



RELEASE DATE: 3 December 2008
TO: Manager Companies
Australian Securities Exchange
Company Announcements Office
CONTACT: Alexander Burns (08 9 322 5222)
RE: Lebtheinia 2.3Bt Iron Ore Resource
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Dear Sir/ Madam

Please see the attached documents in relation to the maiden Mineral Resource Statement for the Lebtheinia Iron Ore Project, including the relevant Competent Person Statements.

Yours sincerely

Alexander Burns
Managing Director

LEBTHEINIA DELIVERS SPHERE A NEW 2.3 BILLION TONNE IRON ORE RESOURCE

Sphere Investments Limited [ASX & NASDAQ Dubai: SPH] is pleased to announce a JORC Code compliant **Mineral Resource of 2.3 billion tonnes (Bt)** for the Company's 100% owned Lebtheinia Iron Ore Project in Mauritania. This maiden Resource includes **1.75Bt of Indicated Resource**, removing the requirement for further resource definition drilling previously planned for 2009.

Combined with Sphere's 50% ownership of the Guelb el Aouj Iron Ore Project, the Company's Resource and Reserve inventory now totals 2.7Bt.

Lebtheinia (see Figures 1-2) is one of two large scale magnetite projects in Mauritania, West Africa in which Sphere has a substantial interest, as Sphere also owns 50% of the Guelb el Aouj Iron Ore Project in partnership with the State-owned iron ore mining company, Société Nationale Industrielle et Minière (SNIM).

Lebtheinia Drilling Results and Resource Classification

Lebtheinia Centre is one of the four Archaean magnetite-banded iron-formation (BIF) deposits in the Lebtheinia Project Area.

44,606m (148 holes) of reverse circulation (RC) and 1,174m (4 holes) of diamond core were drilled for the resource estimation at the Lebtheinia Centre Deposit, following on from the reconnaissance drilling conducted in 2006 and 2007 (see Figure 3).

This drilling has defined a long, thick, deep magnetite-BIF unit that dips relatively uniformly to the west at 40-45°. The resource is defined along 10.5km of strike length (see Figure 3) with an average true thickness of approximately 240m and has been drilled to depths of up to 400m below natural surface (see Figures 4-6).

The Mineral Resource estimation and classification (statement attached) were performed by Golder Associates Pty Ltd (Golder) based on data and interpretations supplied by the Company and an extensive Quality Assurance/Quality Control (QAQC) program that included a diamond-RC twin hole comparative study.

The defined Mineral Resources as at 3 December, 2008 are summarised below:

Summary of Mineral Resources – Lebtheinia Centre Deposit

| Resource Classification | Million Tonnes (dry) | In-situ Fe (%) | Davis Tube (DT) Concentrate Fe (%) | DT Concentrate Mass Recovery (%) |
|-------------------------|----------------------|----------------|------------------------------------|----------------------------------|
| Indicated | 1,752 | 32.3 | 68.4 | 27.6 |
| Inferred | 588 | 32.2 | 68.5 | 26.9 |
| Total | 2,311 | 32.3 | 68.4 | 27.5 |

Resources estimated at 20% Davis Tube mass recovery cut-off. Davis Tube testwork was conducted on 3m drill samples at a liberation grind size of 95% passing 80 micron (0.080mm).

The Resource tonnage is at the upper end of the 2.0-2.3Bt Exploration Target first announced to the ASX in the Company's Quarterly Report for the period ending 30 June 2008. The Resource head grade, concentrate grade and mass recovery are also within the Exploration Target ranges.

Significant additional resource potential exists in the Lebtheinia Project Area, including:

- At depth (down-dip) at Lebtheinia Centre Deposit, where the deposit is open (see Figures 4-6); and
- In the Lebtheinia North, South and East deposits, which are yet to be evaluated.

Managing Director Alexander Burns said today;

"The maiden Resource results have come in at the upper end of our exploration target of the Lebtheinia Centre Deposit. The results provide support for our long held belief that Lebtheinia has the potential to support up to a 30Mt/a blast furnace (BF) pellet production project over a 20+ year period, subject to competitive economics."

"It has the competitive advantages of proximity to the existing iron ore rail and port infrastructure, large scale and long life resources and apparent low strip ratio. With development of the offshore gasfields in Mauritania under evaluation, Lebtheinia has the potential to be a low cost supplier of BF pellets to the seaborne iron ore market."

