



**ACN 000 753 640**

## **PROSPECTUS**

This Prospectus is being issued for a total of 104,463,811 quoted Options each exercisable at \$0.04 each and expiring 2 years from the date of issue.

The Offers under this Prospectus close at 5.00pm on 12 July 2021 (WST)\*

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT  
SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR SUITABLY  
QUALIFIED PROFESSIONAL ADVISER WITHOUT DELAY.**

**The Options offered under this Prospectus are of a speculative nature.**

\*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date for the Offers.

## Important information

This Prospectus is dated 28 June 2021 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 1, 295 Rokeby Road, Subiaco, Western Australia, 6008, during normal business hours. An electronic version of this Prospectus will be available at [www.lionenergy.com.au](http://www.lionenergy.com.au). The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.4).

The Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Options will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Options under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any particular Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to the time in Perth, Western Australia unless otherwise indicated.

# Corporate directory

## Directors

Thomas Soulsby	Executive Chairman
Damien Servant	Executive Director
Russel Brimage	Non-Executive Director
Christopher Newton	Non-Executive Director
Zane Lewis	Non-Executive Director

## Company Secretary

Arron Canicaïs

## Registered and Principal Office

Suite 1, 295 Rokeby Road  
SUBIACO WA 6008

Phone: +61 8 9211 1500  
Email: [info@lionenergy.com.au](mailto:info@lionenergy.com.au)  
Website: [www.lionenergy.com.au](http://www.lionenergy.com.au)

## Share Registry\*

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
PERTH WA 6000

Telephone (within Australia): 1300 850 505  
Telephone (international): +61 3 9415 4000

## Solicitors

HWL Ebsworth Lawyers  
Level 20, 240 St Georges Terrace,  
Perth WA 6000

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

## Proposed timetable

Lodgement of Prospectus with ASIC Lodgement of Prospectus, announcement of Offers and lodgement of Appendix 3B with ASX Opening Date of Offers	28 June 2021
Annual General Meeting	29 June 2021
Intended date of issue of Convertible Note Options Lodgement of Appendix 2A applying for quotation of the Convertible Note Options	5 July 2021
Anticipated date for commencement of Convertible Note Options trading on a normal settlement basis	7 July 2021
Closing Date of Offers*	12 July 2021
Intended date of issue of Placement Options, Director Placement Options and Lead Manager Options Lodgement of Appendix 2A applying for quotation of the Placement Options, Director Placement Options and Lead Manager Options	14 July 2021
Anticipated date for commencement of Placement Options, Director Placement Options and Lead Manager Options trading on a normal settlement basis	16 July 2021

\*The Company reserves the right, subject to the Corporations Act and Listing Rules to change the above indicative timetable including, without limitation, the Closing Date.

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# 1. Details of the Offers

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## 1.1 Background to the Offers

On 23 April 2021, the Company announced a capital raising of \$2,800,000 (before costs) (**Placement**). The capital raising is comprised of the following three tranches:

- (a) the issue of 31,100,000 Shares to unrelated parties at an issue price of \$0.03 per Share, with one free-attaching Option for every one Share issued (**Placement Options**);
- (b) the issue of 11,666,667 Shares to Directors (or their respective nominees) at an issue price of \$0.03 per Share, with one free-attaching Option for every one Share issued (**Director Placement Options**); and
- (c) the issue of 1,517,000 Convertible Notes, convertible into 51,697,144 Shares, with one free-attaching Option for every one Share issued on conversion (**Convertible Note Options**).

## 1.2 The Offers

The Company is offering pursuant to this Prospectus, up to a total of 104,463,811 quoted Options each exercisable at \$0.04 each and expiring 2 years from the date of issue as follows:

- (a) 31,100,000 Placement Options;
- (b) 11,666,667 Director Placement Options;
- (c) 51,697,144 Convertible Note Options; and
- (d) 10,000,000 Options to be issued to the Lead Manager in connection with the Placement (**Lead Manager Options**),

(collectively, the **Options**).

The Offers will only be extended to specific parties at the invitation of the Directors. Application Forms will only be provided by the Company to eligible parties entitled to receive Options, together with a copy of this Prospectus.

