

ASX Codes

Ordinary shares: LST
Listed options: LSTO

Issued shares: 191.1m

Share price: \$1.75

Issued options: 5.8m

Option price: \$0.30
(151c April 09)

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

Market cap: \$336m

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

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

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ASX RELEASE

8 July 2008

Final Closing of US\$79m African Lion 3 Fund

Following the announcement on 29 May 2008 regarding the initial closing of African Lion 3 Limited ("AFL3"), Lion Selection Limited (Lion) is pleased to announce that two further participants have executed agreements to become a party to AFL3. Following this second and final closing AFL3 has an increased committed capital of US\$79.2 million. Lion has committed US\$18.75m (A\$20m) for a 23.7% interest in AFL3.

The European Investment Bank (The development bank of the European Union) and Rand Merchant Bank (Johannesburg based commercial bank) have become the final two shareholders of AFL3, joining CDC (a UK Government-owned development fund), Proparco (French Government development bank) and BIFM (a Botswana-based insurance fund), along with Lion. This group of shareholders provides AFL3 with a significant level of experience and knowledge of investment in the African continent.

AFL3 follows the outstanding success of the two existing African funds; AFL (Lion 29.8%) and AFL2 (Lion 18.6%).

AFL commenced in 1999 with committed capital of US\$33.8 million. AFL2 commenced in 2004 with committed capital of US\$34.6 million. Both funds are now fully invested and have grown original invested funds to US\$346 million including returns to shareholders and remaining investments at 30 June 2008.

AFL3 is a 10-year closed-end fund and is managed by the Lion Manager.

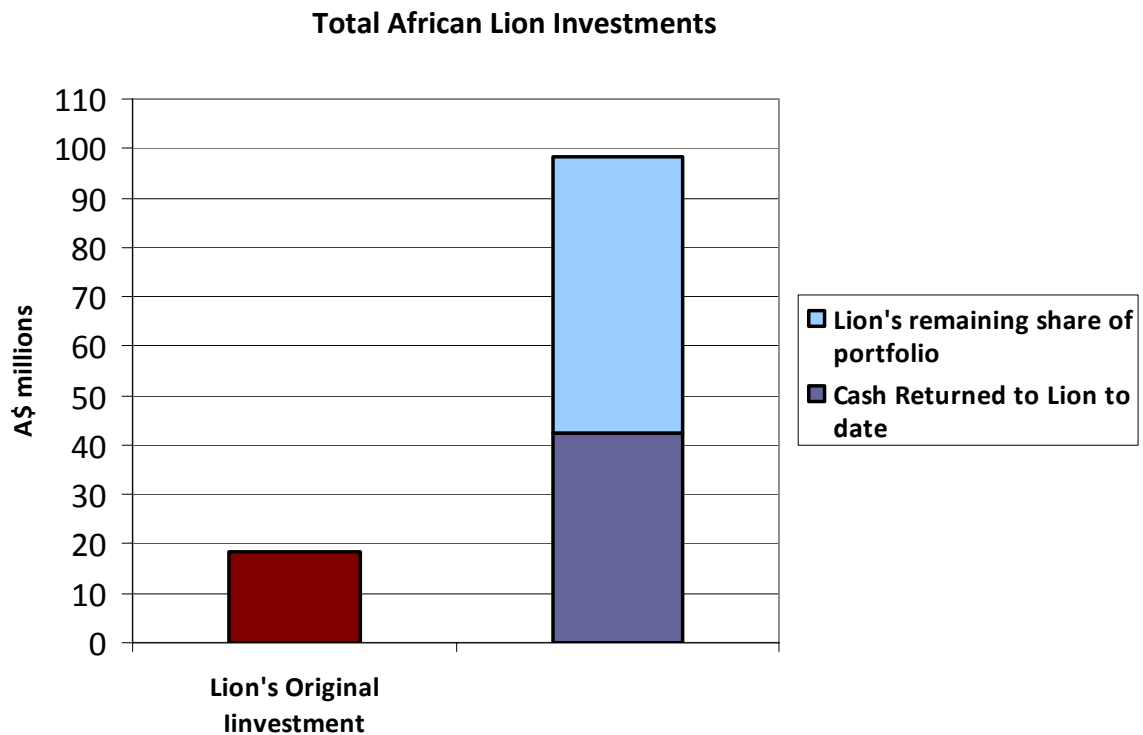
African Lion Rationale

The aim of African Lion is to identify investments solely in Africa. Lion is able to co-invest and benefit from the political risk advice and funding capacity delivered by the international development and commercial banks which are Lion's co-shareholders in the funds.

Both AFL and AFL2 have performed well to date. The individual fund performance attributable to Lion as at 30 June 2008 is split below.

	Lion's original investment	Cash returned to Lion to date	Lion's remaining share of portfolio	Return on Investment
AFL	A\$11.4m	A\$35.0m	A\$32.5m	5.9x
AFL2	A\$7.1m	A\$7.6m	A\$23.2m	4.3x
Combined	A\$18.5m	A\$42.6m	A\$55.7m	5.3x

The past performance of African Lion and the corresponding value to Lion as at 30 June 2008 is shown in the chart.



The cash returned to the funds' shareholders is from the realisation of investments including:

Major Investments Realised	Invested (US\$m)	Realised (US\$m)	Return on Investment
East African Gold Mines	5.3	14.8	2.8x
LionOre International Mining	1.9	3.7	1.9x
Redback Mining	2.0	6.2	3.1x
Resolute Mining	2.0	5.4	2.6x
Equinox Minerals	0.8	2.3	2.8x
Gallery Gold	7.9	24.8	3.2x
Platmin Limited	9.8	100.0	10.2x

The two existing African funds remaining portfolios have a combined value in excess of US\$194 million at 30 June 2008. The portfolios include investments in Albidon Limited (total value US\$137 million), Sphere Investments Limited (US\$35 million) and Mineral Deposits Limited (US\$8 million).

Lion shareholders continue to have direct exposure to the African funds and benefit from their performance. Detailed information on Lion Selection Limited can be found on the company's website www.lionselection.com.au and detail on the African Lion Funds can be found at www.afl.co.za.