For more information on the company and its projects please refer to www.sphereinvestments.com.au.

Geological Summary

The magnetite-rich banded iron-formations (BIF) at Lebtheinia form part of the Archaean Lebzenea Group.

Archaean BIF units in EL264 (Figure 3) are exposed over a total strike length of approximately 24km at Lebtheinia. The BIF units do not form prominent topographical features and the terrain is gentle in comparison with the more rugged inselberg (guelb) terrain of the Guelb el Aouj region. Parts of the main BIF unit at Lebtheinia Centre are covered by laterite and colluvium consisting mostly of BIF fragments. The lateritic cover caps the most elevated parts of the terrain.

The magnetite-BIF at Lebtheinia Centre is essentially a thinly bedded (banded) unit averaging about 240m thick (although intersections up to 320m thick have been experienced). The BIF is characterised by a well defined banding pattern, with individual bands ("mesobands") averaging 5-10mm thick. The exposed BIF appears to be reasonably homogeneous along the entire strike length, a characteristic confirmed by the 2008 drilling. The drilling at Lebtheinia Centre shows that mineralisation extends to at least 400m vertically below the natural surface and is open at depth.

Lebtheinia Centre comprises a hanging wall of (variously) quartzite, amphibolite, rhyolite, clay/saprolite (altered amphibolite) and a footwall of quartzite or amphibolite. The depth of weathering (oxidation) of the BIF is variable, averaging approximately 50m. The main mineralised BIF unit splits in the southern part of Lebtheinia Centre (see Figure 5) and forms two discrete BIF units separated by a relatively thin (~25m) internal waste zone comprising grey quartzite and a leucocratic quartz feldspar schist/mylonite. A series of sub-vertical dolerite dykes (see Figure 3), striking NE-SW to NNE-SSW and crosscutting the BIF were mapped at surface and their presence was confirmed during the 2008 drilling.

Drill samples were collected at 3m intervals. Sample preparation and Davis Tube magnetic separation testwork were conducted at the Company's on-site laboratory at Lebtheinia, and sample assays (head and Davis Tube concentrate) were performed at Ultra Trace Laboratories in Western Australia. An extensive Quality Assurance/Quality Control (QAQC) program was conducted to monitor the sample, sample preparation, Davis Tube testwork and assaying quality. This included 10% of all assayed samples being QAQC samples (in-house standards, blank and field duplicates) as well as repeat assays on head pulps at independent laboratories and repeat Davis Tube determinations at an independent laboratory.

The position of all drill holes at surface was established with a differential GPS (DGPS) instrument. The majority of drill holes were downhole surveyed with a gyroscopic tool and the results used in the geological interpretation.