The issue of the Options are subject to and conditional on the receipt of prior Shareholder approval. Shareholder approval is being sought at the Annual General Meeting of the Company to be held on 29 June 2021 (**AGM**). If Shareholder approval is not obtained at the AGM for the issue of the Options, then the Offers will not proceed.

No funds will be raised as a result of the issue of the Options, as:

- (a) the Placement Options and the Director Placement Options are offered on a free-attaching basis to the Shares issued under the Placement;
- (b) the Convertible Note Options are offered on a 1-for-1 basis to the Shares issued on conversion of the Convertible Notes; and
- (c) the Lead Manager Options are being offered as part consideration for the provision of lead manager services in connection with the Placement.

A summary of the rights and liabilities attaching to the Options offered under this Prospectus is in Section 5.2. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's existing Shares, as summarised in Section 5.1.

The Company will apply for quotation of the Options (see Section 1.7).

### 1.3 Use of funds

No funds will be raised as a result of the Offers.

The Company will receive \$0.04 for each Option exercised. If all Options are issued and exercised, the Company will receive approximately \$4,178,552 (before costs). There is no certainty that any of the Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period.

It is currently intended that any funds raised by the exercise of the Options will be used to:

- (a) complete the onshore seismic operations in the East Seram PSC;
- (b) undertake hydrogen studies in Indonesia;
- (c) explore business opportunities in green hydrogen in Australia; and
- (d) provide general working capital.

Working capital includes, but is not limited to, corporate administration and operating costs and may be applied to additional Directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs and payment of creditors or other liabilities.

The application of funds will depend upon when the Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions as at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way in which the funds are applied on this basis.

### 1.4 Closing Date

The Closing Date for the Offers is 12 July 2021. All Applications must be received by the Company by no later than 5.00 pm (WST) on the Closing Date.

The Company reserves the right, subject to the Corporations Act and the Listing Rules to vary the Closing Date without prior notice.

### 1.5 Minimum subscription

There is no minimum subscription for the Offers.

The Options offered under this Prospectus will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied, which include (amongst other things):

- (a) there being a minimum of 100,000 of the Options on issue; and

- (b) there are at least 50 holders with a marketable parcel (within the meaning of the Listing Rules).

## 1.6 **Issue date**

All Options under the Offers are expected to be issued on or before the relevant date specified in the proposed timetable on page iii of this Prospectus.

However, the issue of the Options are subject to and conditional on the prior receipt of Shareholder approval at the AGM.

No Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

## 1.7 **ASX quotation**

Application for quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable on page iii of this Prospectus. The Options will be issued in accordance with this timetable, however they will remain unquoted until such time as the Company has satisfied the ASX quotation requirements. Refer to Section 1.5 above for the conditions for quotation of the Options.

If the Options to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, any Options issued will be void in accordance with section 723 of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Options offered pursuant to this Prospectus.

## 1.8 **CHESS**

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment of the Options. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of existing Securities held (where applicable) and the number of new Options allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Securities on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.



## 1.9 Risk factors

An investment in the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

## 1.10 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Options under this Prospectus.

## 1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 31 December 2020, can be found in the Company's Annual Report announced on ASX on 28 May 2021 (**Annual Report**) and, for the half-year ended 30 June 2020, the half year accounts announced on ASX on 10 September 2020 (**Half Yearly Report**). The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Half Yearly Report and Annual Report.

Copies of the Half Yearly Report and Annual Report are available free of charge from the Company. The Directors strongly recommend that Applicants review these documents and all other announcements prior to deciding whether or not to participate in the Offers.

## 1.12 Privacy

Applicants will be providing personal information to the Company (directly or by the Company's share registry) on the Application Form. The Company collects, holds and will use that information to assess the Application, service Shareholders' needs, facilitate distribution payments and corporate communications to Shareholders and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

Shareholders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers set out in this Prospectus. A fee may be charged for access. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

Applicants should note that if they do not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

## 1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by email to [info@lionenergy.com.au](mailto:info@lionenergy.com.au).

## 2. Application for Options

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### 2.1 Application Form

Eligible Shareholders entitled to apply for Options under the Offers should complete and submit an Application Form, in accordance with the instructions on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided.

