

ASX Announcement

17 November, 2021



Lion receives firm commitments for \$9.6m to increase focus on Green Hydrogen strategy

Lion at a glance

- ASX listed oil and gas company with conventional PSC's in Indonesia.
- Focus on conventional oil and gas production and development, appraisal and step out exploration risk opportunities.
- Exploring green hydrogen opportunities in Australia.
- Net production of around 37bopd from the Seram PSC which also contains the 1.5TCF Lofin gas/condensate discovery.
- Leveraging synergies in conventional assets and access to both infrastructure and markets.
- Executive team and strategic investors with impressive track records for value creation in Asia.

Contact

Lion Energy Limited

ABN 51 000 753 640

ASX Code: LIO

Suite 1

295 Rokeby Road

Subiaco WA 6008

Australia

Tel +61 8 9211 1500 | Fax +61 8 9211 1501

info@lionenergy.com.au

www.lionenergy.com.au

Directors & Officers

| | |
|------------------------|------------------------|
| Tom Soulsby | Executive Chairman |
| Damien Servant | Executive Director |
| Russell Brimage | Non-Executive Director |
| Chris Newton | Non-Executive Director |
| Zane Lewis | Non Executive Director |
| Arron Canicais | Company Secretary |

For more information contact

Tom Soulsby

+61 487527958

tsoulsby@lionenergy.com.au

Highlights:

- **Lion is committed to explore opportunities in green hydrogen in Australia**
- **Lion receives commitments for \$6.1 million from professional and sophisticated investors by way of a placement at 8 cents per share**
- **A further \$3.5 million has been committed under the same terms of the placement via director participation and convertible notes to five key investors, that will convert into shares subject to shareholder approval**
- **All shares will include a 1:2 option with a strike price of 12 cents per share and an expiry of 30 months from issue date, subject to shareholder approval**
- **Funds are to be applied mainly towards working capital and exploring business opportunities in green hydrogen in Australia.**

Capital Raise

Lion Energy Limited ("Lion" or "Company"; ASX: LIO) is pleased to announce that it received firm commitments for \$9.6 million at 8 cents per ordinary share from sophisticated investors and directors. All shares will include a 1:2 option with a strike price of 12 cents per share with an expiry of 30 months from the issue date, subject to shareholder approval (**Options**).

Tom Soulsby, Lion's Executive Chairman, said "we are pleased to work with the team at Peak again to support Lion's potential foray in the green hydrogen business in Australia. Peak brings a wealth of experience in supporting companies with green hydrogen and renewable investment businesses in Australia. We will outline more details of our Australian hydrogen strategy to investors shortly."

The Company intends to seek ASX quotation of the new Options.

The quotation of the Options will be subject to the Company offering the Options under a prospectus prepared in accordance with Chapter 6D of the *Corporations Act 2001* (Cth) and lodged with ASIC and satisfying the quotation conditions set out in the ASX Listing Rules. Investors are advised that while it is the Company's current intention to seek quotation of the

ASX Announcement

17 November, 2021



Options, Lion provides no certainty that quotation of the Options will be granted.

The capital raise will be completed in three tranches, with the first tranche of 76.25 million shares (\$6,100,000) being issued on or around the 22 November 2021 utilising the Company's 15% and 10% placement capacities available under ASX Listing Rules 7.1 and 7.1A (**Placement**) through the issue of 45,742,756 shares and 30,507,244 shares respectively. Lion has appointed Peak Asset Management ("Peak") to act as Corporate Advisor and Lead Manager for the Placement. Key material terms of the Peak engagement are noted in Appendix 1. The 1:2 Options attached to the Placement will be issued subject to the receipt of shareholder approval at a general meeting to be held on or before 31 January, 2022 (**General Meeting**).

The second tranche has been committed via convertible notes from certain existing and new shareholders of Lion amounting to \$3,375,000 (**Convertible Notes**). The Convertible Notes will convert at 8.0 cents per share and include a 1:2 Option, subject to shareholder approval at the General Meeting. Key terms of the Convertible Notes are as follows:

- Total face value: \$3,375,000
- Maturity date: 31 December 2022.
- Security: the convertible loan is unsecured.
- Conversion: subject to Company shareholder approval at the General Meeting.
- Conversion Price: 8.0 cents per share.
- All shares issued from the Convertible Notes will include a 1:2 option on the same terms as the Options.
- Interest: 12% per annum.

The third tranche has been committed by directors, or their nominees, under the same terms as the Placement amounting to \$125,000 and is subject to approval by shareholders at the General Meeting. The breakdown of the directors' participation is as follows:

| Director | Amount |
|----------------------------------|-----------|
| Mr Thomas Soulsby or his nominee | \$100,000 |
| Mr Damien Servant or his nominee | \$ 25,000 |
| Total | \$125,000 |

Use of funds are to be applied to exploring business opportunities in green hydrogen in Australia, providing contingency funding for the seismic program on the East Seram PSC and working capital.

ENDS

This ASX announcement was approved and authorised for release by the Board of Directors.

ASX Announcement

17 November, 2021



Appendix 1 - Key material terms of the Peak Engagement

- (i) A 6% capital raising fee on all funds raised under the placement of shares by Peak; and
- (ii) 15 million options, having the same terms as the Options granted to investors under the Placement.