

Form 604

Corporations Act 2001

Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Lion Energy LimitedACN/ARSN 000 753 640

1. Details of substantial holder (1)

Name Risco Energy Unconventional Pte. Ltd. (REU)ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on

16/07/2014The previous notice was given to the company on 20/01/2014The previous notice was dated 20/01/2014

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary Shares	54,068,142	56.9%	52,535,357	55.28%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
16/07/2014	REU and the parties listed in Annexure A (Risco Parties)	REU ceased to be mortgagee of shares pursuant to the terms of a Settlement Deed between REU and Tower Energy Indonesia Limited (Tower) (among others) dated 27 June 2014 a copy of which is included at Annexure B (Settlement Deed)	N/A	9,375,000	4,080,628
16/07/2014	REU and the parties listed in Annexure A	REU became the registered holder of shares under	\$1,497,863 (set off against the "Repayment	7,842,215	7,842,215

	(Risco Parties)	an off-market transfer, pursuant to the terms of the Settlement Deed.	Amount" owed by Tower, pursuant to the terms of the Settlement Deed)		

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
REU	REU	REU	REU is the registered holder of the securities	52,535,357 ordinary shares	52,535,357
Risco Parties	REU	REU	By operation of s608(3) (b) of the Corporations Act, as each Risco Party controls REU	52,535,357 ordinary shares	52,535,357

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

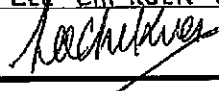
Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
REU and Risco Parties (excluding Mr Rizal Risjad)	10 Anson Road, #03-05, International Plaza, Singapore 079903
Mr Rizal Risjad	32 Lakeshore View, Singapore 098319

Signature

print name LEE CHI KUEN (LI ZIJUAN) capacity DIRECTOR
 sign here  date 17 /07/2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.

- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
 - (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
 - (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.
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Annexure A

Risco Parties

This is Annexure A of 1 page referred to in the Form 604 (Notice of change of interests of substantial holder), signed by me and dated 17 July 2014



Mr Rizal Risjad

Risco Holding Limited

Risco Energy Investments Pte Ltd

Risco Energy Investments Holding Pte Ltd

Annexure B
Settlement Deed

This is Annexure B of pages in the Form 604 (Notice of change of interests of substantial holder) signed by me and dated 17 July 2014



SETTLEMENT DEED

This Settlement Deed ("**Deed**") is entered into on the 27th day of June 2014 by and between:

- (1) **RISCO ENERGY INVESTMENTS PTE LTD ("Lender")** of 10 Anson Road, #03-05, Singapore 079903, a company incorporated under the laws of Singapore.
- (2) **RISCO ENERGY UNCONVENTIONAL PTE LTD ("Mortgagee")** of 10 Anson Road, #03-05, Singapore 079903, a company incorporated under the laws of Singapore.
- (3) **TOWER ENERGY INDONESIA LIMITED ("Borrower")** of Jl. Musholla No. 20D, Kemang Selatan, Cilanduk Timur, Jakarta, Indonesia 12560, a company incorporated under the laws of the British Virgin Islands.
- (4) **SAMMY HAMZAH ("Guarantor")** residing at Jl. Musholla No. 20D, Kemang Selatan, Cilanduk Timur, Jakarta, Indonesia 12560, a resident of Indonesia with Indonesian passport number A2560400.

Each of the Lender, Borrower, Mortgagee and Guarantor are sometimes referred to individually as a "**Party**" or collectively as the "**Parties**".

WHEREAS

- (A) The Lender and the Borrower entered into a Loan Agreement dated 23 September 2013 ("**Loan Agreement**"), as amended by a Deed of Amendment dated December 2013.
- (B) Pursuant to clause 2.1 of the Loan Agreement (as amended), the Lender loaned the total sum of AUD 1,340,000 (the "**Advance**") to the Borrower.
- (C) Pursuant to clause 6 of the Loan Agreement (as amended), the Borrower was obliged to repay the Advance and all amounts due or owing to the Lender in accordance with the terms of the Loan Agreement, including for the avoidance of doubt, interest accrued at the interest rate of twenty five per cent (25%) from the date of Advance to the Borrower (collectively, the "**Repayment Amount**"), to the Lender on 13 June 2014.
- (D) The Borrower has not repaid the Repayment Amount to the Lender.
- (E) The Parties wish to settle the outstanding matters between them on the terms of this Deed.

