



Lisungwe plc - News announcement 2 July 2007

Letter to Shareholders concerning fundraising

Lisungwe plc ("the Company") has today mailed a letter to all Shareholders in the following terms:

Dear Shareholder

You will have seen the announcements concerning the Company's progress which were sent to you recently.

The Directors are now planning to raise up to GBP300,000 through the issue of new ordinary shares so as to continue to develop the Group's mineral exploration programme in Malawi. To this end the Board is proposing to appoint brokers who have indicated an expectation that they will be able to achieve the required fundraising from new investment sources.

However, we do not wish to exclude the Company's shareholders who have supported us over the past two years and who may now wish to add to their investment. If you are one such and meet the criteria described below, we will invite you to subscribe.

Under the provisions of the Financial Services and Markets Act the Company is not able to make an invitation to a shareholder to subscribe unless it is satisfied that he or she qualifies either as a 'self certified sophisticated investor' or as a 'high net worth investor', blank certificate forms in respect of each of which are enclosed.

Obviously all shareholders are free to buy stock in the market. However, if you are interested in participating in an offer to subscribe for new shares prior to the broker fundraising and if you meet the criteria, please sign and return one of the certificates to us as soon as possible, but in any case by 16th July 2007. At the same time, it would be helpful if you were to indicate, without any commitment on your part, the amount you might wish to invest.

We look forward to hearing from you and thank you for your support.

Yours sincerely

John Watkins
Chairman

The Directors of Lisungwe plc accept responsibility for this announcement.

ENQUIRIES:

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