

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	LODESTONE ENERGY LIMITED
ABN	20 075 877 075

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Gregory A J Baynton
Date of last notice	26 June 2009

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	
Date of change	
No. of securities held prior to change	
Class	
Number acquired	
Number disposed	
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	
No. of securities held after change	

+ See chapter 19 for defined terms.

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<p>Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p>	
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Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of “notifiable interest of a director” should be disclosed in this part.

Detail of contract	Share Sale and Purchase Agreement (“SPA”) between Orbit Capital Pty Limited and Allegro Capital Nominees Pty Ltd (“Vendors”) and the Company pursuant to which, subject to approval by shareholders, the Vendors will be issued shares in the Company in consideration for the sale of all of the issued shares in Tambo Coal & Gas Pty Ltd and Moreton Energy Pty Ltd. Further details are in the Company’s announcement of the SPA on 22 December 2009.
Nature of interest	Mr Baynton is a director and shareholder of Orbit Capital Pty Limited and a director of Allegro Capital Nominees Pty Ltd as Trustee for Allegro Capital Trust of which Mr Baynton is also a potential beneficiary, which are the Vendors under the SPA
Name of registered holder (if issued securities)	Orbit Capital Pty Limited and Allegro Capital Nominees Pty Ltd will be issued shares in the Company.
Date of change	As disclosed by the Company to ASX on 22 December 2009, the SPA was executed on that date, but completion of the SPA, and the issue of securities in consideration, is subject to shareholder approval
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	Nil
Interest acquired	Subject to shareholder approval, the vendors will be issued 407,288,211 Ordinary fully paid shares.
Interest disposed	Nil
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	All issued capital in Tambo Coal & Gas Pty Limited and Moreton Energy Pty Limited. Refer ASX release dated 22 December 2009 for details of assets held within those companies. An independent Expert Report on the value of the consideration will be provided to shareholders prior to the Extraordinary General Meeting at which shareholder approval for the transaction will be sought.

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Interest after change	Subject to shareholder approval, the vendors will be issued 407,288,211 Ordinary fully paid shares as follows: Allegro Capital Nominees Pty Ltd – 399,142,447 Shares; and Orbit Capital Pty Ltd – 8,145,764 Shares. G Bayton's interests will be: Indirect – 416,481,646 Ordinary shares Indirect – 2,000,000 Unlisted Options Direct – 1,000,000 Perf. Rights Type 1 Direct – 1,000,000 Perf. Rights Type 2
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