

FORT WORTH, Texas, July 28, 2015 /PRNewswire/ -- Lonestar Resources, Ltd. (OTCQX:LNREF, ASX:LNR) is pleased to announce the closing of a \$100 million Joint Development Agreement ("JDA") with IOG Capital, L.P. The Agreement provides incremental non-recourse capital for Lonestar to drill wells in its focus area of the Eagle Ford Shale play.

Lonestar's agreement with IOG Capital makes available a maximum of \$100 million in funds to be used in drilling incremental Eagle Ford Shale wells. The Joint Development Agreement, which calls for IOG to participate as a non-operated working interest owner, states that the funds can be deployed towards the drilling and completion of Eagle Ford Shale wells which meet the collective return criteria of Lonestar and IOG. The JDA calls for IOG to contribute up to 90% of the initial capital for wells drilled in the program, with Lonestar contributing the remainder of well costs. After IOG achieves a specified return, Lonestar's working interest would increase to 90%.

Lonestar's Chief Executive Officer and Managing Director, Frank D. Bracken, III, commented, "Our deal with IOG Capital is tailor-made for Lonestar's strategy in the current market- it makes sense to pursue additional growth opportunities in the current market, but do so in a manner that is consistent with Lonestar's philosophy of maintaining balance sheet flexibility. First and foremost, this Agreement will allow Lonestar to more aggressively pursue additional farm-in opportunities without materially augmenting our capital budget. Farm-ins have been a principal source of leasehold and reserve growth for Lonestar in 2015, and we see that trend continuing."

Bracken added, "The Joint Development Agreement will also allow Lonestar to spread its drilling capital over a larger number of wells, which should have positive benefits in terms of scale, as well as enlarge the number and size of acquisitions the Company can prosecute, which makes sense for a company our size."

About IOG Capital, L.P.

IOG Capital, L.P. is an energy-focused private investment firm partnered with Fortress Investments and Metalmark Capital, with over \$700 million in deployable capital. Founded in 2014 by former [Chesapeake Energy Corp.](#) (NYSE: CHK) Chief Financial Officer, Marc Rowland, the firm seeks to provide funding solutions to development oriented oil and gas projects located onshore in the United States through joint ventures and non-operated asset level investment.

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SOURCE Lonestar Resources, Ltd.

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