

ASX Announcement 12 January 2007

African Lion 2 makes three new investments

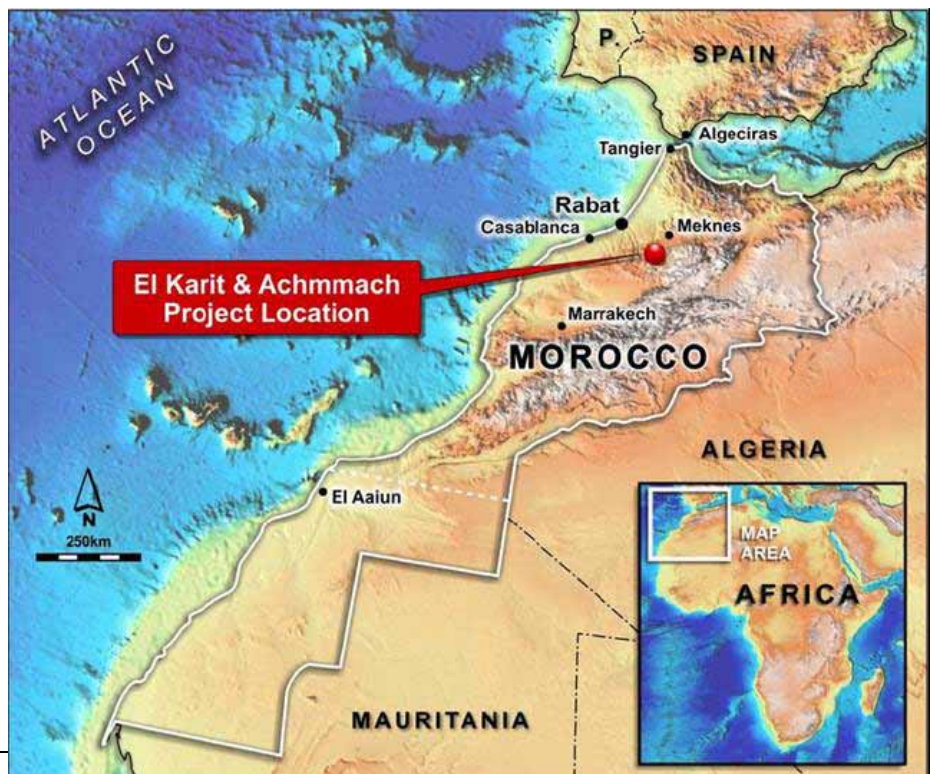
- **Kasbah Resources Limited**
- **Copperbelt Minerals Limited**
- **African Energy Resources Limited**

African Lion 2 Limited (AFL2), the African investment fund in which AuSelect has an 18.6% interest, is pleased to announce three recent seed investments, totalling US\$1.4 million.

These investments grow the AFL2 portfolio from seven to ten companies and also provides increased geographical and commodity spread within Africa. The investments in Kasbah Resources Limited (Kasbah), Copperbelt Minerals Limited (Copperbelt Minerals) and African Energy Resources Limited (African Energy) provide exposure to two new countries (Morocco and the Democratic Republic of Congo [D.R.C.]) and two new commodities (tin and uranium). These investments are all seed investments (\leq US\$0.5 million) and the fund may look to add to these positions in the future.

1. Kasbah Resources Limited – US\$0.4 million

Kasbah has an option to acquire the Achmmach and El Karit tin projects in Morocco. The company is also looking to find additional projects in North Africa. Kasbah is currently unlisted and is considering an Initial Public Offering (IPO) in early 2007. A Pre-Feasibility Study of Achmmach is in progress.



2. Copperbelt Minerals Limited – US\$0.5 million

Copperbelt Minerals, has two key project areas in the Kolwezi region of the Katanga Province of the D.R.C. These project areas, Deziwa and Écaille C, are both prospective for copper-cobalt resource definition, and are in joint venture with the state run company Gécamines. Copperbelt Minerals can earn up to 75% of each project by completing a feasibility study.

Copperbelt Minerals is an unlisted company that, dependent on exploration results from the key project areas, will look to undertake an IPO in late 2007.

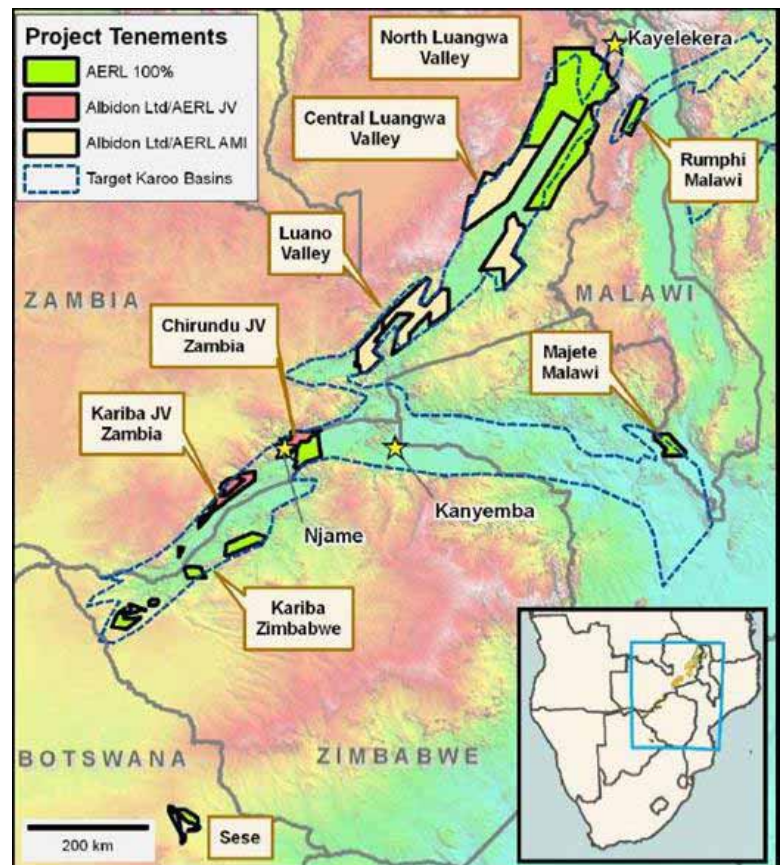
3. African Energy Resources Limited – US\$0.5 million

African Energy holds an extensive ground position in Southern Zambia with a principal focus on uranium exploration. A number of the project areas are in joint venture with Albidon Limited (AFL2 also has a significant direct investment in Albidon). African Energy has the ability to earn a 70% interest in these project areas.

The most advanced project, Njame North, has an inferred Resource of:

5.5 million tonnes @ 400 ppm U_3O_8
for
2,300 tonnes U_3O_8
(cut off grade 200 ppm U_3O_8)

African Energy is currently unlisted, but looking to complete an IPO in early 2007.



Information about AFL2 and its other investments can be found at www.afl.co.za.

Enquiries:
Mike Brook / Brooke Robertson
AuSelect Limited
Tel: 61 3 9614 8008 Fax: 61 3 9614 8009
Email: aus@auselect.com.au