Completed Application Forms must be lodged at any time after the issue of this Prospectus and on or before the Closing Date.

### 2.1 Acceptance of Application

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Options.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

The Company will send this Prospectus, together with an Application Form, to all Eligible Shareholders as well as persons entitled to apply for Options under the Offers.

By completing and returning an Application Form, you will be deemed to have represented that you are an Eligible Shareholder or are otherwise entitled to apply for Options under the Offers. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offers;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you are an Eligible Shareholder and have a registered address in Australia, or another country which permits the Company to make the Offers to you without the requirement to lodge any documents with your local regulatory authority;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

### 3. Effect of the Offers

#### 3.1 Capital structure at date of Prospectus

	Shares	Options <sup>(2)</sup>
Existing Securities on issue	238,501,790	Nil
Maximum number of Options to be issued under the Offers <sup>(3)</sup>	Nil	104,463,811 <sup>(4)</sup>
<b>Total</b>	<b>238,501,790<sup>(1)</sup></b>	<b>104,463,811</b>

**Notes:**

1. In addition to the above, it is proposed that the following Shares will be issued, subject to the prior receipt of Shareholder approval at the AGM:
  - (a) 11,666,667 Shares to the Directors (or their respective nominees); and
  - (b) 51,697,144 Shares to be issued on conversion of the Convertible Notes.
2. The terms and conditions of the Options is in Section 5.2.
3. Assumes that Shareholder approval is received for the issue of the Options at the AGM and that all Options offered under the Offers are issued. The actual number of Options issued will vary based on the Options subscribed for and issued pursuant to the Offers.
4. 104,463,811 quoted Options, comprising:
  - (a) 31,100,000 Placement Options;
  - (b) 11,666,667 Director Placement Options;
  - (c) 51,697,144 Convertible Note Options; and
  - (d) 10,000,000 Options to be issued to the Lead Manager in connection with the Placement

Refer to the notice of AGM announced on the ASX market announcements platform on 28 May 2021 for further details.

#### 3.2 Substantial Shareholders

Those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

	Shares	Voting power
Risco Energy Unconventional Pte Ltd	52,535,357	22.03%
Simco Energy Ltd	37,714,286	15.81%
KL Trio Pte Ltd <sup>(1)</sup>	26,314,286	11.03%

**Note:**

1. Shares are held by JP Morgan Nominees Australia Pty Ltd.

The Offers will not have an effect on the quantity of Shares held by existing Shareholders as only Options are being offered under this Prospectus.

### **3.3 Diluting effect of the Offers**

Assuming that all of the Options are issued and exercised into Shares, and no other Securities are issued or exercised, the potential diluting effect on the percentage interest of existing Shareholders' would be 30.46%. This figure assumes the current Share capital structure as at the date of this Prospectus.

### **3.4 Financial effect of the Offers**

There will be no proceeds from the Offers as the Options are being offered for nil cash consideration.

The expenses of the Offers will be met from the Company's existing cash reserves. The Offers are expected to have a nominal effect on the Company's financial position of reducing the cash balance by approximately \$31,000.

Please refer to Section 5.15 for further details on the estimated expenses of the Offers.

### **3.5 Effect of the Offers on control of the Company**

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

## 4. Risk factors

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The Options offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company and no assurances can be made that the Company's particular interests or projects will be successful. Potential investors should consider whether the Options offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below.

This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offers.

### 4.1 Risks specific to the Company

#### (a) Operational risks

The business of hydrocarbon exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, among other things:

- (i) the discovery or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to hydrocarbon interests;
- (v) obtaining consents and approvals necessary for the conduct of hydrocarbon exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and the establishment of production facilities. There is no assurance that any exploration on current or future interests will result in the discovery of an economic hydrocarbon project. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment. The Company's assets are also susceptible to damage from natural disasters.

(b) **Oil and gas exploration and recovery risk**

The business of hydrocarbon exploration and development involves a significant degree of risk, which even with a combination of experience, knowledge and careful evaluation may not be able to be overcome. High risk and substantial expense can be incurred without the requisite or expected degree of reward. The Company depends on factors that include successful exploration and the establishment of petroleum resources and reserves. There is no assurance that exploration expenditure will result in discoveries of oil or gas that can be commercially or economically exploited since exploration is inherently a speculative endeavour.

