

LACHLAN STAR CLARIFIES TERMS OF PRIVATE PLACEMENT

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West Perth, Australia – August 8, 2011 – Lachlan Star Limited (“**Lachlan Star**” or the “**Company**”) (ASX:LSA) provides this clarification for Australian shareholders who may be unfamiliar with the Canadian capital market concept of a “Special Warrant” and a “Unit”.

The “Special Warrant” referred to in this morning’s release is an unlisted instrument that will convert into a “Unit” at the earlier of a final prospectus being filed in Canada, or 4 months from the expected Closing date of 23 August 2011.

Each Unit consists of one share and a half option (known as a warrant in Canada). The option (warrant) will have a term of two years and a strike price of \$1.20.

In the event that the Agents exercise the Agents Option, the placement would result in the following shares and options (warrants) being issued on exercise of the Special Warrants:

Security	Number to be issued	Issue Price/Strike Price	Gross Proceeds	Timing
Shares	18,400,000	\$0.82	\$15,088,000	Sept/Oct 2011
Options (2 year Strike)	9,200,000	\$1.20	\$11,040,000	Subject to option exercise by Sept 2013

The lowest price that any shares will be issued at under this structure is \$0.82 for the ordinary shares, and the maximum is \$1.20 a share on exercise of the options.

About Lachlan Star

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 and copper sectors within Australia and Chile. 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 a 100% interest in the CMD Gold Mine in Chile, the Bushranger copper and gold project in New South Wales and the Princhester magnesite deposit in Queensland.

For further information, please visit www.lachlanstar.com.au or contact:

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Forward-Looking Statements

This news release contains forward-looking statements which involve known and unknown risks, delays and uncertainties not under the Company's control which may cause actual results, performance or achievements of the Company to be materially different from the results, performance or expectations implied by these forward-looking statements.