

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 |
| Date | 2 June 2011 |

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.

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|----------------------------|----------------------------|
| Name of Director | Gregory A J Baynton |
| Date of last notice | 13 September 2010 |

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 | Indirect |
| Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest. | G Baynton is a Director of Allegro Capital Nominees Pty Ltd, the registered holder. |
| Date of change | 2 June 2011 |
| No. of securities held prior to change | Direct – 1,000,000 Ordinary Shares Indirect – 416,534,979 Ordinary shares Direct – 1,000,000 Perf. Rights Type 2 |
| Class | Unlisted Options |
| Number acquired | 40,000,000 |
| Number disposed | Nil |
| Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation | Transfer of shares under Share Sale and Purchase Agreement as approved by shareholders on 2 June 2011 |

+ See chapter 19 for defined terms.

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|---|--|
| No. of securities held after change | Direct – 1,000,000 Ordinary Shares Indirect – 416,534,979 Ordinary Shares Indirect – 40,000,000 Unlisted Options Direct – 1,000,000 Perf. Rights Type 2 |
| Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back | Issued under Share Sale and Purchase Agreement approved by shareholders on 2 June 2011 |

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.

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| Detail of contract | |
| Nature of interest | |
| Name of registered holder (if issued securities) | |
| Date of change | |
| No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed | |
| Interest acquired | |
| Interest disposed | |
| Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation | |
| Interest after change | |

+ See chapter 19 for defined terms.