The general risks of hydrocarbon exploration and development include encountering unexpected geological formations or pressure, premature declines or reservoirs, blow-outs, craterings, sour gas releases, fires and spills causing pollution and changes in drilling plans and locations following the results of exploratory wells and interpretation of new seismic data. Exploration and development operations can be hampered by circumstances and cost overruns for unforeseen events, including unexpected variations in geology and equipment malfunction. Losses resulting from any of these risks could have a material adverse effect on the financial resources of the Company or could result in a total loss of the assets affected, and accordingly, materially adversely affect the market price of its Securities.

(c) **Sovereign**

The Company's existing projects are outside of Australia and are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in oil and gas exploration and production, may affect the viability and profitability of the Company.

(d) **New business opportunities**

The Company announced plans to explore opportunities in green hydrogen in Australia and to undertake studies into hydrogen production on Seram Island, Indonesia. There can be no certainty that suitable hydrogen opportunities will be identified or pursued. Further, there can be no certainty that any conditions precedent to progressing such opportunities (including, without limitation, compliance with ASX Listing Rules 11.1.2 and/or 11.1.3 to the extent applicable) will be satisfied.

## 4.2 **Risks relating to the oil and gas industry generally**

(a) **Commercialisation**

Even if the Company recovers potentially commercial quantities of oil and gas, there is no guarantee that the Company will be able to successfully transport the oil and gas to commercially viable markets or sell the oil and gas to customers to achieve a commercial return.

**(b) Production risks**

Actual future production may vary materially from targets and projections of future production for a variety of reasons. In general terms, the less actual production information available for an asset the greater the likelihood that its performance will vary from estimates.

Production risks associated with the marketability and commerciality of oil and gas to be acquired and produced by the Company and the operator of the assets in which it has or may have interests include but are not limited to reservoir characteristics, market fluctuations, the proximity and capacity of pipelines and processing equipment, the market price of oil and gas and relevant government regulations. Production decreases or stoppages may also result from fluctuations in permeability and flow rates, the presence of impurities in the extracted product, facility shut-downs, mechanical or technical failures and other unforeseeable events which are beyond the control of the Company or the operator.

**(c) Oil and gas resource and reserve estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information or techniques become available. In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Even if the Company identifies a resource or reserve, actual reserves and resources may differ from those estimated at an earlier time which may result in alterations to development and recovery plans which may, in turn, adversely affect the Company's operations.

**(d) Ability to exploit successful discoveries**

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. The infrastructure requirements around a successful discovery may also impact on the exploitation of a discovery. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Company. As described above, such work may require the Company to meet or commit to financing obligations for which it may have not planned.

**(e) Price of oil and gas currency volatility**

Company revenue is derived through the sale of oil and gas which exposes the potential income of the Company to commodity price and exchange rate risks. The demand for, and price of oil and gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major petroleum corporations, global economic and political developments and other factors all of which are beyond the control of the Company. International petroleum prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of oil and gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect oil and gas price are unrest and political instability in countries that have increased concern over supply. Oil and gas is principally sold throughout the world in US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian

dollar and the US dollar oil and gas prices could have a materially adverse effect on the market price of its Securities.

**(f) Joint venture parties, agents and contractors**

The Company holds its interests in some of its assets primarily through joint ventures with other parties. The use of joint ventures is common in the oil and gas exploration and production industry and serves as a means to mitigate the risk and associated costs of exploration, production and operational failures.

However, failure of agreement or alignment with joint venture partners, or the failure of third party joint venture operators, could have a material effect on the Company's business. The failure of joint venture partners to meet their funding commitments (primarily by way of cash calls) and to share costs and liabilities may result in increased costs to the Company. The Company is unable to predict the risk of financial failure or default by a joint venture partner to which the Company is or may become a party to in a joint venture.

