

ASX RELEASE
21 May 2008

ASX Codes

Ordinary shares: LST
Listed options: LSTO

Issued shares: 191.0m
Share price: \$1.805
Issued options: 5.8m
Option price: \$0.41
(151c April 09)

Market cap: \$347m
Net Tangible Assets:
(30/04/08) \$341m

NTA (per share) pre tax
(30/04/08): \$1.78

NTA (per share) post tax
(30/04/08): \$1.78

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**INDOPHIL'S CURRENT PRICE SHOULD NOT BE
USED TO VALUE ITS SCRIP BID FOR LION**

- Indophil's share price has responded to Xstrata's proposed takeover offer.
- **THE CONDITIONS OF XSTRATA'S ANNOUNCED TAKEOVER OFFER FOR INDOPHIL WILL NOT BE MET AND THEREFORE THE OFFER WILL LAPSE IF THE INDOPHIL SCRIP BID FOR LION IS SUCCESSFUL.**
- **Accordingly, Lion shareholders should not use Indophil's current share price to value Indophil's scrip bid for Lion shares!**

Lion has received numerous enquiries from its shareholders asking how they should value and respond to Indophil's scrip bid now that it's open and Indophil's share price has risen sharply in response to Xstrata's announced intention to make a takeover offer for Indophil.

It is very important that Lion shareholders realise the stated conditions of Xstrata's takeover offer for Indophil will not be met if the Indophil scrip bid for Lion is successful. The Xstrata offer will lapse if the stated conditions are not met (unless waived) by Xstrata. The Lion Directors do not believe that Xstrata has any intention of waiving the relevant conditions. Consequently the Lion Directors believe that **XSTRATA'S CASH OFFER FOR INDOPHIL WILL NOT BE AVAILABLE TO LION SHAREHOLDERS WHO ACCEPT THE INDOPHIL SCRIP BID.**

In addition, Lion Directors do not consider that Indophil's current share price can be used to imply the value of Indophil's scrip bid for Lion. Lion Directors believe the most representative period of Indophil trading, to determine the implied value of the Indophil scrip bid, is the 30 day VWAP either preceding the Indophil scrip bid for Lion (65.5¢), or preceding the Xstrata offer for Indophil (77.1¢).

As announced on 19 May 2008, the Lion Directors are to recommend the rejection of the Indophil scrip bid and have a plan that they believe will deliver a superior outcome. Lion shareholders will receive more information on this plan in the Notice of Meeting and Target's Statement documents, which will be sent shortly. **SHAREHOLDERS SHOULD NOT MAKE ANY DECISION UNTIL THEY RECEIVE THESE DOCUMENTS.**