



NEWS FOR IMMEDIATE RELEASE

THE EUROPEAN BANK OF RECONSTRUCTION AND DEVELOPMENT SIGNS AGREEMENT TO FINANCE LYDIAN

The European Bank of Reconstruction and Development (the “EBRD”) has signed a formal agreement to invest CAD 1.6M to support Lydian’s exploration efforts in the Western Balkans

TORONTO, Canada, February [26th], 2009 – Lydian International Ltd. (TSX:LYD) (“Lydian” or “the Company”), a diversified mineral exploration and development company, today announced the signing of a strategic investment of CAD \$1.6M from the European Bank of Reconstruction and Development for the purposes of current and new projects in the Western Balkans. This is in addition to the proposed CAD \$1.4m equity investment by International Finance Corporation (“IFC”) which the Company announced on the 28th of January 2009. This brings the total investment to CAD \$3M.

The EBRD placement is for a total subscription of 3,809,523 shares and will be priced at market (CAD \$0.42). The placement is subject to the signing of some formal documentation, approval by Lydian’s shareholders, completion of the proposed investment by IFC and the satisfaction of several other conditions precedent. The placement is also subject to regulatory approvals including that of the Toronto Stock Exchange.

Following the private placement, EBRD’s interest in the Company will be 8.1% (on a non-diluted basis). Each of the shares of the Company that EBRD receives will be accompanied by a half warrant with a three-year exercise period and an exercise price of CAD \$0.53 (a 25% premium to market price) plus a further half warrant with a five year exercise period and an exercise price of CAD \$ 0.59 (a 40% premium to market price).

“The proposed investment will be EBRD’s first equity investment in Lydian” said Tim Coughlin, Lydian’s President and CEO. “The investment comes at a time of turbulent markets when refinancing-risk is a dominant factor undermining investor confidence in the resource sector. The total investment from IFC and the EBRD will be sufficient to support Lydian’s activities at its current projects this year. We are of course most privileged to enjoy the support of both IFC and the EBRD as committed long-term partners providing continued access to finance, influential in-country support, and advice in managing regulatory, environmental and social risks.”

About Lydian International

Lydian is a diversified mineral exploration and development company incorporated in Jersey, with expertise employing “first mover” strategies in emerging exploration environments. Currently the Company is focused on Eastern Europe developing advanced precious and base metal assets in Armenia and in Kosovo (under UNSCR 1244). The two main projects are gold at Amulsar in Armenia, and zinc, lead, silver and gold at Drazhnje in Kosovo (under UNSCR 1244). Lydian also has a pipeline of promising gold and base metal exploration projects in the Balkans region, and operates a 50/50 gold and copper exploration joint venture with Newmont Overseas Exploration Limited, a subsidiary of Newmont Mining Corporation in the south Caucasus region.

Lydian’s management team has a track record of success in grassroots discovery, in acquiring and developing undervalued assets, and in building companies. Lydian has a strong social agenda and a unique understanding of the complex social and political issues that characterise emerging environments. The Company’s two largest shareholders are Newmont Mineral Holdings B.V. (owned by Newmont Mining Corporation), and International Finance Corporation (part of the World Bank Group).

Dr Tim Coughlin, MAusIMM is the Qualified Person overseeing Lydian's exploration programmes. Dr. Coughlin has supervised the preparation of the technical information contained in this press release.

Lydian employees are instructed to follow standard operating and quality assurance procedures intended to ensure that all sampling techniques and sample results meet international reporting standards. All assay work for the released results was carried out by ALS Chemex analytical laboratory in Rosia Montana, Romania, in Perth Australia, or in Vancouver, BC.

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Forward-looking Information

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company’s future prospects. This press release contains statements about our future financial condition, results of operations and business. These are “forward-looking” because we have used what we know and expect today to make a statement about the future. Forward-looking statements usually include words such as may, expect, anticipate, believe or other similar words. We believe the expectations reflected in these forward-looking statements are reasonable. However, actual events and results could be substantially different because of the risks and uncertainties associated with our business or events that happen after the date of this press release. You should not place undue reliance on forward-looking statements. As a general policy, we do not update forward-looking statements except as required by securities laws and regulations.