



## Lion targeting booming energy market with test on 1.45TCF discovery & seismic survey

### Key highlights:

- Operator confirms September 2022 timing to re-enter and conduct an extended test of 2015 Lofin-2 appraisal well
- Key step toward commercialisation of the Lofin Gas Field Contingent Resources (2C) of 1450 Bcf (100%) / Lion share 36.3 Bcf
- Mobilisation for the seismic survey in the Lion operated East Seram PSC continues at speed with recording due to commence in early August
- Survey targeting some of the largest undrilled structures in Indonesia
- Existing infrastructure allows early commercialisation for discovered hydrocarbons against a backdrop of strong pricing for oil and gas

Lion Energy Limited (“Lion” or “Company”) is pleased to report that the Operator of the Seram (Non-Bula) PSC, CITIC, has confirmed the planned test of the Lofin-2 well will be conducted in September 2022. The test will enable critical fluid and reservoir information to be obtained and is a key step in the commercialisation of the Lofin gas resource.

Miller and Lents Lofin Field Resources (31 December 2020)	Gross Gas (100%)					
	Original Gas-in-Place (BCF)			Technical Estimated Ultimately Recoverable (EUR) (BCF)		
Contingent Resources	1C	2C	3C	1C	2C	3C
Seram PSC Lofin Field	1671	2636	2714	752.0	1450.0	1764.0

Contingent resources (EUR) for the Lofin Field net to Lion are 1C: 18.8 2C: 36.3 3C 44.1 Bcf (refer Lion ASX release 13 April 2021)

Lion is also pleased to update on the 200km seismic survey scheduled in the East Seram PSC, where Lion is operator with a 60% interest. Mobilization is progressing well with parameter testing for the survey scheduled for late-July and recording planned for early August. The survey is expected to be complete in Q4 2022. As previously reported (refer Lion ASX release 13 April 2022) the survey is targeting some of the largest undrilled structures in Indonesia.

Lion’s Chairman, Tom Soulsby noted “The confirmation of timing of the Lofin-2 well test for September 2022 is exciting as this is a key step towards commercialisation of the significant Lofin resource. On the back of the good progress with our exciting 200km onshore seismic program, Lion is positioning to benefit from the growing demand for energy in the region and high energy prices.”

“Indonesia’s primary energy demand growth rate was 4% p.a. on average over the 2009-2019 period and is expected to remain robust. The Lofin discovery could materially help solve gas demand issues in Indonesia at a time when demand is expected to remain strong in both Indonesia and Asia.”

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## Lofin Gas Field (Lion 2.5%)

The 1.45TCF Lofin Field is a thrust faulted, four-way dip anticline located 60-km west of the producing Oseil Oilfield. The field is mapped on 1990 and 2008 vintage 2D seismic lines and is approximately 4km wide and 10km in length. While Lion has a 2.5% interest in the Seram (Non-Bula) PSC portion of the Lofin discovery, part of the field is mapped to extend into the East Seram PSC in which Lion has a 60% interest (Figure 3). Planned 3D seismic in the Seram (Non Bula) PSC in 2023 will enable an accurate assessment of the resource associated with this extension into the East Seram PSC.

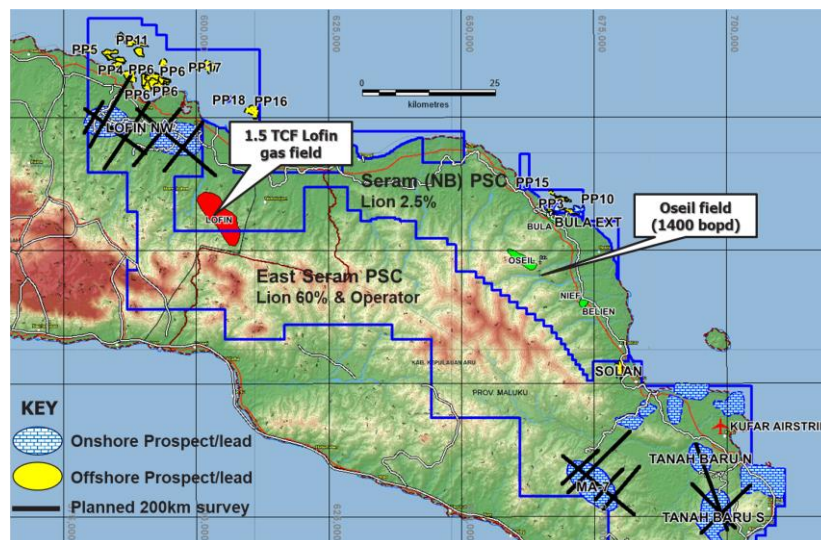


Figure 1: Map showing Lofin Field location, as well as the Seram (NB) PSC and Lion operated East Seram PSC

The reservoir is the fractured carbonate of the Jurassic/Triassic age Manusela formation which is the reservoir in the nearby producing Oseil oilfield. The overlying Jurassic marine Kola shale provides the regional seal with the main source rock interpreted to be the underlying mature Late Triassic Saman-Saman Formation.

