



Lisungwe plc - Newstrack announcement 24 October 2007

Fundraising

The Board of Lisungwe plc is pleased to announce that it has raised GBP250,000 towards the development of the Company's Nickel exploration project in Malawi.

On 23 October 2007, Starvest plc subscribed for 25m new Ordinary shares in the Company at a price of one pence per share. In addition, the Company has agreed to grant to Starvest plc warrants to subscribe for 12.5m shares at a price of 1.75 pence per share for a period of three years expiring 31 October 2010 and, subject to Shareholder approval, a further 12.5m shares at a price of 2.25 pence per share for a period of five years expiring 31 October 2012.

On 23 October 2007, the Company issued 500,000 new Ordinary shares to VSA Resources Limited in part satisfaction of professional services rendered.

Extraordinary general meeting

The Directors currently have authority to issue up to 200m Ordinary shares inclusive of those in issue. So as to enable further new equity funds to be raised and to permit the Company to issue the warrants to Starvest plc at 2.25 pence, the Directors will call an extraordinary general meeting at which they will seek an increased authority. A notice of meeting will be issued and announced shortly.

Exploration update

The Company expects to make an announcement within three weeks concerning the current status of its exploration programme.

Disclosure of interests

The Company's Chairman, John Watkins, is also a director and shareholder of Starvest plc. He played no part in the negotiations leading to the above agreement.

Following the issue of 25m shares to Starvest plc, John Watkins has advised that his interest in the Company to be disclosed amounts to 28,625,000 Ordinary shares, being 15.7% of the enlarged equity; in addition to the interest of Starvest plc, he holds 3,625,000 Ordinary shares in a personal capacity.

Starvest plc's holding of 25m Ordinary shares in the Company represents 13.7% of the enlarged equity.

Shares in issue

The Company now has 181,860,697 Ordinary shares of 0.05p each in issue, of which 41,288,888 (22.7%) are beneficially held by Directors of the Company.

The Directors of Lisungwe plc accept responsibility for this announcement.

ENQUIRIES:

Lisungwe plc

Tel: 01483 771992

John Watkins, Chairman

john@lisungwe.com

Roy C Tucker

Tel: 01622 813558

roy@lisungwe.com

St Helen's Capital plc, Corporate Adviser

Tel: 020 7628 5582

Barry Hocken

barry.hocken@sthelenscapital.com