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**TO:** Manager Companies  
Australian Securities Exchange  
Company Announcements Office

**CONTACT:** Sam Middlemas (08 9 322 5222)

**RE:** UBS Investment Bank Appointed as Financial Advisor to Sell a Strategic Stake in Guelb el Aouj Project

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Dear Sir/Madam

Sphere Investments Limited and 50% joint venture partner, state-owned Mauritanian iron ore producer Société Nationale Industrielle et Minière (SNIM), are pleased to announce the appointment of UBS Investment Bank, to run the trade sale process for a strategic stake in the Guelb el Aouj Iron Ore Project in Mauritania, West Africa.

The decision to appoint an international investment bank is based on the level of interest in the Project from major mining houses and steelmaking companies. UBS was selected by the partners from a strong field of international investment banks following a comprehensive review and negotiation process. Work is due to commence immediately.

The initial 7Mt/a Guelb el Aouj Project will include an open cut mine, a beneficiation plant and a pelletising plant to produce high grade Direct Reduction (DR) pellets for export, utilising joint venture partner SNIM's existing iron ore railway and port infrastructure. Expansion options of up to 28Mt/a can be assessed by interested parties given the scale of the deposits within the mining licence and scalability of the transport infrastructure.

For further information in relation to the Guelb el Aouj Project trade sale, please contact:

*Mark Palmer – Managing Director*

*European Metals and Mining*

**UBS Investment Bank**

Tel: +44 207 568 2486  
Mark.Palmer@ubs.com

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The Guelb el Aouj Project is the first of two large scale iron ore projects being developed near existing transport infrastructure by the Company. The other is the Lebtheinia Blast Furnace Pellet Project that is 100% owned by Sphere. As advised in the Quarterly Report issued in July 2008, the Company is due to complete a 50,000m drilling campaign at the Lebtheinia Centre Deposit with the objective of defining a maiden Inferred Resource in December 2008. Lebtheinia Centre is one of four magnetite-BIF deposits held in two exploration licences (EL264 & EL325) by the Company. A scoping study for Lebtheinia is underway to assess a potential 30Mt/a blast furnace (BF) pellet project.

### ***About SNIM***

SNIM was formed in 1974 as the national iron ore company of Mauritania. SNIM's operations account for much of Mauritania's export earnings and provide local employment for thousands of Mauritians involved in the mining industry and associated services and infrastructure. SNIM is one of few remaining independent, long-term suppliers of iron ore to the European steel industry.

SNIM is currently the seventh largest supplier of iron ore to the international traded market. It exports 11Mt/a of iron ore from three mining centres in the Zouérate region of northern Mauritania. The ore is transported to the port at Nouadhibou on the Atlantic coast by a 700km heavy haul rail network that is owned and operated by SNIM. SNIM also owns and operates the ship loading and storage facilities near Nouadhibou.

### ***About Sphere***

Sphere Investments Limited is a West African focused iron ore company which is listed on the Australian Securities Exchange and Dubai International Financial Exchange. Sphere has been active in Mauritanian since 2000 and has two key iron ore projects for development. For further information please refer to the Company's website [www.sphereinvestments.com.au](http://www.sphereinvestments.com.au)

*Released by:*

*Sam Middlemas, Company Secretary*

*For and on behalf of*

*Alexander Burns, Managing Director*