Figure 1: Regional Location Map

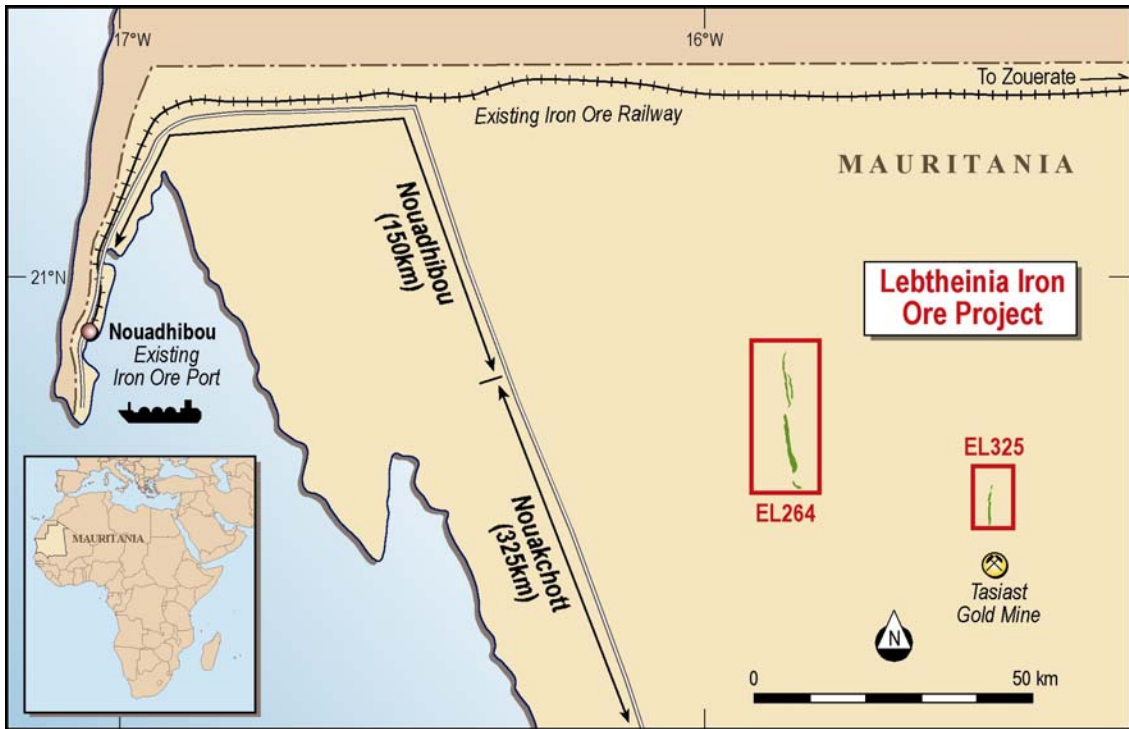


Figure 2: Location of Lebtheinia Iron Ore Project showing the four deposits

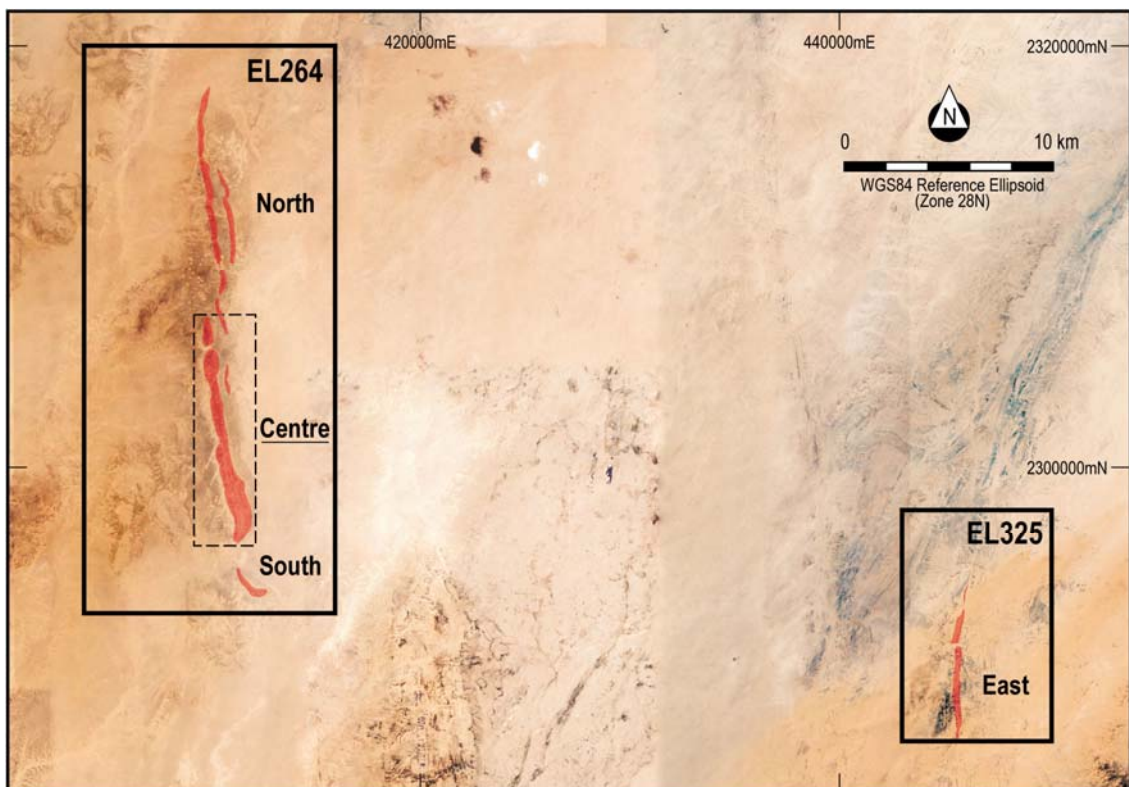


Figure 3: Geology and location of drilling at Lebtheinia Centre Deposit

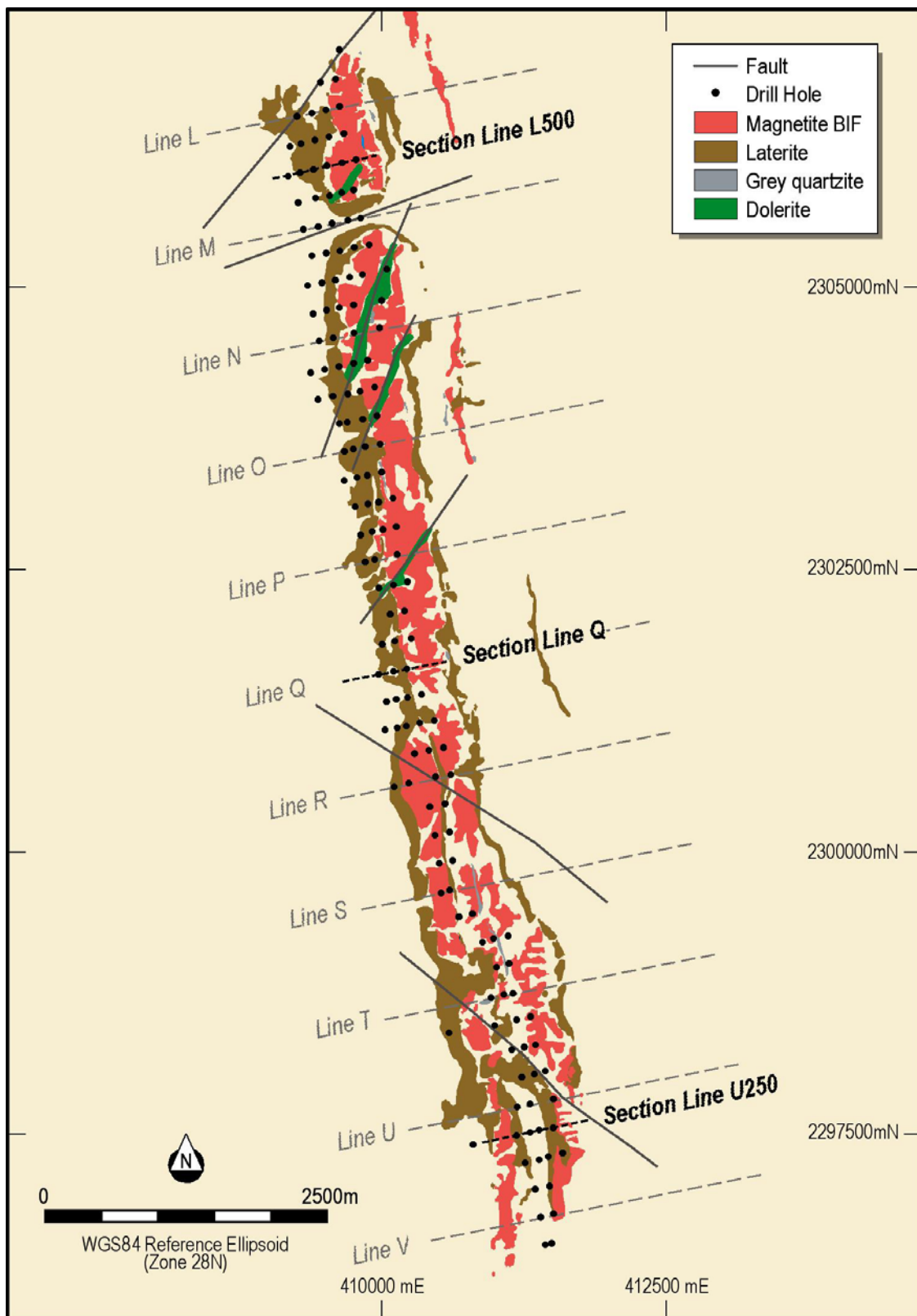


Figure 4: Lebtheinia Centre Cross Section Line L500

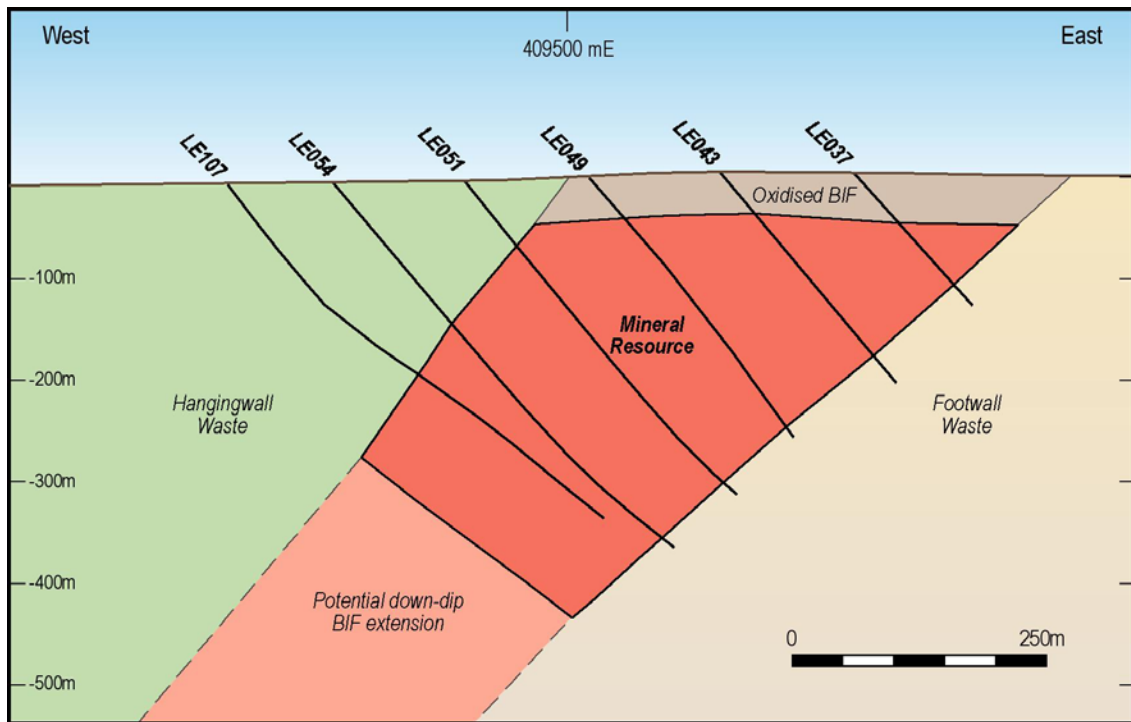


