

**Date:** 9 December 2009

**To:** Australian Securities Exchange  
Companies Announcement Office  
Electronic Lodgment System

Dear Sir,

### **STRATEGIC PLACEMENT**

**Lodestone Energy Limited (ASX:LOD)** announced today that it had entered into an arrangement to place \$1.95 Million by way of 10 Million ordinary shares in the Company with resource investment group Square Resources Pty Ltd, an entity related to Moss Capital .

The placement, priced at \$0.195 per share will provide total proceeds of \$1,950,000, with settlement scheduled for 11 December 2009.

The additional equity funding will help accelerate the exploration program for the Tambo Coal & Gas Project during 2010. The Coal Seam Gas (CSG) drilling program at the Tambo Project commences this week, with the conventional coal exploration program due to commence later in December.

The Company has strengthened its shareholder base via this placement to include a strategic energy and resources investor that includes a team with extensive experience in exploration management, coal mine planning and development, project funding and coal marketing.

Lodestone Chairman, Martin Ackland welcomed Square Resources' strategic investment in the Company.

He said the placement brought additional funding for the initial Tambo exploration program and a relationship with a team with expertise in accelerating coal project developments.

In addition to the benefits for its exploration funding, Mr Ackland said that the strategic placement to Square Resources meant another experienced energy sector investor on Lodestone's share register, with the possibility of future follow-on funding.

Square Resources Managing Director, Staffan Ever said that he and his team were attracted to Lodestone for the scale of the Tambo Coal & Gas Project and the integrated energy portfolio opportunity the project offers.

"As active investors in coal and energy projects we hope to assist Lodestone develop its Tambo Project with our coal project development experience and industry relationships," he said.

## **About Lodestone Energy**

Lodestone Energy Limited (Lodestone) is an Australian company focusing on the identification and appraisal of energy prospects, in particular coal seam gas (CSG) and lower carbon emission coals in Queensland's Surat and Clarence-Moreton Basins.

Lodestone plans to build an energy business supplying CSG and coal from its Walloon Coal projects to domestic and export markets.

Lodestone's energy projects are close to existing infrastructure and include:

- The Tambo Coal & Gas Project in the Upper Surat Basin, which Lodestone believes to be a new energy province in Queensland. The project is targeting both coal and CSG resources in a very large area, centred on Tambo and Augathella. Subject to successful exploration this project is likely to enable Lodestone to secure a foothold in the rapidly developing CSG sector in Queensland; and
- The Moreton Energy Coal Project in the Clarence-Moreton Basin south west of Brisbane. Given its proximity to rail infrastructure, and subject to exploration success, this project may facilitate the export of thermal coal via the Port of Brisbane.

Lodestone has also retained its two key mineral prospects.

## **About Square Resources Pty Limited**

- Square Resources Pty Limited is an Australian company investing globally in early-stage natural resources projects and companies.
- Square Resources aims to deploy both capital and the team's combined experience of 150 years in natural resources to create significant shareholder value in the energy and steel making material industries.

### **For more information:**

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