DEED

The Parties agree as follows:

1. Definitions and Interpretation

1.1 Definitions

In this Deed:

- (a) "**Custodian**" means Pershing Securities Australia Pty Limited.
- (b) "**Guarantee**" means the personal guarantee dated 23 September 2013 granted by the Guarantor in favour of the Lender.
- (c) "**Settlement Shares**" means the securities in Lion Energy Limited specified in Schedule 1.

- (d) **"Share Mortgage"** means the Share Mortgage dated 18 November 2013 between the Borrower and the Mortgagee, by which the Borrower granted a first ranking share mortgage over shares in Lion Energy Limited in favour of the Mortgagee.
- (e) **"Side Letter"** means the side letter dated 18 November 2013 to the Share Mortgage between the Borrower and the Lender.

1.2 Interpretation

In this Deed, except where the context otherwise requires:

- (a) words in the singular include the plural, and vice versa;
- (b) the headings in this Deed are for convenience only and do not affect the interpretation of any provision of this Deed;
- (c) a reference to any agreement, contract or other document means such agreement, contract or other document as novated, assigned or otherwise amended from time to time; and
- (d) the words "including", "include" and "includes" are to be construed without limitation.

2. **Payment**

2.1 Settlement Sum

In full and final settlement of the Borrower's obligation to repay the Repayment Amount to the Lender and all other outstanding liabilities under the Loan Agreement, the Borrower will transfer the Settlement Shares to the Mortgagee.

2.2 Instruction to Custodian

On or before the date 7 days after the date of this Deed, the Borrower and the Mortgagee must sign and issue a joint instruction to the Custodian in the form set out in Schedule 2 to this Deed to effect:

- (a) the transfer of the Settlement Shares to the Mortgagee in accordance with clause 2.1 above; and
- (b) the release to the Borrower of all other shares which are subject to the Share Mortgage.

3. **Terms of Settlement**

3.1 Condition Precedent

It is a condition precedent to this clause 3 that the transfer of shares has been effected in accordance with clause 2.1 above.

3.2 Releases

On and from the date on which the condition precedent in clause 3.1 above is fulfilled to the satisfaction of the Lender:

- (a) the Lender releases the Borrower from each and any claim (of any nature whatsoever) which it has or may have against the Borrower arising out of, connected with or relating to the Loan Agreement;

- (b) the Lender releases the Guarantor from each and any claim (of any nature whatsoever) which it has or may have against the Guarantor arising out of, connected with or relating to the Guarantee; and
- (c) the Mortgagee releases the Borrower from each and any claim (of any nature whatsoever) which it has or may have against the Borrower arising out of, connected with or relating to the Share Mortgage.

3.3 Discharges

On and from the date on which the condition precedent in clause 3.1 above is fulfilled to the satisfaction of the Lender:

- (a) the Lender and the Borrower agree and acknowledge that their respective obligations under the Loan Agreement have been fully discharged;
- (b) the Lender and the Guarantor agree and acknowledge that their respective obligations under the Guarantee have been fully discharged; and
- (c) the Mortgagee and the Borrower agree and acknowledge that their respective obligations under the Share Mortgage, and the security created by the Share Mortgage, have been discharged.

3.4 Termination of Agreements

The Loan Agreement, Guarantee, Share Mortgage and Side Letter will terminate on and from the date on which the condition precedent in clause 3.1 above is fulfilled to the satisfaction of the Lender.

3.5 Removal of registrations

If any registration has been made on the Personal Property Securities Register in Australia or any other register in respect of the Share Mortgage, then promptly after the date on which the condition precedent in clause 3.1 above is fulfilled to the satisfaction of the Lender, the Mortgagee will remove the registration.

3.6 Confidentiality

Except as permitted by clause 3.7 below, each Party must keep confidential the existence of and the terms of this Deed and all negotiations between the Parties in relation to the subject matter of this Deed.

3.7 Permitted Disclosure

A Party may disclose any confidential information or documents:

- (a) if disclosure is required to be made by law or the rules of a recognised stock or securities exchange and the Party whose obligation it is to keep matters confidential or procure that those matters are kept confidential has before disclosure is made notified each other Party of the requirement to disclose and, where the relevant law or rules permit and where practicable to do so, given each other Party a reasonable opportunity to comment on the requirement for and proposed contents of the proposed disclosure;
- (b) to any professional adviser of a Party who has been retained to advise in relation to the transactions contemplated by this Deed or any auditor of a Party who reasonably requires to know;

- (c) with the prior written approval of each Party other than the Party whose obligation it is to keep those matters confidential or procure that those matters are kept confidential; or
- (d) where the matter has come into the public domain otherwise than as a result of a breach by any Party of this Deed.

4. Governing Law and Jurisdiction

4.1 Governing Law

This Deed is governed by the laws of New South Wales, Australia.