**(g) Environmental risk**

The Company's activities are subject to the environmental risks inherent in the hydrocarbon industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the hydrocarbon industry. The Company conducts its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability. Further, the Company may require approval from the relevant authorities before it can undertake activities likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

**(h) Insurance**

Insurance against all risks associated with hydrocarbon exploration and production is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs, however, it will not be insured against all risks, either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of the Company. There is no assurance that the Company will be able to maintain adequate insurance in the future at rates that it considers is reasonable.

#### **4.3 General risks**

**(a) Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics, explosions or other catastrophes, epidemics or quarantine restrictions.



(b) **Liquidity risk**

The market for the Company's Securities may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

(c) **Economic risk**

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

(d) **Additional requirements for capital**

The Company may require further financing in the future to progress its projects.

Any additional equity financing will likely be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained if it becomes required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(e) **Coronavirus disease (COVID-19)**

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange.

To date, the COVID-19 pandemic has not had any material impact on the Company's operations, however, any infections occurring on site at the Company's projects could result in the Company's operations being suspended and otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as adverse implications on the Company's future cash flows, profitability and financial condition. Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

(f) **Option risk and dilution**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Options offered under

this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares.

There is a risk that the Options may expire at a time when they have little or no value.

On completion of the Offers, assuming maximum subscription, there will be up to 104,463,811 quoted Options on issue. If exercised, these Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted by up to 30.46% (on the basis that the Offers are fully subscribed and no other Securities are issued or exercised at the date of this Prospectus). However, each Option has an exercise price of \$0.04 which means that the Company will receive additional funds of up to \$4,178,552 (before costs) upon exercise of the Options, assuming all Options the subject of the Offers are issued and subsequently exercised.

**(g) Share market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of capital; and
- (vi) terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

**(h) Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

**(i) Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

**(j) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(k) **Unforeseen expenditure risks**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

(l) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in oil and gas exploration, development and production. Accordingly, opportunities or prospects of which these Directors become aware of may not necessarily be made available to the Company in the first instance. Although these Directors have been advised of their fiduciary duties to the situations that could arise in which their obligations to, or interests in, the Company, there exists actual and potential conflicts of interest among these persons.

(m) **Climate change risks**

Climate change is a risk the Company has considered, particularly relating to its operations in the oil and gas industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (i) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

#### 4.4 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus.

Therefore, the Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Options.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

## 5. Additional information

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### 5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### (a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

#### (b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### (c) Dividend Rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which will be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

No dividend will carry interest as against the Company.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit, under which participants may elect in respect of all or part of their Shares to receive a dividend or to forego a dividend from the Company and receive some

other form of distribution or entitlement (including securities) from the Company or another body corporate or a trust.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Shareholder Liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of Rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 5.2 **Rights and liabilities attaching to Options**

The rights attaching to the Options offered under this Prospectus are regulated by the Constitution, the Corporations Act, the Listing Rules and the general law. The following is a summary of the key terms of the Options:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one fully paid ordinary Share upon exercise of the Option.

(b) **Exercise Price**

The Options have an exercise price of \$0.04 per Option (**Exercise Price**).

(c) **Expiry Date**

The Options expire at 5.00pm (Perth time) on the date two years after the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(e) **Quotation of the Options**

The Company intends to apply for quotation of the Options on ASX, subject to meeting the requirements of ASX and the Corporations Act.

(f) **Transferability**

The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.

(g) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of at least 10,000 must be exercised on each occasion.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date the Company will, subject to paragraph 4.2(n):

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

(j) **Takeovers prohibition**

The issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act.

The Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Entitlement to dividends**

The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.

(n) **Entitlement to capital return**

The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.

(o) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(p) **Voting rights**

The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.

(q) **Constitution**

Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's Constitution.

5.3 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.4 below). Copies of all documents announced to the ASX can be found on the Company's website.

5.4 **Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the Annual Report for the period ending 31 December 2020 lodged with ASX on 28 May 2021;
- (b) the Half Yearly Report for the period ending 30 June 2020 lodged with ASX on 10 September 2020; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report and before the date of issue of this Prospectus which are as follows:

Date lodged	Subject of Announcement
16/06/2021	Marine seismic results increase prospective resource by 120%
09/06/2021	GPA to undertake H2 production and refuelling concept study
03/06/2021	Lion signs MOU with Wagner Corporation to pursue Green H2
02/06/2021	QUT to Assist Lion in location of Green H2 infrastructure
28/05/2021	Notice of Annual General Meeting/Proxy Form
28/05/2021	Appendix 4G and Corporate Governance Statement



The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.16 and the consents provided by the Directors to the issue of this Prospectus.