Figure 5: Lebtheinia Centre Cross Section Line Q

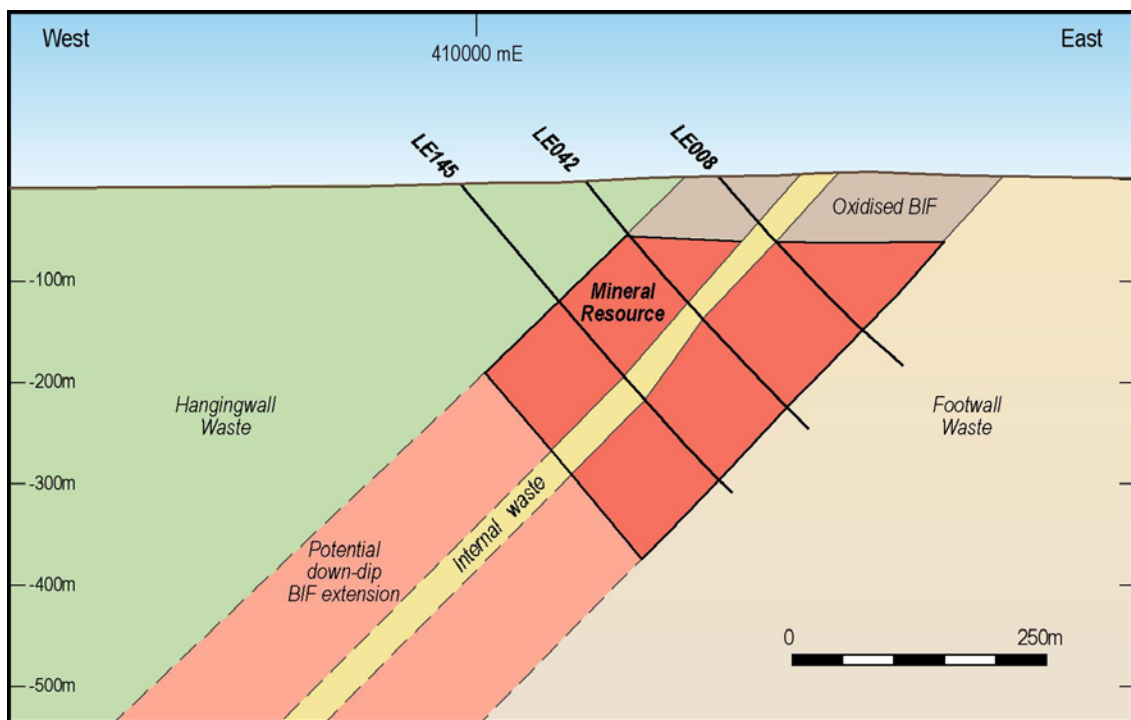
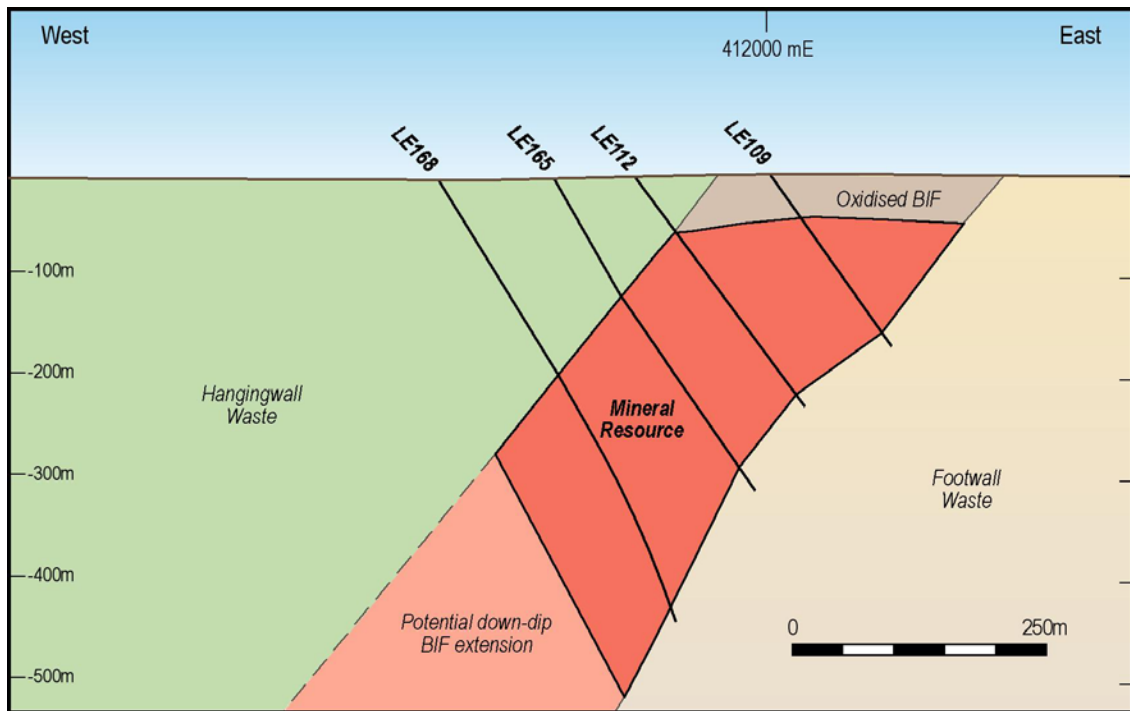


Figure 6: Lebtheinia Centre Cross Section Line U250



For further information please contact

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Competent Person's Statement

The information in this Summary was prepared by Dr Schalk van der Merwe, the full-time Exploration Manager of Sphere Investments Limited. Dr van der Merwe is a member of a Recognised Overseas Professional Organisation (ROPO), the South African Council for National Scientific Professionals (SACNASP) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as Competent Person, as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr van der Merwe consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

3 December 2008

Reference No. 087641489 001 L Rev1

Dr Schalk van der Merwe
Sphere Investments Limited
680 Murray Street
WEST PERTH WA 6005

MINERAL RESOURCE STATEMENT FOR LEBTHEINIA CENTRE MAGNETITE DEPOSIT, MAURITANIA

Dear Schalk

Golder Associates (Golder) has completed a resource model of the Lebtheinia Centre magnetite-BIF deposit, Mauritania, using all available assay data as of 11 November 2008. The resource estimate was classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2004).

