

## Lion Selection Group to Offer Shareholder Sale Facilities

Lion Selection Group has initiated two share sale facilities designed to allow shareholders with less than 5,000 shares (with a value equal to or above \$A500) or an unmarketable parcel of shares (i.e. a parcel of shares with a value of below \$A500) to sell their shares cost effectively and simply and to assist the company in reducing costs associated with servicing smaller holdings.

### **Unmarketable Parcels Sale Facility**

Consistent with the Company's Constitution, and recognising that the cost to shareholders of selling very small holdings can be prohibitive, shareholders with an unmarketable parcel of shares (equivalent in value of below A\$500) will shortly receive a letter in the form attached. The letter explains that, unless they advise the Company otherwise, their shares will be sold on market and the proceeds remitted to them in accordance with the process set out in the letter at zero cost to them. Shareholders who wish to retain their unmarketable parcels of shares must return the pink "share retention" form enclosed with the letter to the Lion Selection Group share registry otherwise their shares will be sold.

The last date for the pink "share retention" forms to be received at the Lion Selection Group share registry is 4 June 2010.

### **Voluntary Share Sale Facility**

This share sale facility will be available to shareholders who have holdings that are equal to or above the marketable parcel level of A\$500 but equal to or less than 5,000 shares. These holders will also be able to sell their holdings free of all brokerage charges. Shareholders in this category, who wish to retain their shares, are not required to do anything. Shareholders who wish to take up this part of the share facility offer must "opt in" via the green "sale instruction" form enclosed with the letter sent to them. A copy of this letter is attached.

The last date for the green "sale instruction" forms to be received at the Lion Selection Group share registry is 4 June 2010.

**Why is Lion Selection Group implementing the Voluntary Share Sale Facility and the Unmarketable Parcel Sale Facility?**

The Company welcomes the support of all shareholders, however, Lion Selection Group incurs administrative costs in producing and distributing shareholding statements, annual reports, notices of meeting and other communication, irrespective of the size of the shareholding. The cost of maintaining shareholder accounts can be disproportionately high when compared with the dollar value of relatively small shareholdings.

If you are a shareholder and you have any questions regarding how the Unmarketable Parcels Sale Facility or the Voluntary Share Sale Facility works please contact the Lion Selection Group Share Registry call centre on **1300 085 149 (within Australia)** or on **+61 3 9415 4808 (outside Australia)**.

21 April 2010

**THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT YOUR LION SELECTION GROUP SHAREHOLDING  
AND REQUIRES YOUR IMMEDIATE ATTENTION**

Dear Shareholder,

**Unmarketable Parcels Sale Facility**

I am writing to advise all shareholders who hold less than A\$500 worth of Lion Selection Group shares (called an "unmarketable parcel"), that Lion Selection Group is implementing an unmarketable parcels share sale facility (the "Unmarketable Parcels Sale Facility") under Clause 32 of the Lion Selection Group's Constitution.

Our records indicate that you are the holder of an unmarketable parcel of shares as at 12 April 2010 (i.e. 999 shares or less), therefore your holding has been included in the Unmarketable Parcels Sale Facility. If the market value of your share holding remains less than A\$500 on 4 June 2010, as detailed below, your Lion Selection Group shares will be sold, unless you notify us otherwise. If you wish to retain your shares, please notify us of your intention, by following the opt-out procedure set out below.

**Sales Price**

Lion Selection Group will bear all brokerage and handling fees related to sales under this facility. The price that will be paid to shareholders for each share sold through the Unmarketable Parcels Sale Facility will be the volume weighted average price received by the broker for the sale of all shares sold through the Unmarketable Parcels Sale Facility and the Lion Selection Group Voluntary Share Sale Facility being conducted at the same time. That price will be calculated by the broker. The market price of Lion Selection Group shares is subject to change from time to time, and the proceeds remitted to a shareholder for the sale of their shares under the Unmarketable Parcels Sale Facility may be more or less than the actual price that is received by the broker for those shares.

**Ability to Opt-Out**

You may elect to respond to this letter and thereby prevent the sale of your holding under the Unmarketable Parcels Sale Facility.

**What do I need to do?**

If you wish to RETAIN your Lion Selection Group shares, you must complete a PINK 'Share Retention' form and return it in the enclosed envelope so that it is received by the Lion Selection Group Share Registry by 4 June 2010, which is the end of the notice period ("Notice Period").

