

Lion Selection Group Unmarketable Parcel Sale Facility and Voluntary Share Sale Facility

Frequently asked questions

Why has Lion Selection Group implemented the Unmarketable Parcel Sale Facility and the Voluntary Share Sale Facility?

The Unmarketable Parcel Sale Facility and the Voluntary Share Sale Facility ('the Sale Facilities') enable Lion Selection Group share holders with:

- (a) in the case of the Voluntary Share Sale Facility - 5,000 shares or less and the value of such shares being at least A\$500 as at 12 April 2010; or
- (b) in the case of the Unmarketable Parcels Sale Facility - 999 shares or less (i.e. a parcel of shares with a value being less than A\$500) as at 12 April 2010,

to sell those shares without incurring brokerage or handling costs.

By reducing the number of holdings on the Lion Selection Group' share holder register by way of the Sale Facilities, the Sale Facilities will help Lion Selection Group to reduce administrative costs associated with servicing large numbers of relatively small share holdings.

The brokerage and handling costs associated with selling a relatively small parcel of shares are often a disincentive for share holders to sell their shares. To assist share holders who wish to sell their Lion Selection Group shares, Lion Selection Group will pay the brokerage and other costs associated with selling these shares through the Sale Facilities.

What is an unmarketable parcel of shares?

An unmarketable parcel of shares is a parcel of Lion Selection Group (NSX: LGP) shares valued at less than A\$500. The company assessed which shareholders held unmarketable parcels at the close of trading on the NSX on 12 April 2010 and at that time an unmarketable parcel was 999 shares or less.

Is participation in the Sale Facilities optional?

Yes, participation in the Sale Facilities is optional, namely, eligible shareholders may choose to "opt in" under the Voluntary Share Sale Facility or "opt out" under the Unmarketable Parcel Sale Facility.

Unmarketable Parcel Sale Facility

All shareholders that held an unmarketable parcel of Lion Selection Group shares as at 12 April 2010 were sent written notification on 21 April 2010 which explained the Unmarketable Parcels Sale Facility and gave share holders the option to retain their Lion Selection Group shares. To retain shares under the Unmarketable Parcels Sale Facility shareholders must return their PINK 'Share Retention Form' so that it is received by the Lion Selection Group' Share Registry (Computershare Investor Services Pty Ltd) by 4 June 2010. To sell shares under the Unmarketable Parcels Sale Facility no action is required.



Voluntary Share Sale Facility

All shareholders that held a marketable parcel (i.e. shares being at least A\$500 in value) consisting of 5,000 shares or less as at 12 April 2010 were sent correspondence on 21 April 2010 in relation to the Voluntary Share Sale Facility. To retain their shares under the Voluntary Share Sale Facility shareholders are not required to take any action. To sell shares under the Voluntary Share Sale Facility shareholders must return the GREEN Sale Instruction Form so that it is received by the Lion Selection Group's Share Registry (Computershare Investor Services Pty Limited) by 4 June 2010. If you are CHESSE/broker sponsored then you will need to send your GREEN Sale Instruction Form to your broker to be stamped and returned to the Lion Selection Group Share Registry by 4 June 2010 rather than sending it directly to the Share Registry.

How will my Lion Selection Group shares be sold?

Lion Selection Group appointed E.L. & C. Baillieu Stockbroking to act as execution-only broker to sell Lion Selection Group shares on the NSX under the Sale Facilities. Following the determination of the Lion Selection Group shares to be sold under the Sale Facilities, these shares will be sold as soon as reasonably practicable.

What is the date that my Lion Selection Group shares will be sold?

The sale shares under both the Voluntary Share Sale Facility and the Unmarketable Parcels Sale Facility are expected to be sold prior to 30 June 2010.

Will I have to pay brokerage or handling costs?

No, you will not have to pay brokerage or handling costs if your Lion Selection Group shares are sold under the Sale Facilities. Lion Selection Group will pay these costs on your behalf.

How much will I receive for my shares under the Sale Facilities?

Lion Selection Group will bear all brokerage and handling fees related to sales under this facility. The price that will be paid to shareholders for each share sold through the Unmarketable Parcels Sale Facility and the Voluntary Share Sale Facility will be the volume weighted average price received by the broker for the sale of all shares sold through the Unmarketable Parcels Sale Facility and the Lion Selection Group Voluntary Share Sale Facility being conducted at the same time. That price will be calculated by the broker. The market price of Lion Selection Group shares is subject to change from time to time, and the proceeds remitted to a shareholder for the sale of their shares under the Unmarketable Parcels Sale Facility may be more or less than the actual price that is received by the broker for those shares.

When will I receive the proceeds?

For shareholders participating in the Sale Facilities, payment will be made by direct credit if shareholders have notified Lion Selection Group of their banking details, or alternatively cheques will be mailed to participants at their registered address. Payments will be made within two weeks of the last sale of shares. All proceeds will be paid in Australian dollars.

How should the proceeds be treated for tax purposes?

The proceeds from the Sale Facilities of the Lion Selection Group shares should be treated similarly to the proceeds received from a normal on-market sale of Lion Selection Group shares. Shareholders should seek their own tax advice, as each Shareholder's circumstances may differ.