

23 December 2010

COMPLETION OF PLACEMENT

Lachlan Star Limited is pleased to announce the completion of its placement to raise a total of \$5.85 million before costs.

The previously announced placement of \$5.5 million has been completed (subject to shareholder approval at the Extraordinary General Meeting scheduled for 11 am today). The placement has been allocated to S708 exempt investors, including RMB Resources Ltd as trustee for the Telluride Investment Trust, and a range of European and Canadian funds. An additional \$0.35 million will be placed under the Company's 15% limit immediately following the EGM.

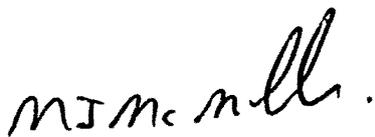
All placement shares will be issued at 1c each.

The placement was heavily oversubscribed and the additional \$0.35 million placement is being made to strategic Canadian investors to further expand the Company's shareholder base in that market.

Mick McMullen (Executive Chairman) stated the rights issue and placement have closed well oversubscribed and strongly supported by existing major shareholders and directors and management of the Company. Completion of the CMD mine acquisition now depends on shareholder approval of the transaction at the EGM later today, which we are highly confident of achieving.

This financing will put Lachlan Star on a solid footing to expand the producing gold mine in Chile, and to significantly increase the exploration efforts there.+

For and on behalf of the Board



Mick McMullen
Chairman

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 QL as well as a 26.4% holding in Luiri Gold Limited. Lachlan Star has an agreement to buy a 100% interest in the CMD Gold Mine in Chile.

Visit: www.lachlanstar.com.au