



LEMUR SIGNS MEMORANDUM OF UNDERSTANDING WITH MADAGASCAR'S STATE OWNED ELECTRICITY COMPANY

ASX ANNOUNCEMENT

19 September 2011

Lemur Resources Limited ("The Company" or "Lemur") (ASX:LMR) is pleased to announce it has signed a Memorandum of Understanding ("MOU") with Jiro sy Rano Malagasy, the Madagascan Government's state owned electricity company responsible for the production, transport and distribution of electricity in Madagascar ("Jirama").

The MOU relates to a proposal for Lemur's 99% owned subsidiary, Coal Mining Madagascar SARL ("CMM"), to:

1. undertake studies in relation to building and operating a coal fired power station located in the Imaloto Coal Basin in South West Madagascar, close to Lemur's Imaloto Coal Project; and
2. if the coal fired power station is financed and built, to supply Jirama with surplus electricity generated from the power station, which is expected to result in an increase in the existing electricity supply network in Madagascar.

Jirama currently produces electricity throughout Madagascar by means of hydro-electric and diesel power plants and as such is exposed to oil supply and price risks. Lemur intends to enter into a partnership agreement with Jirama to assist with the production of electricity through the operation of a coal fired processing plant in the Imaloto Coal Basin. Jirama has committed that it is prepared to connect the electricity produced by CMM according to the needs of the network and guarantees that CMM will be the only partner in the field of the exploitation of the network interconnected by Imaloto towards Fianarantsoa by way of Ihosy.

Under the MOU, which will remain in effect for one year, the parties commit to cooperate to, amongst other things, undertake appropriate pre-feasibility studies (including technical, financial, environmental and social impact) and to determine transport lines of electricity from CMM's plant to Jirama's target areas, with the intention the MOU be converted into a final partnership agreement prior to the end of this term, subject to completion of the applicable studies.

Lemur Resources' Managing Director, Blair Sergeant, said "The MOU represents the first step in our desire to facilitate the building of a coal fired power station in and around the Imaloto Project Area, with a view of being the major supplier of the coal. The electricity generated by the proposed power station will not only supply the general population with power, but is also likely to spawn significant development of a number of other proposed resource projects in the area and in the process, make a significant contribution to the Madagascan economy."

For further information see www.lemurresources.com

CONTACT:

Blair Sergeant
Managing Director
Lemur Resources Limited
Tel: +61 8 9481 1198

MEDIA CONTACT:

David Ikin
Professional Public Relations
Tel: +61 8 9388 0944 / 0408 438 772
Email: david.ikin@ppr.com.au