The Lofin Gas Field was discovered in 2012 with the drilling of Lofin-1 which tested 15.7 mmcf/d and 171 bopd of 36.1° API condensate. The discovery was successfully appraised in 2015 with Lofin-2 with results indicating a 1300m gas column. The Lofin-2 well flowed gas at up to 17.8 mmcf/d through a 52/64" choke at 2250psi flowing wellhead pressure. The well also flowed over 2000 bwpd interpreted to be from the lower part of well. The gas is good quality with less than 5% carbon dioxide (refer Lion ASX release 8 October 2015). The planned new test procedures involve isolation of the lower water zone through setting a cement plug and have been designed to provide essential data on field reservoir and deliverability.

A staged development plan for the Lofin gas field is anticipated with potential for initial gas sales to local industry in the Seram area during extended well testing, with performance results used to firm engineering plans for eventual full development of the Lofin field. Existing infra-structure, including liquids storage tanks and an impressive export jetty will be critical for efficient and timely field development.

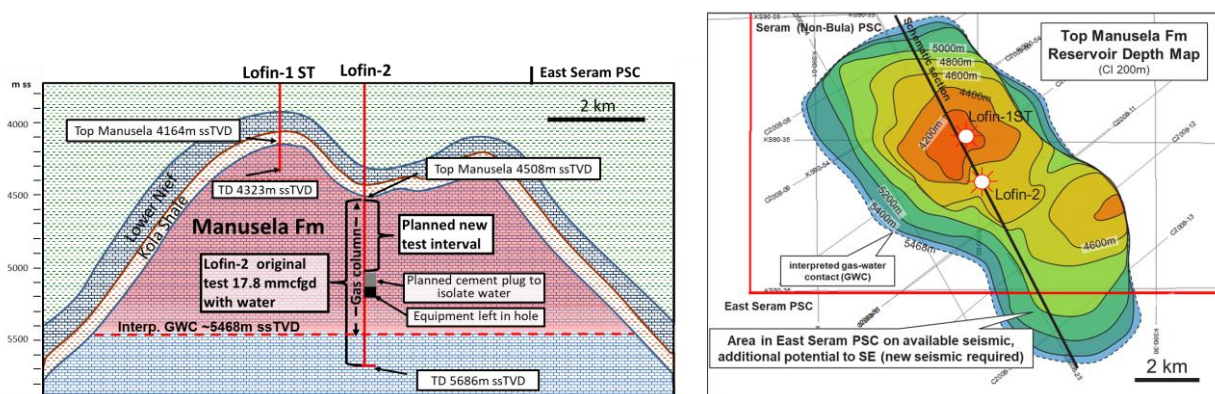


Figure 2 Lofin Field Schematic Diagram showing planned test interval and Figure 3 Depth Map at top reservoir level

## East Seram PSC Seismic Survey (Lion 60%)

Lion's wholly owned subsidiary, Balam Energy, has a 60% interest and operatorship in the East Seram PSC with a 40% participating interest held by OPIC East Seram Corporation ("OESC"), a subsidiary of Taiwan's CPC Corporation. Under the previously reported farm-in agreement (refer Lion ASX release 26 September 2019), OESC will pay approximately 80% of the total estimated seismic survey cost of US\$7.25million. Mobilization is on schedule with the base camp construction largely completed, surveying well underway and community relation activities progressing well. Parameter testing for the survey is scheduled for late-July with production seismic recording planned to commence in early August 2022.

The planned 200 km onshore seismic survey in 2022 will investigate the 5 high ranked onshore fold-belt structures in the East Seram PSC (MA-7, Tanah Baru North & South, MA10 & MA-11) with the same Manusela carbonate reservoir objective as proven in the Oseil and Lofin fields. These leads have combined P50 prospective resource<sup>1</sup> of 675 mmbbl. The largest lead, MA-7, has an oil prospective resource<sup>1</sup> of Low (P90) 39 mmbbl, Best (P50) 190 mmbbl, and High (P10) 881 mmbbl. (Refer Lion ASX release dated 4 March 2019). Figure 4 shows the key East Seram plays. The oil prone shallow play targeted by Lion's 2020 seismic program which uncovered some exciting oil prospects and the world -class deeper fold play with both large oil and gas targets.