Classification of the resource estimate as Indicated and Inferred was completed by Golder geologists, as described below, based principally on data density, geological confidence criteria and representativeness of sampling.

The *in situ* Mineral Resource is constrained to the mineralised domain boundaries. Estimates representing extrapolations greater than 100 m from drilling are not included in this resource statement.

Assumptions and Methodology

This Mineral Resource estimate is based on a number of factors and assumptions:

- All of the available drilling data was used for the Mineral Resource estimation.
- Sample preparation and Davis Tube (DT) determinations were conducted at the site laboratory. All head and concentrate assays were conducted by Ultra Trace.
- Stratigraphic horizons were modelled in three dimensions to define geological domains that were used to flag the sample data for statistical analysis and estimation.
- The survey control for collar positions was considered adequate for the purposes of this study.
- A review of the QAQC data was completed. The QAQC program included company standards, blanks and field duplicates submitted at a rate of 1 in 10 of all assayed samples. Pulps have been assayed at two independent laboratories, independent DT repeats have been completed and four RC holes have been twinned with diamond holes. No apparent discrepancies were identified.
- *In situ* density was assigned to the mineralised domains using a regression of $0.98(0.0257 \times \text{Fe}\% + 2.5463)$.
- Statistical and geostatistical analysis was carried out on drilling data composited to 3 m down hole. This included variography to model spatial continuity relationships in the geological domains.

- The Ordinary Kriging (OK) interpolation method was used for resource estimation of Fe, SiO₂, Al₂O₃, CaO, MgO, S, Na₂O, K₂O, LOI, DTC, DTC Fe, DTC SiO₂, DTC Al₂O₃, DTC CaO, DTC MgO, DTC S, DTC Na₂O, DTC K₂O, and DTC LOI, using variogram parameters defined from the geostatistical analysis. DTC is the wt% (mass recovery) produced from Davis Tube testwork on 3m drill samples milled to 95% passing 80 micron size. DTC Fe is the Davis Tube concentrate grade, etc.
- Estimations for concentrate grades were weighted by Davis Tube concentrate (DTC) in order to appropriately reflect the relationship between DTC and the DTC assays. Weighting was completed by calculating the accumulation (DTC × DTC assay) and subsequently back calculating the DTC assay estimates by dividing by relevant estimated DTC values.

Mineral Resource Statement

The resource estimates were classified in accordance with the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC Code, 2004). The classification was considered appropriate on the basis of drill hole spacing, sample interval, geological interpretation and representativeness of all available assay data.

This resource has been defined using geological boundaries and a cut-off grade of 20% DTC. All estimated concentrate grades were weighted by DTC.

The resource is based on the Ordinary Kriging interpolated block model *leb_OK081130.bmf* and is reported below the base of oxidation (Table 1).

Table 1: Lebtheinia *in situ* Mineral Resource below the base of oxidation at a cut-off grade of 20% DTC

| Element | Indicated | Inferred | Total |
|--------------------------------------|-----------|----------|-------|
| Mt | 1,752 | 588 | 2,311 |
| Fe% | 32.30 | 32.19 | 32.27 |
| SiO ₂ % | 44.05 | 44.22 | 44.09 |
| Al ₂ O ₃ % | 2.67 | 2.62 | 2.66 |
| CaO% | 2.20 | 2.24 | 2.21 |
| MgO% | 2.09 | 2.19 | 2.11 |
| S% | 0.052 | 0.052 | 0.052 |
| Na ₂ O% | 0.21 | 0.20 | 0.20 |
| K ₂ O% | 1.23 | 1.24 | 1.23 |
| LOI% | 0.73 | 0.63 | 0.71 |
| DTC wt% | 27.62 | 26.93 | 27.46 |
| DTC Fe% | 68.44 | 68.45 | 68.44 |
| DTC SiO ₂ % | 3.91 | 4.22 | 3.98 |
| DTC Al ₂ O ₃ % | 0.35 | 0.38 | 0.36 |
| DTC CaO% | 0.21 | 0.24 | 0.22 |
| DTC MgO% | 0.24 | 0.27 | 0.25 |
| DTC S% | 0.072 | 0.061 | 0.069 |
| DTC Na ₂ O% | 0.044 | 0.044 | 0.044 |
| DTC K ₂ O% | 0.14 | 0.15 | 0.14 |
| DTC LOI% | -2.91 | -2.30 | -2.76 |

