

ASX Codes

Ordinary shares: LST
Listed options: LSTO

Issued shares: 188.0m
Share price: \$1.40

Issued options: 5.7m
Option price: \$0.015
(151c April 09)

Net Tangible Assets:
(31/08/08) \$360m

Market cap: \$263m

NTA pre tax
(31/08/08): \$1.89

NTA post tax
(31/08/08): \$1.89

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\$150 MILLION / 80¢PS CASH RETURN VIA OFF-MARKET SHARE BUY-BACK

Lion Selection Limited (Lion or the Company) today announces a proposed major Off-market Buy-back, (subject to ASIC relief) to be voted upon by shareholders at a General Meeting to be convened shortly. This follows strong support from Lion's shareholders for a cash distribution following the 23 June shareholder meeting.

The Directors currently intend to implement a cash return of \$150 million by an initial Off-Market Buy-back. An offer to buy shares at a discount of no more than 5% to the Net Tangible Assets (NTA) backing will be made to all shareholders. The current NTA is approximately 179 cents per share but may vary by the time the buyback is implemented in November.

The Company retains absolute discretion to vary the size and parameters of the Off-market Buy-back, particularly in the event that further funds become available prior to implementation of the Off-market Buy-back.

An indicative series of actions and dates relating to the Off-market Buy-Back Program are set out below:

Date	Action
On or about 1 October 2008	Notice of Meeting sent to shareholders (Subject to ASIC relief)
On or about 31 October 2008	General Meeting of shareholders to approve the Buy-Back Resolution.
On or about 3 November	Offer period opens, subject to ATO class ruling.
On or about 28 November 2008	Close of Off-market Buy-back Offer.
On or about 1 December 2008	Determination of the Buy-Back Price and scale back (if any) and entry into Buy-Back Contracts. Shares from unsuccessful Offers due to scale back (if any) released from sub-position.
On or about 8 December 2008	Dispatch/crediting of Off-Market Buy-Back proceeds to participating shareholders completed.

The Off-market Buy-back price will be set at a small discount to the average daily closing NTA during the final week of the Offer period.



Lion has an existing On-market Buy-back program in place. As at 24 September 2008 Lion had acquired 4.7 million shares at an average cost of \$1.49 (exc. brokerage). Subject to the specified volume limits, the existing On-market Buy-back program will continue up until the General Meeting.

Shareholder approval will be sought to buy back up to 143 million shares or 75% of Lion's ordinary shares over a twelve month period. The Company may decide to buy back some or all of this capital using one or more offer processes in conjunction with the previously announced existing On-market Buy-back program and possible extension of the On-market Buyback program.

Participation in an Off-market Buy-back is optional and the entitlement date and record date will be announced closer to the General Meeting. Lion shareholders should consult their financial or other professional adviser before deciding whether or not to participate in the Off-market Buy-back. No decision to participate in the Off Market Buy-back is required until the offer period opens and following shareholder and regulatory approvals.

The Company is in the process of applying for a Class Ruling from the Australian Taxation Office to confirm the tax treatment if an Off-Market Buy-back is undertaken. If the Company proceeds with the Off-Market Buy-back, general information on the tax implications of successfully participating in the Off-market Buy-back will be set out in the Buy-back booklet to be sent to shareholders.

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