As previously noted, the existing oil and gas infrastructure in East Seram including the significant oil storage facilities and major export jetty infrastructure will be key to rapid development of any discovery.

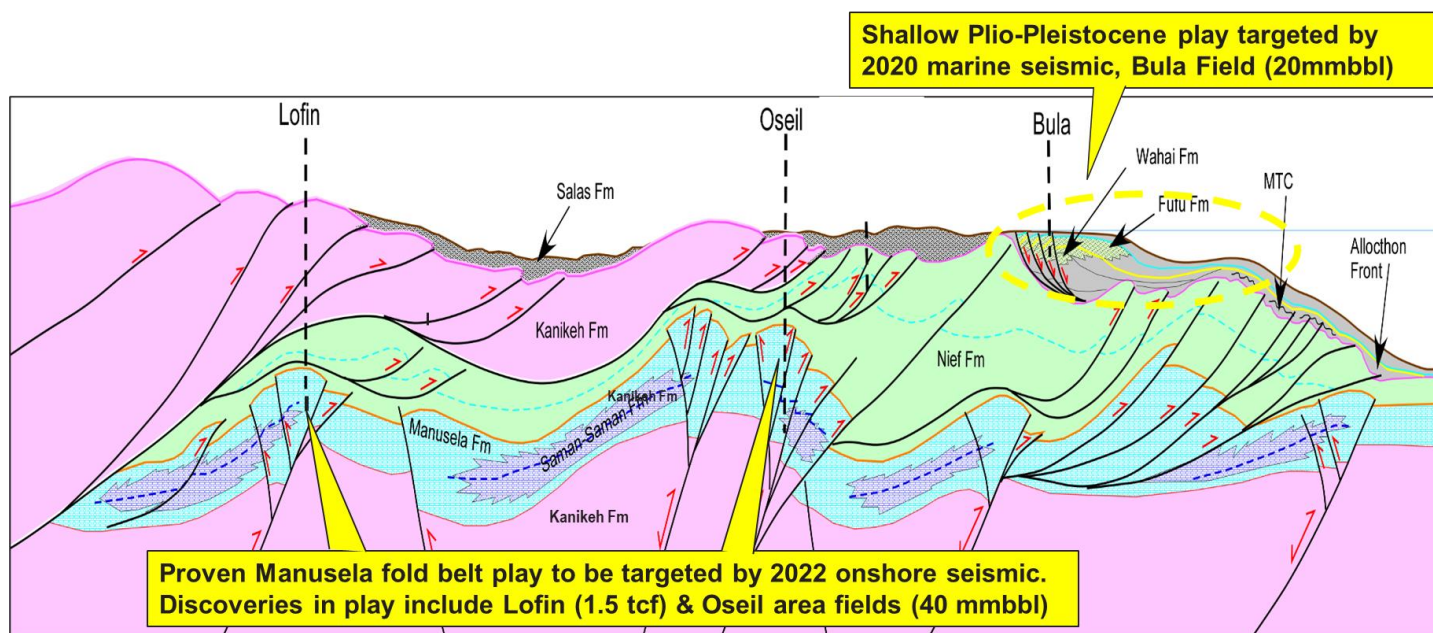


Figure 4 East Seram Island schematic cross section showing the attractive, proven deep Manusela and the shallow Bula plays

<sup>1</sup>Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

ENDS



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

The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## Glossary

bbl: barrels	GIP: gas in place	PSC: Production Sharing Contract
Bcf: billion cubic feet	JV: joint venture	psi: pounds per square inch
bpd: barrels per day	KB: Kelly bushing	ss: sub sea
bcpd: barrels condensate per day	mmcfgd: million cubic feet gas per day	TCF: trillion cubic feet
bopd: barrels oil per day	mmbbl: million barrels	TVD; true vertical depth
bwpd: barrels water per day	mmboe: million barrels of oil equivalent	
EUR: Estimate of ultimate recoverable	Conversion factor: 6 mcf = 1 bbl oil equivalent (boe)	

## About Lion

- ASX listed oil and gas company with permits (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 around 40 bopd from the Seram (Non-Bula) 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 investors with impressive track records for value creation in Asia.