



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

13 November 2008

**Alert on potential unsolicited offer for shares by
Hassle Free Share Sales Pty Ltd**

Lemarne Corporation Limited is warning shareholders that they may receive a letter from Hassle Free Share Sales Pty Ltd (HFSS) offering to buy their Lemarne shares.

Lemarne has been requested by HFSS to provide it with details of its shareholders and Lemarne is required to do so by law.

Lemarne does not endorse any unsolicited offer by HFSS or another company and will not be associated with any such offer.

If shareholders receive a letter from HFSS or any another company seeking to buy their shares, they should read it carefully to ensure:

- That the amount offered is not below the current market price of Lemarne shares; and
- The terms offered are no worse than they could receive by selling their shares on market.

If Lemarne shareholders receive an offer from HFSS or any company, they should read the documentation carefully and seek independent financial advice before making any decisions about their shares. The market value of Lemarne shares is available from the company's website (www.lemarne.com.au) or from the Australia Securities Exchange (www.asx.com.au, Code: LMC). The ASX website also provides details on finding a broker.

Lemarne would also encourage shareholders to read the attached 'safety checklist' produced by the Australian Securities and Investments Commission (ASIC), the aim of which is to assist shareholders in assessing the merits of a share offer. Further details on these subjects can be obtained from the ASIC website (www.fido.gov.au).

If shareholders have any queries regarding an offer by HFSS they should contact the company's share registry, Computershare Investor Services Pty Limited on 1300 558 062 or myself.

Peter Murphy
Chief Executive Officer,

Seven safety checks to protect yourself (extracted from ASIC website)

1. Who is making the offer?

Read the offer carefully to see exactly who is making it. Some offers have used official looking letterhead, or names that sound like your company or a stock exchange, and may be sent at the same time as a company's own letters to shareholders. If you're not sure, phone your company's investor relations department to double check.

2. Why is the offer being made?

Naturally, the company or person offering to buy wants to make money. Perhaps there is public information about something that is expected to happen to your shares that you may not know about. For shares traded on the Australian Stock Exchange (ASX), check company announcements on the ASX website www.asx.com.au, or talk to a stockbroker in case you have lost touch with important news that's been released to the market.

3. Do you really need to sell?

Unless you really need the money now, you may do better by holding on. Consider what the shares are worth now, what they may be worth in the future, what dividends they may pay you, and so on. If you do need the money, consider all of your options. The Corporations Act sets time periods in which an offer once made, cannot be withdrawn – use this time wisely.

4. What's the market price for your shares?

Get an up to date market price for your shares and compare it with the price being offered. Market prices can change daily, so check the most recent price for your shares on exchange websites, daily newspapers or a quick phone call to a stockbroker. While any offer you receive must quote the current market value it may be out of date.

If you hold shares that are not sold on the ASX or any other exchange (known as unquoted shares), the offerer needs to state the fair market value in the offer document. You will then need to make a personal judgment about what they are really worth. As a shareholder, you are entitled to talk to the company you own the shares in about its plans, including possible listing on an exchange. Maybe other shareholders in your company would like to buy directly from you?

5. How much is the offer really worth?

Watch out for two types of 'low-ball' offers. The first type offers significantly less than the share's market value. The second type offers to pay you by instalments spread over many years. With this offer, even if the total offer price is higher than the present market value, the many years you may have to wait for all your instalments means you usually get far less than selling on the market.

6. Compare the cost of selling on the market

Even if you hold only a very few shares, you can still sell through a stockbroker. Non-advisory brokers will sell the shares for about \$55-65 over the phone, or about \$30-45 over the Internet. You will need to open an account, although this is pretty straightforward. The ASX will give you their names.

Read the offer to see if you must pay any fees or charges. Work out in dollars what you would get after deducting all fees and charges, and compare that figure with selling on market.

When could a 'below market' offer make sense?

There are really only a few situations, for example:

- You have compared all costs carefully and you will end up with more cash if you accept the offer.
- You need to sell now, and your quoted shares have been suspended from trading or you hold unquoted shares that no other shareholders want to buy.

7. Be careful – consider getting advice

Anyone making an unsolicited offer to purchase your shares cannot possibly know your financial circumstances, and therefore cannot give you financial advice. Further, you may face immediate taxation consequences if you accept an offer payable in instalments over time. Consider getting independent advice from a licensed financial adviser or stockbroker before agreeing to sell your shares. Once you accept an offer and enter into a binding contract to sell shares, you may not be able to change your mind later.