



Lion Energy Limited
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7 May 2021

Laura Gomme
Adviser, Listings Compliance (Perth)
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Sent by e-mail: ListingsCompliancePerth@asx.com.au

Dear Laura

Lion Energy Limited – Response to ASX Aware Query

We refer to your letter dated 5 May 2021 and respond using the numbering and defined terms in your letter as follows:

1. No.
2. The Announcement disclosed a broad and long-term strategy for LIO for its potential participation in the green hydrogen industry in Australia. There is no certainty that a suitable hydrogen opportunity will be identified and pursued. At this time, the hydrogen strategy is considered by LIO to be early-stage and is not a matter that LIO would consider as likely to have a material effect on the price or value of its securities. It is for this reason that LIO did not mark the Announcement as "price sensitive" when lodging it on the ASX Market Announcements Platform.

There is presently significant interest in the green hydrogen industry in Australia, and LIO was concerned of a potential loss of confidentiality and a potentially misinformed market as it has started engaging with relevant parties in the sector as part of its strategy. LIO therefore considered it appropriate and necessary to release the Announcement at this time, notwithstanding the early-stage of LIO's hydrogen strategy, to ensure the market is correctly informed as to LIO's intentions.

LIO also released the Announcement because a portion of the funds (approximately \$500,000) raised through the capital raising announced on 23 April 2021 is intended to be applied towards the hydrogen strategy. LIO stated in its Quarterly Activities Report announced on 29 April 2021 that more details about its hydrogen strategy would be announced to investors shortly. LIO therefore considered it appropriate and necessary to provide the details in the Announcement following the strategy being finalised and approved by the LIO Board.

LIO does not consider that its share price movement on 4 and 5 May 2021 is as a result of the Information disclosed in the Announcement. Rather, LIO considers that the price movement may reflect general interest in green hydrogen opportunities and the Australian Government's commitment to progressing the burgeoning sector.

On 5 May 2021 the Hon. Angus Taylor MP, the Minister for Energy and Emissions Reduction, announced that the Australian Government had approved three large-scale hydrogen plants in Western Australia and Victoria that will be among the biggest in the world. Three companies have been awarded more than \$100 million in conditional funding by the Australian Government through the Australian Renewable Energy Agency's (ARENA) Renewable Hydrogen Deployment Funding Round. Mr Taylor stated that the Australian Government is committed to building a clean and competitive hydrogen industry in Australia, and these projects are "a huge step towards Australia cementing its place as a world leader".¹

LIO also notes that its share price has recently experienced material volatility without LIO having any material information to announce.

3. LIO first announced it was exploring opportunities in green hydrogen in Australia on 23 April 2021.

Since that time, LIO has continued to progress its strategy, including by registering the business name 'Lion H2 Energy' on 28 April 2021.

The balance of the Information comprises the ongoing and longer-term strategy of LIO in respect of the green hydrogen opportunities, which was approved by the Board by email exchange at 9.30pm (Perth time) on 4 May 2021.

4. The LIO Board first discussed the potential to explore opportunities in green hydrogen on 19 March 2021, and asked LIO's Executive Chairman, Mr Tom Soulsby, to prepare a provisional green hydrogen roadmap for the LIO Board to consider. LIO announced that it was exploring such opportunities on 23 April 2021 and then again in its Quarterly Report on April 29, 2021.

A draft of the provisional roadmap was circulated by Mr Soulsby to the LIO Board by email at 5pm (Perth time) on 2 May 2021. The Board then entered into discussions regarding the roadmap, with the final version being approved by the LIO Board by email exchange at 9.30pm (Perth time) on 4 May 2021.

5. N/A
6. The Company confirms that it is complying with the Listing Rules, in particular Listing Rule 3.1.
7. The Company confirms the responses above have been approved by the Board.

¹ <https://www.minister.industry.gov.au/ministers/taylor/media-releases/australia-backs-world-leading-clean-hydrogen-projects>



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Yours faithfully

Arron Canicais
Company Secretary
Lion Energy Limited



5 May 2021

Mr Arron Canicaïs
Lion Energy Limited

By email: acanicais@lionenergy.com.au

Dear Mr Canicaïs

Lion Energy Limited ('LIO'): Aware Query

ASX refers to the following:

- A. The increase in LIO's share price by approximately 15.7% from \$0.07 at close on 3 May 2021 to an intra-day high of \$0.082 on 4 May 2021.
- B. LIO's announcement entitled "Embracing the energy market disruptor green hydrogen" lodged on the ASX Market Announcements Platform and released at 09.30 AM AWST on 5 May 2021 and marked as being 'non-sensitive' (the 'Announcement'), disclosing (amongst other things):
 - (i) LIO's detailed green hydrogen strategy and the registration of the business name "Lion H2 Energy";
 - (ii) That LIO is positioning itself in the production of green hydrogen at the critical juncture of resources, markets and technology; and
 - (iii) LIO's strategy overview highlighting the provisional roadmap which includes:
 - (1) The establishment of a team of hydrogen experts;
 - (2) The appointment of experts to systematically analyse optimal electrolyser locations in Australia;
 - (3) The securing of land rights, subject to available renewable energy supply and hydrogen or ammonia market potential;
 - (4) The determination of best value and fit for purpose solar, wind and electrolyser technology;
 - (5) The appointment of a feasibility study consultant with appropriate experience;
 - (6) Establish joint ventures with global players to build large scale solar/wind farms and relevant energy storage facilities to produce green hydrogen at lowest cost for domestic and export markets; and
 - (7) The potential co-investment in the downstream to enable H2 markets such as the distribution of H2 to heavy vehicles.
- (the 'Information')
- C. The increase in LIO's share price by approximately 18.5% from \$0.077 to an intra-day high of \$0.10 on 5 May 2021 following the release of the Announcement.
- D. The significant increase in the volume of LIO's securities traded on 5 May 2021.
- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the

information in the course of the performance of their duties as an officer of that entity” and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information.”

- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- H. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks LIO to respond separately to each of the following questions and requests for information:

1. Noting the increase in LIO’s share price and increased volumes in securities traded following the release of the announcement, does LIO consider the Information or any part thereof contained in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view and include in your answer:
 - 2.1 LIO’s explanation for why it released the Announcement on MAP; and
 - 2.2 LIO’s explanation for significant share price increase following the release of the Announcement;
3. When did LIO first become aware of the Information or any part thereof?
4. When did LIO decide to undertake the Hydrogen Strategy, including the formulation of the provisional roadmap disclosed in the announcement?
5. If the answer to question 1 is “yes” and LIO first became aware of the Information or any part thereof before the 5 May 2021, did LIO make any announcement prior to the 5 May 2021 which disclosed the information?

If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe LIO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps LIO took to ensure that the information was released promptly and without delay.

6. Please confirm that LIO is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that LIO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of LIO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **09.30 AM AEST Friday, 7 May 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, LIO's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require LIO to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in LIO's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to LIO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that LIO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Laura Gomme
Adviser, Listings Compliance (Perth)