4.2 Jurisdiction

This Deed is subject to the jurisdiction of the courts of New South Wales, Australia. The Parties submit to the non-exclusive jurisdiction of the courts of New South Wales and waive any right to object to the jurisdiction of the New South Wales courts on any grounds, including *forum non conveniens*.

5. Miscellaneous Provisions

5.1 Authority to Settle

Each Party expressly represents and warrants that the execution and performance of, and compliance with, their respective obligations under this Deed is fully authorised by each of them and that the persons executing this Deed will have the necessary and appropriate authority to do so.

5.2 Entire Agreement

This Deed constitutes the entire agreement between the Parties concerning its subject matter. It sets out the only conduct relied on by the Parties and supersedes all earlier conduct and prior agreements and understandings between the Parties in connection with its subject matter.

5.3 Severability

Any provision of this Deed that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this Deed nor affect the validity or enforceability of that provision in any other jurisdiction.

5.4 Counterparts

This Deed may be executed in one or more counterparts. All counterparts together will be taken to constitute one instrument.

5.5 Further Assurances

Each of the Parties agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents (including transfers, assurances, declarations and notices), as may be required by law or as may be necessary or reasonably desirable to implement and give effect to this Deed

6.6 Costs and expenses

The Borrower must pay the Lender all costs and expenses of negotiating, preparing, signing, delivering this Deed and any other agreement or document entered into or signed by the Lender or the Mortgagee under this Deed.

Schedule 1

Settlement Shares

The securities held by the Custodian as set out in the following table:

Account Number	██████████
Account Name	Tower Energy Indonesia Ltd
Advisor Code	██████████
HIN	██████████
ASX Code	LIO
Number of Shares	██████████

Schedule 2
Form of Share Transfer

TRANSFER FORM FOR NON-MARKET TRANSACTIONSUse a **black** pen. Print in **CAPITAL** letters

1 Stamp Duty if applicable

2	Full name of Company or Corporation			3	State of Incorporation
4	Description of Securities (Shares, options etc.)	Class	If not fully paid, paid to	5	Register
6	Quantity	Words		Figures	
7	Full name/s of Transferor/s (Seller/s)	Given Name/s Surname		For Company Use	
7A	Holder Identification Number (<i>must be quoted</i>)	HIN :			
8	Consideration	\$		9	Date of Purchase / /
10	Full name/s of Transferee/s (Buyer/s)	Title Given Name/s Surname Mr } Mrs } Ms }			
10A	Holder Identification Number (if applicable)	HIN :			
11	Full postal address of Transferee/s (Buyer/s) State/Country Postcode			

I / We the registered holder/s and undersigned seller/s for the above consideration do hereby transfer to the above name/s hereinafter called the Buyer/s the securities as specified above standing in my/our name/s in the books of the above named Company, subject to the several conditions on which I/We held the same at the time of signing hereof and I/We the Buyer/s do hereby agree to accept the said securities subject to the same conditions. I/We have not received any notice of revocation of the Power of Attorney by death of the grantor or otherwise, under which this transfer is signed.

12	Individual or Securityholder 1	Securityholder 2	Securityholder 3
Transferor/s (Seller/s) sign here	<div></div>	<div></div>	<div></div>
	Director	Director/Company Secretary	Sole Director and Sole Company Secretary
	Day / Month / Year		
	13		

14	Individual or Securityholder 1	Securityholder 2	Securityholder 3
Transferee/s (Buyer/s) sign here	<div></div>	<div></div>	<div></div>
	Director	Director/Company Secretary	Sole Director and Sole Company Secretary
	Day / Month / Year		
	15		

HOW TO COMPLETE THE TRANSFER FORM FOR NON-MARKET TRANSACTIONS WHEN TRANSFERRING SHARES IN A LISTED or UNLISTED COMPANY

1. STAMP DUTY

Transfers of securities that are listed and quoted on an Australian Stock Exchange are exempt from stamp duty. However, Stamp Duty is payable on all other securities by the buyer of the shares and is based on the amount of consideration (refer 8). The stamp duty is calculated at the rate applicable to the state in which the company the securities are held is incorporated. If the company is incorporated outside Australia, the state or territory in which the principal register is located determines the state or territory in which the duty is payable. Transfers must be submitted to the respective State or Territory Stamp Duty office for assessment and payment of any applicable duty.

2. FULL NAME OF COMPANY OR CORPORATION

The full name of the company or corporation in which securities are held.

3. STATE OF INCORPORATION

State in which the Company (refer 2) is incorporated in. This can be found on the securities certificate, statement or other notices received from the company.