If you do nothing (i.e. you do not return a completed 'Share Retention' form and your Lion Selection Group shareholding remains less than a marketable parcel on 4 June 2010), your Lion Selection Group shares will be sold as soon as practicable following the end of the Notice Period (i.e. 4 June 2010).

Forms can be returned using the enclosed envelope (reply paid for Australia) or using the postal or hand delivery address for Lion Selection Group Share Registry listed on the 'Share Retention' form.

**Why is Lion Selection Group implementing an Unmarketable Parcels Sale Facility?**

The Company welcomes the support of all shareholders, however, Lion Selection Group incurs administrative costs in producing and distributing shareholding statements, annual reports, notices of meeting and other communication, irrespective of the size of the shareholding. The cost of maintaining shareholder accounts can be disproportionately high when compared with the dollar value of small shareholdings. In addition, investors holding small numbers of shares may find it difficult or expensive to dispose of those shares through the normal means.

### Authority to implement the Unmarketable Parcels Sale Facility

Under Clause 32 of Lion Selection Group's Constitution, the Company may notify shareholders who hold less than A\$500 worth of Lion Selection Group shares that it intends to sell their shares including all rights attaching to such shares. This letter, and the pink 'Share Retention' form which accompanies this letter, satisfy the notice requirements under Clause 32 of the Company's Constitution.

Shareholders who hold unmarketable parcels have the opportunity, however, to inform the Company that they wish to retain their shareholding. If a shareholder notifies the Company within the notice period, the Company will not sell those shares. Otherwise, after the notice period, the Company is entitled to sell the unmarketable parcels and the volume weighted average price received by the broker for the sale of all shares sold through the Unmarketable Parcels Sale Facility and the Lion Selection Group Voluntary Share Sale Facility being conducted at the same time will be remitted to the shareholder whose shares were sold. Shares will be sold on the National Stock Exchange of Australia at prevailing market prices.

If your shares are in a CHESS holding and remain in a CHESS holding on 4 June 2010, and are to be sold under the Unmarketable Parcels Sale Facility, you should note that Lion Selection Group may, without further notice to you, sell the relevant shares while they remain in your CHESS holding, and may initiate a holding adjustment to move those shares to an issuer sponsored holding or a certificated holding for the purposes of that sale.

Lion Selection Group reserves the right, on behalf of E.L. & C Baillieu Stockbroking and for any other reason, to modify the timetable for, or to terminate or suspend the Unmarketable Parcel Sale Facility in its sole discretion in which case the Company will make an announcement by way of NSX Release.

### Sales Process and Sale Proceeds

The Company will bear the brokerage and handling costs in respect of the sales. Lion Selection Group has arranged for E.L. & C. Baillieu Stockbroking to act as broker to effect these sales. These sales will take place following the end of the Notice Period. E.L. & C. Baillieu Stockbroking may sell in batches the shares of multiple shareholders, whether the shares of such shareholders are to be sold under the Unmarketable Parcels Sale Facility or the Lion Selection Group Voluntary Share Sale Facility being conducted at the same time.

It is expected that the proceeds (in Australian dollars) will be remitted to you by 30 June 2010. The proceeds of the share sale will be deposited in your bank account if you have previously provided banking instructions to the Lion Selection Group Share Registry or alternatively will be sent to you by cheque at the address last recorded in Lion Selection Group's register of members.

### Change in the value of your holding

If the market value of your Lion Selection Group shares increases during the Notice Period, due to an increase in the Lion Selection Group share price, so that your shares that were previously identified by Lion Selection Group as being an 'unmarketable parcel' become a 'marketable parcel' (i.e. their value becomes equal to or greater than A\$500) as at the end of the Notice Period (i.e. 4 June 2010) the Company will not sell your shares. Alternatively, if you increase your holding of Lion Selection Group shares during the Notice Period to a marketable parcel, the Company will not sell your shares. If you sell your Lion Selection Group shares prior to the end of the Notice Period, no further action will be taken.

