

7 August 2008

**LACHLAN STAR LIMITED CEASES WORK
AT THE ALEXANDER COAL PROJECT, SOUTH AFRICA**

On 18 July 2008 Lachlan Star Limited announced that it had entered into an agreement with Universal Pulse Trading 132 (Pty) Ltd to purchase up to 74% of the Alexander Coal Project in South Africa.

Subsequent to that announcement, Lachlan Star has been notified that there are inconsistencies with the tenure of the New Order Prospecting Rights held by Universal Pulse. The Alexander Project consists of two Prospecting Rights, MP 30/5/1/1/2/1523 (PR) and MP 30/5/1/1/2/1626 (PR).

As a precautionary measure whilst investigation of the status of the Prospecting Right is undertaken, Universal Pulse has ceased drilling operations and Lachlan Star has deferred the completion of a resource update and geotechnical work for the Project.

No consideration for the acquisition will be payable until such time as tenure has been confirmed and the other conditions precedent satisfied.

A further announcement will be made once the South African Department of Minerals and Energy has formally notified Universal Pulse as to the status of the Prospecting Right.



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About Lachlan Star Limited

Lachlan Star Limited is an emerging minerals exploration and development company headquartered in Perth, Western Australia. The company is focused on acquiring and developing assets within the gold, copper and bulk commodities sectors within Australia and overseas. The company has a board of directors and management team with an impressive track record of advancing resource projects through to production.

Lachlan Star's current projects include the Bushranger copper and gold project in NSW and the Princhester magnesite deposit in QLD. The Company has an agreement to acquire the Holfontein Coal Project (100%) in South Africa.

For more information visit: www.lachlanstar.com.au