4. DESCRIPTION OF SECURITIES

e.g. Fully Paid Ordinary Shares, 9% Unsecured Convertible Notes etc....

5. REGISTER

The state on which the seller's securities are registered. This can be found on the securities certificate or statement.

6. QUANTITY

Number of securities being transferred (in both words and figures).

7. FULL NAME OF TRANSFEROR/S OR SELLER/S

Full names must be included.

7A. HOLDER IDENTIFICATION NUMBER

This number must be quoted when transferring securities not represented by certificates. That is securities registered on the CHESS (uncertificated) subregister.

8. CONSIDERATION

Is the full amount paid in settlement of the transfer of securities. Purchases should reflect the market price of shares as at the date of purchase. Market values are quoted in the daily newspapers.

9. DATE OF PURCHASE

Insert date of purchase or completion of the transfer.

10. FULL NAME OF TRANSFEREE/S OR BUYER/S

Insert the full names of buyer/s (a maximum of three joint holders). Securities may not be registered in the names of a firm or business name, an estate or deceased person, a minor, a fund or a trust.

10A. HOLDER IDENTIFICATION NUMBER

If the buyer is an existing holder in the company and is registered on the CHESS subregister, please quote the existing HIN.

11. FULL POSTAL ADDRESS OF TRANSFEREE/S OR BUYER/S

Insert full address including the postcode. Only one address may be recorded.

12. SELLER SIGNATURE/S

- (i) Individuals - The securityholder must sign
- (ii) Joint Holdings - Where the holding is in more than one name, all of the securityholders must sign
- (iii) Power of Attorney - To sign as power of attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the power of attorney to this form.
- (iv) Deceased Estate - When the holding is in the name of an estate, all executors/administrators are required to sign. (Probate requirements must also be complied with)
- (v) Companies - Director, Company Secretary, Sole Director and Sole Company Secretary can sign. Please indicate the office held under your signature.

13. DATE SIGNED

Insert date signed by the seller/s.

14. BUYER SIGNATURE/S

- (vi) Individuals - The securityholder must sign
- (vii) Joint Holdings - Where the holding is to be registered in more than one name, all of the proposed securityholders must sign
- (viii) Power of Attorney - To sign as power of attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the power of attorney to this form.
- (ix) Deceased Estate - When the holding is in the name of an estate, all executors/administrators are required to sign. (Probate requirements must also be complied with)
- (x) Companies - Director, Company Secretary, Sole Director and Sole Company Secretary can sign. Please indicate the office held under your signature.

15. DATE SIGNED

Insert date signed by the buyer/s.

Note 1. Copies of documents forwarded must be certified as a correct copy by a person who in the State or Territory of certification has the power to witness a Statutory Declaration.


Note 2. Transfers or other documents that do not fully meet the company's requirements are liable to be returned unregistered.

EXECUTED AS A DEED:

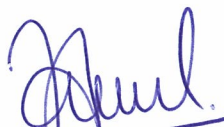
Lender

The COMMON SEAL of)
RISCO ENERGY INVESTMENTS PTE LTD)
was hereunto affixed in the presence of:)





Director
LEE CHI KUEN (LI ZIJUAN)
Mortgagee




AUTHORISED REPRESENTATIVE
NADHIRAH BINTE ABDUL RAHIM

The COMMON SEAL of)
RISCO ENERGY UNCONVENTIONAL PTE LTD)
was hereunto affixed in the presence of:)





Director
LEE CHI KUEN (LI ZIJUAN)
Mortgagor



AUTHORISED REPRESENTATIVE
NADHIRAH BINTE ABDUL RAHIM

Signed, sealed and delivered for and on behalf of

TOWER ENERGY INDONESIA LIMITED

by its attorney:

Name:

under power of attorney dated

In the presence of:

Name:

EXECUTED AS A DEED:

Lender

The COMMON SEAL of)
RISCO ENERGY INVESTMENTS PTE LTD)
was hereunto affixed in the presence of:)

Director

Director/Secretary

Mortgagee

The COMMON SEAL of)
RISCO ENERGY UNCONVENTIONAL PTE LTD)
was hereunto affixed in the presence of:)

Director

Director/Secretary

Mortgagor

Signed, sealed and delivered for and on behalf of

TOWER ENERGY INDONESIA LIMITED

by its attorney:

Name:

under power of attorney dated 27 JUNE 2014

In the presence of:

Name: WIDHI SEVANTI



Guarantor

SAMMY HAMZAH

By: _____

Name: Sammy Hamzah

In the presence of



Name

WIDHI SEWANTI