

## Continued encouraging shows in Amanah Timur-1 well

### Highlights

- Well drilling ahead at 323m KB as at morning report
- Additional zone of interest intersected from 205-225m MD with 2.5% gas peak (C1-C5)
- Elevated gas in upper 10m of “500” sandstone objective with 3.2% gas (C1-C3)

Lion Energy Limited (“Lion” or “Company”; ASX: LIO) is pleased to announce that as of this morning’s report, the Amanah Timur well is drilling ahead at 323m. The intersected formations continue to come in high to pre-drill prognosis and the well has encountered additional zones of interest. These zones will be evaluated with wireline logs and possible production testing.

Since the last announcement by Lion on 10 January 2017, the well has drilled from 154m to the current depth of 323m KB in an interbedded sandstone, siltstone and shale section. Additional zones of interest, to be evaluated with wireline logs and possible testing, have been intersected in the well. The section from 205-225m had elevated gas up to 2.52% recorded with the following composition (C1: 21374ppm, C2 365ppm, C3 977ppm, iC4 214ppm, nC4 75ppm, iC5 191ppm). Some oil fluorescence (<5%) and nil to weak oil odour is described from 210-212m. The top of the main “500” sandstone was iprovisionally picked at 234m, 55 m high to prognosis with elevated gas with peak to 3.2% in the upper 10m section (C1: 30,575ppm, C2 1182ppm, C3 4ppm). From approximately 272m, a predicted shale and siltstone section has been penetrated which overlies the deeper objective targets in the well. High gas readings continue to be recorded through this section.

The well has an estimated cost of US\$1.3mil (US\$0.53mil net to Lion). This well cost includes provision for up to three production tests. Multiple sandstone reservoirs are being targeted including the shallow objective which had oil production in pre-1930 wells that are in close proximity.

Lion’s CEO, Kim Morrison, noted “We continue to be encouraged with the Amanah Timur -1 results and now look forward to drilling the objective sandstone targets below the current shale dominated section, expected from approximately 375m. As we noted yesterday, wireline log evaluation and production testing is planned to determine fluid content and potential productivity of the zones of interest penetrated to date.”

### Lion at a glance

- ASX listed oil and gas E&P company focused on Indonesia; two conventional PSC’s.
- Net production of around 90bopd from the Seram PSC which also contains the Lofin gas/condensate field.
- An early mover in Indonesia’s fledgling unconventional oil & gas industry.
- 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 Indonesia.

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<b>Stuart B. Smith</b>	Executive Director
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# ASX/Media Release

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## Competent Persons Statement: Qualified Petroleum Reserves and Resources Evaluator

Pursuant to the requirements of the ASX Listing Rules Chapter 5, the technical information, reserve and resource reporting provided in this document are based on and fairly represent information and supporting documentation that has been prepared and/or compiled by Mr Kim Morrison, Chief Executive Officer of Lion Energy Ltd. Mr Morrison holds a B.Sc. (Hons) in Geology and Geophysics from the University of Sydney and has more than 30 years of experience in exploration, appraisal and development of oil and gas resources – including evaluating petroleum reserves and resources. Mr Morrison is a member of the American Association of Petroleum Geologists (AAPG). Mr Morrison consents to the release of this announcement and to the inclusion of the matters based on the information in the form and context in which it appears.

### Glossary

bcf: billion cubic feet gas  
JV: joint venture  
KB: kelly bushing  
km<sup>2</sup>: square kilometres  
MD: measured depth

mmboe: million barrels oil equivalent  
mmbbl: million barrels  
PSC: Production Sharing Contract  
tcf: trillion cubic feet

**END**