



ASX Codes

Ordinary shares: LST
Listed options: LSTO

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Update on Cracow Sale

Issued shares: 191.0m
Share price: \$1.83
Issued options: 5.8m
Option price: \$0.34
(151c April 09)

Net Tangible Assets:
(31/05/08) \$403m

Market cap: \$349m

NTA pre tax
(31/05/08): \$2.09

NTA post tax
(31/05/08): \$2.09

Further enquiries:

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Lion Selection Limited (Lion) has been advised by Beadell Resources (Beadell) that the equity raising undertaken by Beadell to fund the proposed acquisition of Lion's 30% interest in Cracow gold project (and Newcrest's 70% interest) has been unsuccessful due to recent difficult market conditions. Accordingly the sale of Lion's 30% interest to Beadell will not proceed.

As the sale to Beadell will not proceed, Newcrest Mining Limited (Newcrest) has an option to acquire Lion's 30% interest in Cracow for \$80 million in cash. The option expires on 31 October 2008.

Lion will now seek to work with Newcrest to explore its intentions with respect to the option and any other opportunities that might exist in relation to the combined interest.

Lion will consider the best course of action in relation to its Cracow interest following the review with Newcrest and announce its intentions in due course.

Lion Directors consider the sale of its Cracow interest to Beadell was in the best interest of its shareholders, and is disappointed that the sale will not proceed at this time. The Cracow sale was overwhelmingly approved by Lion shareholders at a general meeting on 23 June 2008. Shareholder approval was required because the sale was a "defeating condition" under the now lapsed Indophil takeover offer for Lion. Lion wrote to Indophil several times seeking that Indophil waive the condition in relation to the Cracow transaction, but that waiver was not forthcoming. This time delay has proved to be unfortunate.

Detailed information on Lion Selection Limited can be found on the company's website www.lionselection.com.au.

CONTACT DETAILS

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