### Lion Selection Group Share Price Performance

A summary of the share price and trading history of Lion Selection Group Limited since listing on 16 December 2009 is set out below:

	Share Price A\$		Close	Volume	Number of Transactions
	High	Low			
<b>Month ended</b>					
December 2009	0.50	0.40	0.43	1,040,574	33
January 2010	0.45	0.42	0.45	917,575	52
February 2010	0.52	0.44	0.50	1,332,112	63
March 2010	0.51	0.49	0.50	881,713	46

The market price of Lion Selection Group shares is subject to change from time to time. If you do not opt-out of the Unmarketable Parcels Sale Facility, the price you receive for your shares may differ from previous share price performance of Lion Selection Group.

### Important Notes

None of Lion Selection Group, Computershare Investor Services Pty Limited or E.L. & C. Baillieu Stockbroking make any recommendation or give any advice to you regarding whether to retain your shares or permit them to be sold under the Unmarketable Parcels Sale Facility. If you are in any doubt about whether to retain your shares or permit them to be sold, please consult your financial adviser.

Up-to-date information on the market price of Lion Selection Group shares is available from the NSX website ([www.nsx.com.au](http://www.nsx.com.au)) under the code "LGP". A copy of the Financial Services Guide provided by the Broker in relation to the Unmarketable Parcels Sale Facility is available from Lion Selection Group's website ([www.lsg.com.au](http://www.lsg.com.au)).

If you have any questions regarding how the Unmarketable Parcels Sale Facility works, or you have a number of holdings that you wish to consolidate, please contact the Lion Selection Group Share Registry Call Centre on 1300 085 149 (within Australia) or on +61 3 9415 4808 (outside Australia).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jane Rose', with a stylized, cursive script.

**JANE ROSE**

Company Secretary



## Lion Selection Group

21 April 2010

### THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT YOUR LION SELECTION GROUP SHAREHOLDING AND REQUIRES YOUR IMMEDIATE ATTENTION

Dear Shareholder,

#### Voluntary Share Sale Facility

I am writing to offer all shareholders who hold 5,000 or less (but at least A\$500 worth of) Lion Selection Group shares the opportunity to participate in a sale facility (the "Voluntary Share Sale Facility"). Our records indicate that you are the holder of 5,000 or less shares as at 12 April 2010 (the value of which being at least A\$500), therefore you are eligible to participate in the Voluntary Share Sale Facility.

#### Sales Price

Lion Selection Group will bear all brokerage and handling fees related to sales under this facility. The price that will be paid to shareholders for each share sold through the Voluntary Share Sale Facility will be the volume weighted average price received by the broker for the sale of all shares sold through the Voluntary Share Sale Facility and the Lion Selection Group Unmarketable Parcels Sale Facility being conducted at the same time. That price will be calculated by the broker. The market price of Lion Selection Group shares is subject to change from time to time, and the proceeds remitted to a shareholder for the sale of their shares under the Voluntary Share Sale Facility may be more or less than the actual price that is received by the broker for those shares.

#### What do I need to do?

Please choose from either of the two options below:

- A. If you wish to retain your Lion Selection Group shares you do not need to take any action.

#### **OR**

- B. **ISSUER SPONSORED HOLDINGS:** If you wish to elect to have your entire holding of shares sold at no cost, please complete and return the enclosed GREEN Sale Instruction Form and return it to the Lion Selection Group Share Registry in the envelope provided (reply paid for Australia) by 4 June 2010.

**CHESS/BROKER SPONSORED HOLDINGS:** If you wish to elect to have your entire holding of shares sold at no cost, please complete and return the enclosed GREEN Sale Instruction Form and the envelope provided to your Broker who will stamp the form and will then need to return it to the Lion Selection Group Share Registry in the envelope provided (reply paid for Australia) by 4 June 2010.

Please note that you may only participate in the Voluntary Share Sale Facility for your **entire holding** and that your shares will be sold as soon as practicable following the end of the offer period ("Offer Period"), which ends on 4 June 2010.

#### Why is Lion Selection Group implementing a Voluntary Share Sale Facility?

The Company welcomes the support of all shareholders, however, Lion Selection Group incurs administrative costs in producing and distributing shareholding statements, annual reports, notices of meeting and other communication, irrespective of the size of the shareholding. The cost of maintaining shareholder accounts can be disproportionately high when compared with the dollar value of relatively small shareholdings.

