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5 June 2003

Company Announcements Office
Australian Stock Exchange Limited

Dear Sirs

HGL BID FOR LEMARNE: SECOND SUPPLEMENTARY BIDDER'S STATEMENT

In accordance with section 647(3)(b) of the Corporations Act 2001 (Cth), **enclosed** is a copy of our Second Supplementary Bidder's Statement dated 5 June 2003.

Yours faithfully

P S Caldelis
Company Secretary

Encl

HGL LIMITED (ACN 009 657 961)

Second Supplementary Bidder's Statement

This document is a supplementary bidder's statement. It is the second supplementary bidder's statement issued by HGL Limited (ACN 009 657 961) ("**HGL**") ("**Second Supplementary Bidder's Statement**"). This Second Supplementary Bidder's Statement supplements, and should be read together with, the Bidder's Statement dated 6 November 2002 given by HGL to Lemarne Corporation Ltd (ACN 004 834 584) ("**Lemarne**") and the first Supplementary Bidder's Statement dated 7 February 2003 given by HGL to Lemarne. This document will prevail in the event of any inconsistency. Terms defined in the Bidder's Statement have the same meaning where used in this document.

Attached to this Second Supplementary Bidder's Statement is a copy of an announcement dated 22 May 2003 to ASX made by HGL. The announcement relates to the proposed buy-back by Lemarne of 3,306,369 Lemarne Shares held by a wholly-owned subsidiary of HGL.

The Bid by HGL remains at $1.70 per Lemarne Share and is due to close on 27 June 2003. However, the original consideration offered by HGL of $1.70 per Lemarne Share was, in effect, reduced under the terms of the Offers by the amount of the dividend of 7.5 cents per Lemarne Share paid by Lemarne on 28 March 2003.

Except as required by the Corporations Act, HGL will not:

(a) extend the Bid past 27 June 2003; or

(b) vary its Offers made under the Bid to improve the consideration offered,

without the prior written approval of Lemarne.

However, HGL reserves the right to do either (a) or (b) (or both) above if the buy-back agreement referred to in the attached announcement is terminated. HGL has the right at any time to waive any condition under its Offers.

The Offers by HGL are subject to the defeating conditions described in section 652C(1) and (2) of the Corporations Act (and set out in para 9.1 of the Offers). In relation to such conditions:

(i) HGL will not treat the entry by Lemarne of the buy-back agreement referred to in the attached announcement, or the resolution of Lemarne to approve the terms of such buy-back agreement, as breaching condition (c) of para 9.1 of the Offers; and

(ii) HGL will not treat the disposal of the issued shares Lemvest Limited held in its subsidiary Richardson Pacific Limited as breaching condition (f) of para 9.1 of the Offers.

This Second Supplementary Bidder's Statement was approved by a resolution passed by the directors of HGL. This Second Supplementary Bidder's Statement is dated 5 June 2003, being the date on which a copy of it was lodged with the Australian Securities and Investments Commission. The Commission takes no responsibility for the contents of the document.

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K J Eley
Director, HGL Limited

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ANNOUNCEMENT BY HGL LIMITED

BUY-BACK OF SHARES IN LEMARNE CORPORATION LIMITED

The directors of HGL Limited ("**HGL**") are pleased to announce that Lemarne Corporation Limited ("**LMC**") has today entered into an agreement with HGL Group Pty Limited (ACN 079 732 068) (**"the Seller"**) a wholly owned subsidiary of HGL. Under the agreement LMC will buy-back 3,306,369 Lemarne shares ("**the Sale Shares**") held by the Seller for $1.80 per Lemarne share.

The buy-back agreement is subject to and conditional upon:

(a) the terms of the buy-back agreement being approved by a special resolution of shareholders at a general meeting of LMC; and

(b) the Commissioner of Taxation issuing a private binding ruling that, of the $1.80 per Lemarne share payable by LMC to buy-back the Sale Shares, at least 50 cents per share is a fully franked dividend.

The conditions precedent must be satisfied or waived by the end of 31 August 2003.

The directors of LMC support the buy-back and are preparing to hold the necessary LMC shareholder meeting as soon as possible. The tax ruling is likewise being sought as soon as possible.

The directors of HGL are pleased to advise that on completion of the sale of the Sale Shares HGL Group Pty Limited will receive $6m cash and realise a minimum after tax profit of $1.5m.

HGL made an off-market bid on 6 November 2002 for all the shares on issue in LMC at $1.70 cash ("**the Bid**"). HGL has not made any material acquisitions of LMC shares since making its bid, with only 48,765 LMC shares being acquired to date. The Bid by HGL remains at $1.70 per share. The Bid period is currently due to close on 27 June 2003.

HGL has agreed not to increase the bid price or extend the offer period of the Bid between now and the time the LMC shareholders duly resolve to approve the buy-back agreement. HGL is free to continue to accept LMC shares under its Bid in accordance with the terms of the Bid. HGL has agreed that, after the Sale Shares are bought back by LMC from the Seller, HGL will not at any time prior to 21 May 2004 acquire shares in LMC.

Attached is a copy of the buy-back.

Peter Miller
Chairman
22 May 2003