

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>Lonestar Resources, Ltd.</u>		2 Issuer's employer identification number (EIN) <u>98-1085738</u>	
3 Name of contact for additional information <u>Douglas Banister</u>	4 Telephone No. of contact <u>817-546-6361</u>	5 Email address of contact <u>dbanister@lonestarresources.com</u>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>600 Bailey Avenue, Suite 200</u>		7 City, town, or post office, state, and Zip code of contact <u>Fort Worth, TX 76107</u>	
8 Date of action <u>May 8, 2015</u>		9 Classification and description <u>Reverse Split of Common Stock 1 for 50 shares</u>	
10 CUSIP number <u>Q5638R119</u>	11 Serial number(s)	12 Ticker symbol <u>LNR</u>	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On May 8, 2015, the stockholders of Lonestar Resources, Ltd. approved the Board of Directors resolution to undertake a 1 for 50 reverse stock split of the company's common stock. The effective date of the stock split is May 12, 2015. Cash will not be issued for fractional shares. Rather, where fractional shares exist on the conversion, the fractional share will be rounded up to the nearest whole share.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A stockholder's tax basis in one share of Lonestar Resources, Ltd common stock after the reverse split will equal the stockholder's basis in the 50 shares exchanged in the reverse split. The total tax basis of each stockholder in the Lonestar Resources, Ltd common shares received in the reverse split should be equal to the total tax basis of the stockholder in his/her shares of common stock before the reverse split.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There is no change in the basis of the shares of a stockholder as a result of the reverse split.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The reverse split is a non-taxable recapitalization pursuant to Section 368(a)(1)(E) of of the Internal Revenue Code. Section 354(a)(1) provides that no gain or loss shall be recognized if stock in a corporation is exchanged solely for stock in such corporation. Section 358(a) provides that the tax basis of stock in a corporation received in an exchange will be the same as the tax basis in the stock exchanged.

18 Can any resulting loss be recognized? ▶ No loss will be recognized as a result of the reverse stock split.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year for the reverse split of the Lonestar Resources, Ltd. common stock is the 2015 calendar year.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ DW Banister Date ▶ 6/9/2015
Print your name ▶ Douglas W. Banister Title ▶ CFO

Paid Preparer Use Only

Print/Type preparer's name <u>J. Scott Hendon</u>	Preparer's signature <u>J. Scott Hendon</u>	Date <u>6-1-15</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P00535647</u>
Firm's name <u>BDO USA, LLP</u>	Firm's EIN <u>13-5381590</u>		Phone no. <u>214-969-7007</u>	
Firm's address <u>700 North Pearl, Suite 2000, Dallas, TX 75201</u>				

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054