## **5.5 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

## **5.6 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in offering and issuing the Shares under this Prospectus.

## **5.7 Market price of Shares**

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest:	\$0.098 on 5 May 2021.
Lowest:	\$0.014 on 16 July 2020.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.050 per Share on 25 June 2021.

## **5.8 Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

## **5.9 Directors' interests**

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Options offered under this Prospectus.

## 5.10 Directors' interests in Securities

The Directors have the following relevant interests in the Securities as at the date of this Prospectus:

Director	Shares	Options	Performance Rights
Thomas Soulsby <sup>1</sup>	797,340	Nil	Nil
Damien Servant <sup>2</sup>	100,000	Nil	Nil
Russell Brimage <sup>3</sup>	5,061,637	Nil	Nil
Christopher Newton <sup>4</sup>	437,340	Nil	Nil
Zane Lewis <sup>5</sup>	1,019,567	Nil	Nil

**Notes:**

- Shares are held directly by Thomas Soulsby.
- Shares are held directly by Damien Servant.
- 5,054,837 Shares are held by Pouvoir Pty Ltd, an entity of which Mr Brimage is a director and shareholder. 6,800 Shares are held directly by Mr Brimage.
- Shares are held directly by Christopher Newton.
- Shares are held as follows:
  - 719,567 Shares are held directly by Mr Lewis;
  - 200,000 Shares are held by Odds On Pty Ltd <Odds On Super Fund A/C>, an entity in which Mr Lewis has a relevant interest; and
  - 100,000 Shares are held by Smallcap Corporate Pty Ltd, an entity in which Mr Lewis has a relevant interest.

In addition to the above, it is proposed that the following Securities will be issued to the Directors (or their nominees), subject to the prior receipt of Shareholder approval at the AGM:

Director	Shares	Options	Performance Rights
Thomas Soulsby	3,333,333	3,333,333	8,000,000
Damien Servant	1,666,667	1,666,667	5,000,000
Russell Brimage	1,666,667	1,666,667	1,500,000
Christopher Newton	1,666,667	1,666,667	1,500,000
Zane Lewis	3,333,333	3,333,333	1,500,000

**Notes:**

- Refer to the notice of AGM announced on the ASX market announcements platform on 28 May 2021 for further details.

## 5.11 Remuneration of Directors

The Constitution provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. The maximum aggregate amount of fees payable to Directors is currently set at \$400,000 per annum, as approved by Shareholders at the annual general meeting held on 30 July 2020. The remuneration of the executive Directors must, subject to the provisions of any contract between each of them and the Company, be fixed by the Directors.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors have received the following remuneration:

Director	Salary and fees
Thomas Soulsby <sup>1</sup>	US\$202,500
Damien Servant <sup>2</sup>	US\$142,500
Russell Brimage	US\$43,200
Christopher Newton	US\$43,200
Zane Lewis	US\$43,200

**Notes:**

1. Of Mr Thomas Soulsby's total fees of \$202,500, \$141,750 of fees are paid out of the East Seram Joint Operation, which is jointly funded by the Consolidated Entity and the Joint Venture Partner. The total fees attributable to the Consolidated Entity per year is US \$145,800.
2. Of Mr Damien Servant's total fees of \$142,500, \$71,250 of fees are paid out of the East Seram Joint Operation, which is jointly funded by the Consolidated Entity and the Joint Venture Partner. The total fees attributable to the Consolidated Entity per year is US \$114,000.

## 5.12 Related party transactions

There are no related party transactions involved in the Offers that are not otherwise described in the Prospectus.

## 5.13 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in

connection with its formation or promotion or the Options offered under this Prospectus;  
or

- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Options offered under this Prospectus.

#### 5.14 Broker Mandates

##### (a) Lead Manager Mandate

For the Placement, the Company entered into a mandate with the Lead Manager for the provision of lead manager services and bookrunner services, including the coordination and management of the placements as well as marketing and corporate advisory services (**LM Mandate**).

