



LEMARNE CORPORATION LIMITED
A.C.N. 004 834 584

TO: Australian Stock Exchange
Company Announcements Office

DATE: 10 December 2008

SELECTIVE SHARE BUY-BACK

The Directors of Lemarne Corporation Limited (**the Company**) are pleased to announce that the Company has entered into a conditional Selective Share Buy-Back Agreement (**Agreement**) with Howson Tattersall Investment Counsel Limited, as the investment manager of MD Growth Investments Limited and Saxon World Growth, two Canadian funds, to buy-back 1,186,900 fully paid ordinary shares in the issued capital of the Company.

The Agreement is conditional on the receipt of shareholder approval and an independent expert giving a report to the Company that in its opinion the Company's offer to buy back the shares is fair and reasonable. The Company will be convening a General Meeting as soon as practicable and in any event by no later than 31 March 2009 so that shareholders will be able to consider and, if thought fit, approve the share buy-back.

The terms of the Agreement provide that the Company will buy back 1,186,900 fully paid shares at a price of \$3.73 cash per share, for a total consideration of \$4,427,137.00. The sale price is based on the net tangible assets of the Company as at 30 June 2008. The total share buy back corresponds with 12.12% of the Company's issued capital.

The selective share buy-back will be funded from the Company's existing cash reserves which are surplus to the Company's current and anticipated needs.

The Board considers that this capital management strategy represents an optimal use of the excess cash and will enhance shareholder value.

An ASX Appendix 3C (Announcement of Buy-Back) is attached.

Yours faithfully
Lemarne Corporation Limited

Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity	ABN
LEMARNE CORPORATION LIMITED	72 004 834 584

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	SELECTIVE
2	⁺ Class of shares which is the subject of the buy-back (eg, ordinary/preference)	ORDINARY SHARES
3	Voting rights (eg, one for one)	ORDINARY SHARES, ONE VOTING RIGHT FOR EACH SHARE HELD
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	ALL FULLY PAID
5	Number of shares in the ⁺ class on issue	9,793,714 ORDINARY SHARES ON ISSUE OF WHICH 1,186,900 ORDINARY SHARES ARE SUBJECT TO THE PROPOSED BUY-BACK
6	Whether shareholder approval is required for buy-back	BY SPECIAL RESOLUTION SHAREHOLDER APPROVAL IS REQUIRED
7	Reason for buy-back	DIRECTORS RECOMMEND A CONCENTRATION OF THE NUMBER OF SHARES TO ENHANCE SHAREHOLDER VALUE, AND AS A SOUND INVESTMENT OF SURPLUS FUNDS, FACILITATED BY AN AGREEMENT WITH THE INVESTMENT ADVISOR OF EACH OF THE CURRENT HOLDERS MD GROWTH INVESTMENTS LIMITED AND SAXON WORLD GROWTH

⁺ See chapter 19 for defined terms.
30/9/2001
ME_78177341_1 (W2003)

Appendix 3C
Announcement of buy-back

8 Any other information material to a shareholder's decision whether to accept the offer (*eg, details of any proposed takeover bid*)

NOT APPLICABLE

On-market buy-back

9 Name of broker who will act on the company's behalf

NOT APPLICABLE

10 Deleted 30/9/2001.

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11 If the company intends to buy back a maximum number of shares - that number

Note: This requires a figure to be included, not a percentage.

NOT APPLICABLE

12 If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention

NOT APPLICABLE

13 If the company intends to buy back shares if conditions are met - those conditions

NOT APPLICABLE

Employee share scheme buy-back

14 Number of shares proposed to be bought back

NOT APPLICABLE

15 Price to be offered for shares

NOT APPLICABLE

⁺ See chapter 19 for defined terms.

Selective buy-back

- | | | |
|----|--|--|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | MD GROWTH INVESTMENTS LTD
AND
SAXON WORLD GROWTH |
| 17 | Number of shares proposed to be bought back | 1,186,900 ORDINARY SHARES |
| 18 | Price to be offered for shares | \$3.73 |

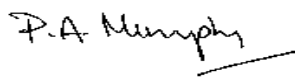
Equal access scheme

- | | | |
|----|---|----------------|
| 19 | Percentage of shares proposed to be bought back | NOT APPLICABLE |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | NOT APPLICABLE |
| 21 | Price to be offered for shares | NOT APPLICABLE |
| 22 | +Record date for participation in offer

<small>Cross reference: Appendix 7A, clause 9.</small> | NOT APPLICABLE |

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:  . Date: 10 December 2008
(Director/~~Company secretary~~)

Print name: PETER ANTHONY MURPHY

⁺ See chapter 19 for defined terms.