### Brokerage Costs and Payment Details

The Company will bear the brokerage and handling costs in respect of the sales. Lion Selection Group has arranged for E.L. & C. Baillieu Stockbroking to act as broker to effect these sales. These sales will take place following the end of the Offer Period, which ends on 4 June 2010. It is expected that the proceeds (in Australian dollars - the calculation of which is set out above) will be remitted to you by 30 June 2010. The proceeds of the share sale will be deposited in your bank account if you have previously provided banking instructions to the Lion Selection Group Share Registry or alternatively will be sent to you by cheque at the address last recorded in the Lion Selection Group's register of members.

### Lion Selection Group Share Price Performance

A summary of the share price and trading history of Lion Selection Group Limited since listing on 16 December 2009 is set out below:

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March 2010	0.51	0.49	0.50	881,713	46

The market price of Lion Selection Group shares is subject to change from time to time. If you chose to participate in the Voluntary Share Sale Facility the price you receive for your shares may differ from previous share price performance of Lion Selection Group.

### Important Notes

Please read the attached terms and conditions carefully as they contain important information. None of Lion Selection Group, Computershare Investor Services Pty Limited or E.L. & C. Baillieu Stockbroking make any recommendation or give any advice to you regarding whether to sell your shares under the Voluntary Share Sale Facility. If you are in any doubt about whether to retain your shares, please consult your financial adviser.

Up-to-date information on the market price of Lion Selection Group shares is available from the NSX website ([www.nsx.com.au](http://www.nsx.com.au)) under the code "LGP". A copy of the Financial Services Guide provided by the Broker in relation to the Voluntary Share Sale Facility is available from Lion Selection Group website ([www.lsg.com.au](http://www.lsg.com.au)).

If you have any questions regarding how the Voluntary Share Sale Facility works, or you have a number of holdings that you wish to consolidate, please contact the Lion Selection Group Share Registry Call Centre on 1300 085 149 (within Australia) or on +61 3 9415 4808 (outside Australia).

Yours sincerely,



**JANE ROSE**  
Company Secretary



## Lion Selection Group

## TERMS & CONDITIONS Voluntary Share Sale Facility

### 1. Terms of Participation

All persons ('Eligible Shareholders') who hold 5,000 or less (but at least A\$500 worth of) ordinary shares in Lion Selection Group Limited ('Lion Selection Group') as at 12 April 2010 are entitled to participate in the Voluntary Share Sale Facility ('VSSF'). Participation is voluntary. Applications to participate must be made by completing the GREEN Sale Instruction Form.

An Eligible Shareholder who elects to participate in the VSSF ('Participating Shareholder') does so on the basis of the GREEN Sale Instruction Form (including these Terms and Conditions) and any associated documents provided or made available by Lion Selection Group to Eligible Shareholders ('Facility Documents').

A Participating Shareholder will not be liable to pay any brokerage or handling fees for the sale of shares under the VSSF.

### 2. Offer Period

The VSSF Offer Period will operate from 5 May 2010 to 4 June 2010 or such longer or shorter period as may be determined by Lion Selection Group ('Offer Period'). Lion Selection Group reserves the right, on behalf of E.L. & C. Baillieu Stockbroking ('the Broker') and for any other reason, to modify the timetable for, or to terminate or suspend the VSSF in its sole discretion and for any reason. Extension or shortening of the Offer Period, or suspension or termination of the VSSF, will be notified by way of NSX Release.

### 3. Roles of Lion Selection Group and the Broker

3.1 The Broker will act as execution-only broker to effect any sales under the Facility. Lion Selection Group will pay the brokerage (and any Australian GST) to the Broker in relation to the sale of the shares through the VSSF.

3.2 Lion Selection Group is irrevocably authorised to do all things and execute all documents, including to effect any holding adjustment, securities transformation or other transmission or transaction in relation to shares sold for a Participating Shareholder under the VSSF, to facilitate the sale of those shares by the Broker as broker under the VSSF.

### 4. Sale Forms

4.1 To participate in the VSSF, an Eligible Shareholder must complete and sign the GREEN Sale Instruction Form and return it to Lion Selection Group Share Registry. Sale Instruction Forms must be received by Lion Selection Group Share Registry by 5pm (Melbourne Time) on the last day of the Offer Period. Sale Instruction Forms received before the commencement of the Offer Period will be treated as received at the start of the Offer Period.

4.2 Lion Selection Group may, in its sole discretion, at any time determine that a Sale Instruction Form is valid in accordance with the Facility Documents, even if the Sale Instruction Form is incomplete, contains errors or is otherwise defective. Lion Selection Group and the Broker may correct an error in or omission from a Sale Instruction Form and complete the Sale Instruction Form by the insertion of any missing details. However, neither Lion Selection Group or the Broker is under any obligation to accept any Sale Instruction Form, whether completed correctly or not.