Under the LM Mandate, the Company has agreed to pay the Lead Manager:

- (i) a capital raising fee of 6% on all funds raised under the Placement;
- (ii) a capital raising fee of 2% for those investors who were introduced by the Lead Manager and subscribed for Convertible Notes; and
- (iii) subject to a minimum of \$933,000 raised, up to 10,000,000 Options, subject to the prior receipt of Shareholder approval at the AGM.

The LM Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

#### 5.15 Expenses of Offers

The estimated expenses of the Offers are as follows:

Estimated expense	\$
ASIC lodgement fees	3,206
ASX quotation fees	13,194
Legal and preparation expenses	15,000
<b>TOTAL</b>	<b>31,400</b>

#### 5.16 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Options under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HWL Ebsworth has given its written consent to being named as the Solicitors to the Company in this Prospectus. HWL Ebsworth has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Computershare has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

## 6. Directors' Statement and Consent

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The issue of this Prospectus has been authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in blue ink, appearing to be 'T. Soulsby', written over a horizontal line.

Thomas Soulsby  
**Executive Chairman**

Dated: 28 June 2021

## 7. Glossary

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These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

<b>\$</b>	means Australian dollars.
<b>AGM</b>	means the annual general meeting of the Company to be held on 29 June 2021.
<b>Annual Report</b>	means the Company's annual report for the year ended 31 December 2020, announced on ASX on 28 May 2021.
<b>Applicant</b>	means a person who submits an Application Form.
<b>Application</b>	means a valid application for Options made on an Application Form.
<b>Application Form</b>	means an application form provided by the Company with a copy of this Prospectus.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>ASX Settlement</b>	means ASX Settlement Pty Limited ACN 008 504 532.
<b>ASX Settlement Operating Rules</b>	means ASX Settlement Operating Rules of ASX Settlement
<b>Board</b>	means the Directors meeting as a board.
<b>CHESS</b>	means ASX Clearing House Electronic Subregistry System.
<b>Closing Date</b>	has the meaning given to it in Section 1.4.
<b>Company</b>	means Lion Energy Limited ACN 000 753 640.
<b>Constitution</b>	means the constitution of the Company as at the date of this Prospectus.
<b>Convertible Note Options</b>	means the 51,697,144 Options to be issued on the conversion of the Convertible Notes.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth), as amended or modified from time to time.
<b>Directors</b>	means the directors of the Company.
<b>Director Placement Options</b>	means the 11,666,667 Shares to be issued to the Directors (or their respective nominees) under the Placement.

<b>Eligible Shareholder</b>	means a person who is eligible to participate in the Offers.
<b>Exercise Price</b>	has the meaning in Section 5.2(b).
<b>Expiry Date</b>	has the meaning in Section 5.2(c).
<b>Half Yearly Report</b>	means the report for the half-year ended 30 June 2020, announced on ASX on 10 September 2020.
<b>Issuer Sponsored</b>	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
<b>LM Mandate</b>	means the mandate between the Company and Lead Manager for the provision of lead manager services and bookrunner services in relation to the Placement.
<b>Lead Manager</b>	means Peak Asset Management.
<b>Lead Manager Options</b>	means the 10,000,000 Options to be issued to the Lead Manager.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice of Exercise</b>	has the meaning in Section 5.2(g).
<b>Offers</b>	means the offers of the Placement Options, Director Placement Options, Convertible Note Options and Lead Manager Options under this Prospectus.
<b>Option</b>	means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.
<b>Options</b>	means the 104,463,811 quoted Options offered under this Prospectus.
<b>Performance Right</b>	means a right to be issued a Share, subject to the satisfaction or waiver of specified vesting conditions.
<b>Placement</b>	has the meaning in Section 1.1.
<b>Placement Options</b>	means the 31,100,000 free-attaching Options to the Shares issued under the Placement.
<b>Prospectus</b>	means this prospectus dated 28 June 2021.
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.



<b>Shareholder</b>	means a holder of Shares.
<b>Timetable</b>	means the timetable on page iii.