The information in this statement which relates to the Mineral Resource is based on information compiled by Mr Alan Miller who is a full-time employee of Golder Associates Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy. Alan Miller has sufficient relevant experience to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2004). Mr Alan Miller consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The Competent Person responsible for the geological interpretation (wireframe model) and the drill hole data set used in this resource estimation is Dr Schalk van der Merwe, the full-time Exploration Manager of Sphere Investments Limited. Dr van der Merwe is a member of a Recognised Overseas Professional Organisation (ROPO), the South African Council for National Scientific Professionals (SACNASP) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as Competent Person, as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr van der Merwe consents to the inclusion in this report of the matters based on his information in the form and content in which it appears.

Yours sincerely

GOLDER ASSOCIATES PTY LTD



Alan Miller
Senior Resource Geologist

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Golder Associates Pty Ltd

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Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code
(Written Consent Statement)

Report Description

"Lebtheinia Delivers Sphere a New 2.3 Billion Tonne Iron Ore Resource "

Sphere Investments Limited

Lebtheinia Magnetite Project – Mauritania

4 December 2008

Statement

I, Alan Miller confirm that:

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member of *The Australasian Institute of Mining and Metallurgy*.
- I have reviewed the Report to which this Consent Statement applies.

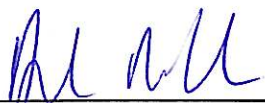
- I am a consultant working for Golder Associates Pty Ltd and have been engaged by Sphere Investments Limited to prepare the documentation for the Lebtheinia Magnetite Project on which the Report is based, for the period ended November, 2008.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources.

CONSENT

I consent to the release of the Report and this Consent Statement by the directors of:

Sphere Investments Limited



Signature of Competent Person:

3/12/08


Date:

Australian Institute of Mining and Metallurgy

Professional Membership:

204697

Membership Number:



Signature of Witness:

S. GODFREY (PARKERVILLE)

Print Witness Name and Residence (eg. Town/Suburb):

Sphere Investments Limited

Competent Person's Consent Form
Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code
(Written Consent Statement)

Report Description

Lebtheinia Resource Statement: ASX announcement

.....
(insert name or heading of report to be publicly released) ("Report")

Sphere Investments Limited (ASX:SPH)

(insert name of company releasing the Report)

Lebtheinia Exploration Licence (EL264)

.....
(insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

3.12.2008.....

(Date of Report)

Statement

I,Dr Schalk Willem van der Merwe

..... confirm that:

(insert full name)

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of ~~The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists~~ or a 'Recognised Overseas Professional Organisation' ("ROPO") included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

- I am a full time employee of Sphere Investments Limited.....
(insert company name)

OR

- ~~I am a consultant working for~~ (insert company name)
~~and have been engaged by~~ (insert company name)
~~to prepare the documentation for~~ (insert deposit name)
~~on which the Report is based, for the period ended~~ (insert date of resource/reserve statement)

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results, Mineral Resources ~~and/or Ore Reserves~~ (select as appropriate).

CONSENT

I consent to the release of the Report and this Consent Statement by the directors of:

Sphere Investments Limited

.....
(insert reporting company name)



3 December 2008

Signature of Competent Person:

Date:

The South African Council for Natural Scientific Professions
SACNASP

400267/05

Professional Membership:
(insert organisation name)

Membership Number:



R.A. HARMSWORTH (MR)
29 WILLITON ROAD
KARRINYUP, WESTERN AUSTRALIA

Signature of Witness:

Print Witness Name and Residence (eg. Town/Suburb):