



13 May 2008

Dear Shareholder

Indophil's Bidder's Statement Dispatched – Shareholders should TAKE NO ACTION

By now you may have received, or will shortly receive, the Bidder's Statements relating to Indophil Resources NL's ("Indophil") unsolicited offer (the "Offer") for your shares in Lion Selection Limited ("Lion").

The Board of Lion reiterates its previous advice that you **TAKE NO ACTION** and **NOT MAKE ANY DECISION** in relation to the Offer until your Board has had an opportunity to fully evaluate the Offer.

Your Board is currently evaluating the Offer, and actively assessing alternative strategies that have the **potential to deliver a superior result for shareholders**. You will be kept fully informed of developments as they occur.

Your Board will make a formal recommendation to you on Indophil's Offer in Lion's Target Statement, which will be sent to you later this month. You have until at least 12 June 2008 to make your decision regarding Indophil's unsolicited Offer. The Offer **MUST** remain open until at least this time and can be extended beyond that date.

If you accept the Indophil offer:

- you will be unable to sell your Lion shares through the market;
- you will be unable to accept a better offer from another party should such an offer emerge (unless Indophil's offer is withdrawn or in certain other limited circumstances); and
- you will not receive Indophil shares until up to 1 month after the Offer becomes unconditional, which may not be for a considerable period of time.

Shareholders should contact Luke Smith on +61 3 9614 8008 should they have any queries in relation to the Offer.

Yours sincerely

Ewen W J Tyler
Chairman

Robin Widdup
Managing Director

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