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Friday, 6 June 2008

**Lion Selection Limited - Panel Receives Application**

On the evening of 5 June 2008, the Takeovers Panel received an application from Indophil Resources NL in relation to the affairs of Lion Selection Limited. Lion is the subject of an off-market takeover bid by Indophil.

Xstrata Queensland Limited has announced that it intends to make a takeover offer for Indophil and has entered into a pre-bid agreement with Lion. On 23 May 2008 Lion announced a notice of meeting where, among other things, Lion seeks shareholder approval for the sale of its 17.8% stake in Indophil to Xstrata pursuant to the pre-bid agreement.

Indophil's application relates to statements by Lion. Indophil submits that statements made in Lion's:

1. Target's Statement dated 23 May 2008
  2. Notice of Meeting and Explanatory Memorandum dated 23 May 2008 and
  3. other related announcements appearing on ASX,
- are false and misleading, contain omissions and constitute unacceptable circumstances.

Indophil further submits that Lion's failure to fully and adequately address its concerns (there were agreed changes as well) has caused the market for Lion shares, in the context of its offer, to not be efficient, competitive and informed.

Indophil seek a declaration of unacceptable circumstances and orders including that:

1. Lion issue corrective disclosure in relation to the disclosures and omissions identified by Indophil, in the form of a "replacement" Target's Statement and Notice of Meeting and
2. Lion send a replacement proxy form to Lion shareholders who have submitted proxies in relation to the Notice of Meeting to enable them to amend their vote in light of the corrective disclosure.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

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