### 5. Sale of Shares

5.1 Sale of shares under the VSSF will be made by the Broker on the National Stock Exchange of Australia in the ordinary course of business (including, in the Broker's sole discretion, by crossings other than special crossings). The Broker may sell shares at any time during the period commencing when the relevant Sale Instruction Form is processed by Lion Selection Group after the end of the Offer Period. The Broker may, in its sole discretion, delay the sale of some or all of the shares available to be purchased on a trading day, if it considers market conditions to be unsuitable or to avoid an excessive concentration of sales on a particular trading day.

5.2 Lion Selection Group will process Sale Instruction Forms received by it as soon as practicable after receipt. The Broker may sell in batches the shares of multiple shareholders, whether the shares of such shareholders are to be sold under the VSSF or the Lion Selection Group Unmarketable Parcels Sale Facility being conducted at the same time. Shares sold by the Broker as part of a batch may be sold in one or more trades and on one or more trading days as determined by the Broker in its sole discretion.

5.3 The price that will be paid to a Participating Shareholder for each share sold through the VSSF will be the volume weighted average price ('VWAP') received by the Broker for the sale of all shares sold by the Broker through the VSSF and the Lion Selection Group Unmarketable Parcels Sale Facility. That price will be calculated by the Broker and may not be challenged in the absence of manifest error.

5.4 The price calculated in accordance with clause 5.3 may be different to the price for shares appearing in the newspaper or quoted by the National Stock Exchange of Australia on the day that a Participating Shareholder's Sale Instruction Form is sent or on any other day, and may not be the best execution price on the trading day or trading days that the Participating Shareholder's shares are sold. The market price of Lion Selection Group shares is subject to change from time to time, and the proceeds remitted to a Participating Shareholder from the sale of their shares under the VSSF may be more or less than the actual price that is received by the Broker for those shares. None of Lion Selection Group, the Broker nor any other person will on any account be liable, and a Participating Shareholder may not bring any claim or action against the aforementioned, for not having traded shares at any specific price or on any specific date. After the shares have been sold Lion Selection Group will make an announcement to the NSX indicating the date(s) that the shares were sold and the VWAP obtained.

5.5 Where a shareholder elects to participate in the VSSF he or she consents to the sale of all of the holding identified on the GREEN Sale Instruction Form as being eligible to participate in the VSSF.

### 6. Confirmation

Lion Selection Group will notify each Participating Shareholder, by way of a transaction confirmation notice issued on behalf of the Broker, of the number of shares sold for that Participating Shareholder through the VSSF and the VWAP for those shares.

### 7. Warranties and Acknowledgements

By signing and returning the GREEN Sale Instruction Form, a Participating Shareholder:

- (a) acknowledges that the Participating Shareholder has read, and agrees to, the terms and conditions of the Facility Documents;
- (b) acknowledges that none of Lion Selection Group, the Broker nor any other party involved in the VSSF has any liability to the Participating Shareholder other than for the provision of the proceeds of the shares sold for the Participating Shareholder in accordance with these Terms and Conditions;
- (c) acknowledges that none of Lion Selection Group, the Broker nor any other party involved in the VSSF has provided the Participating Shareholder with any investment advice or made any securities recommendations, nor has any obligation to provide such advice or make such recommendations, concerning the Participating Shareholder's decision to sell shares through the VSSF based on its own investigations of the affairs of Lion Selection Group and its own analysis of the Facility Documents;
- (d) acknowledges that it holds clear title to the shares being sold under the VSSF and that such shares will be sold free of all encumbrances, and
- (e) acknowledges that the Facility Documents are governed by the laws in force in Victoria.

Personal information may be collected on the GREEN Sale Instruction Form by Lion Selection Group and/or the Lion Selection Group Share Registry for the purpose of the administration of, and the sale of shares by the Broker as broker under the VSSF. That information may be disclosed by each company to each other, to each company's respective related bodies corporate, to the Broker, to external service companies such as mail service providers or as otherwise required or permitted by law. Please contact Lion Selection Group or Lion Selection Group Share Registry for details of your personal information held by it or to correct inaccurate or out of date information.