will require ratification by Lodestone's shareholders at a General Meeting of Shareholders in late June 2009.
- Lodestone's contention is that the Tambo Project area is very prospective for Surat Basin coal and coal seam gas. Previous drilling for oil and water show good thicknesses of coal but these holes were not geophysically logged for coal.
- In aggregate, when fully granted by DME Tambo Project's tenure constitutes about 1% of Queensland's land area.

Lodestone Exploration Limited
Exploring Queensland

Lodestone Exploration Limited GPO Box 762 Brisbane QLD 4001 Australia

Tambo Coal Seam Gas (CSG) Project (50% Lodestone)

- The first Farm-in Agreement is for EPPa 1020 and is for in-seam coal seam gas exploration. EPP 1020 overlies a number of the Tambo coal EPCAs thereby both simplifying the tenure arrangements and allowing for a common exploration approach particularly in respect of property owners.
- EPP 1020 has now been granted by DME to Tambo and has therefore transformed into ATP 1020.

Tambo Coal Project (50% Lodestone)

- The second Farm-in Agreement relates to seven coal EPCAs (1414, 1415, 1417, 1418, 1481, 1482 and 1484). These are relatively large EPC application areas, six of them being 300 sub-blocks.
- Lodestone and Tambo Coal & Gas Pty Ltd also applied for an additional nine EPCAs on a 50:50 basis so the total Tambo project area applied for is very large. The last of the nine jointly applied for EPCAs are EPC 1719 being named Barcoo River (475 sub-blocks) and EPA1697 Alpha South (154 sub-blocks).
- DME has now granted EPC 1623 being one of the joint EPCs.

Activities related to Lodestone's Mount Morgan, Limestone Creek, and Eastern Botswana Projects:

Mount Morgan Project

This project is centred on the historic gold mining town of the same name, and is situated 50 kilometres southwest of Rockhampton, Queensland. Lodestone is exploring for gold and copper – molybdenum orebodies. The company invites farm-in proposals to fund drilling of several deep geophysical and conceptual targets.

Limestone Creek Project (100% Lodestone)

This project is situated 130 kilometres north of the Chillagoe township in North Queensland. The structural and lithological setting of this project is similar to the Mungana and Red Dome gold-copper deposits near Chillagoe. Lodestone invites farm-in proposals for this project.

Karinya Project

Lodestone's former 51% earned equity in the Karinya Project has been transferred back to Sedex Pty Ltd.

Mt Chalmers Project

Lodestone's 51% equity in the Mt Chalmers Project is being transferred back to Quadrio Pty Ltd.

Cracow Project

The last of the Cracow ground has been surrendered.

Eastern Botswana Project

The Eastern Botswana Project has been sold for a nominal consideration to First Mining Limited.

Forward Programs:

Lodestone will continue to expand its energy portfolio beginning with coal exploration in the Beaudesert District. The company will also continue to develop the regional geological model for the Tambo Coal & Gas project during the coming months, in anticipation of the grant of certain of these key permits in the short-to-medium term.

Lodestone will continue discussions with potential partners and encourage farm-ins at its Mount Morgan and Limestone Creek Projects.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'M. Ackland', written in a cursive style.

Martin Ackland
Chairman

For further information, please contact:

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