

ASX/Media Release

For Immediate Release – 8 June 2018



Lion Raises \$3.09M in oversubscribed capital raise

Highlights:

- **Lion receives commitments for \$3.09M at 3.5c per share via an oversubscribed capital raising by way of placement and two convertible loans from sophisticated investors.**
- **Lion's major shareholder Risco Energy Unconventional Pte Ltd (Risco) commits \$1,320,000 via a Convertible Loan**
- **Funds are to be applied to secure the exciting and highly prospective East Seram PSC, the extension and related development of the Seram (Non Bula) PSC and to working capital.**

Lion Energy Limited ("Lion" or "Company"; ASX: LIO) is pleased to advise it has received firm commitments for \$3.09M at 3.5 cents per ordinary share from sophisticated investors.

The capital raise will be completed in two tranches, with the first tranche of 24.2M shares (\$848,500) being issued imminently utilizing the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A.

The number of shares to be issued under the Company's Listing Rule 7.1 capacity is 17,869,554 and the number of shares to be issued under the Company's Listing Rule 7.1A capacity is 6,373,303.

The second tranche has been committed via convertible loans from Lion's major shareholder, Risco, amounting to \$1,320,000 and by a new investor, KL Trio Pte Ltd (Trio), amounting to \$921,000. The loans will convert at 3.5c per share. Shareholder approval is required to convert the converting loans into Lion Energy shares, with a shareholder meeting to be held in July/ August 2018.

As a result of and at the time of the conversion, and assuming no other securities in the Company are issued, Risco will hold approximately 43.51% of the Company's issued capital. Lion understand that upon conversion, Risco may issue new shares in itself to parties other than its existing shareholder, in which case shareholder approval under item 7 of section 611 of the Corporations Act may be sought for such new Risco shareholder(s) to acquire its/their relevant interest in Company shares via its/their holding in Risco.

Lion at a glance

- ASX listed oil and gas company with conventional PSC in Indonesia.
- Focus on conventional oil and gas production and development, appraisal and step out exploration risk opportunities
- Net production of around 50bopd from the Seram PSC which also contains the 2TCF 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 Indonesia.

Contact

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Directors & Officers

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Chris Newton	Non-Executive Director
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Key terms of the convertible loans are as follows:

- Facility Limits: \$1,320,000 (Risco) & \$921,000 (Trio)
- Interest: no interest accrues on the convertible loan if converted. The loan has a 10% interest cost should shareholders not approve conversion.
- Maturity date: the date that is 6 months from the first draw down.
- Security: the convertible loan is unsecured.
- Conversion: any principal amount advanced to the company by the Lender will only be convertible subject to Company shareholder approval.
- Conversion price: 3.5c per share.

Funds are to be applied to secure the exciting and highly prospective East Seram PSC, the extension and development of the Seram (Non Bula) PSC and to working capital.

The Company anticipates executing the East Seram PSC in July 2018 and will draw down on the convertible loans as needed. Lion Executive Chairman Tom Soulsby said:

“We are very pleased with the level of support from our existing shareholders who have anchored this important capital raise. We are also very pleased to have new investors come onto the Lion register to support the company’s growth strategy.

The combination of the 20-year extension of the Seram (Non Bula) PSC along with the awarding of the East Seram PSC marks an important transformation for Lion. We anticipate significant interest from energy companies to partner Lion to explore and develop the highly rated and prospective East Seram PSC. The block covers an extension of the 2TCF Lofin discovery and the shallow water area immediately adjacent to the Bula block, which has produced approx. 20mmbo and is still commercially producing today. “

East Seram Block

The award of the highly rated East Seram Block is a significant and material acquisition for the company and forms a significant part of the revised strategy of the Company to reposition itself away from higher risk exploration and unconventional exposures to lower risk conventional oil and gas production and development, appraisal and step out exploration risk opportunities under the new Gross Split PSC terms.

The East Seram Block includes an extension of the Lofin gas discovery within the Seram (Non Bula) PSC in which Lion has a 2.5% participating interest. The Lofin gas discovery is a 2C contingent resource of 2.02 TCF and 18.3 mmbbl condensate (370mmboe), making it one of the largest onshore gas discoveries in Indonesia for many years, with Lion’s net interest 50 BCF of natural gas and approximately 450,000 bbl of associated condensate/light oil (totalling 9.25mmboe), (refer Lion’s ASX release 8th October 2015).

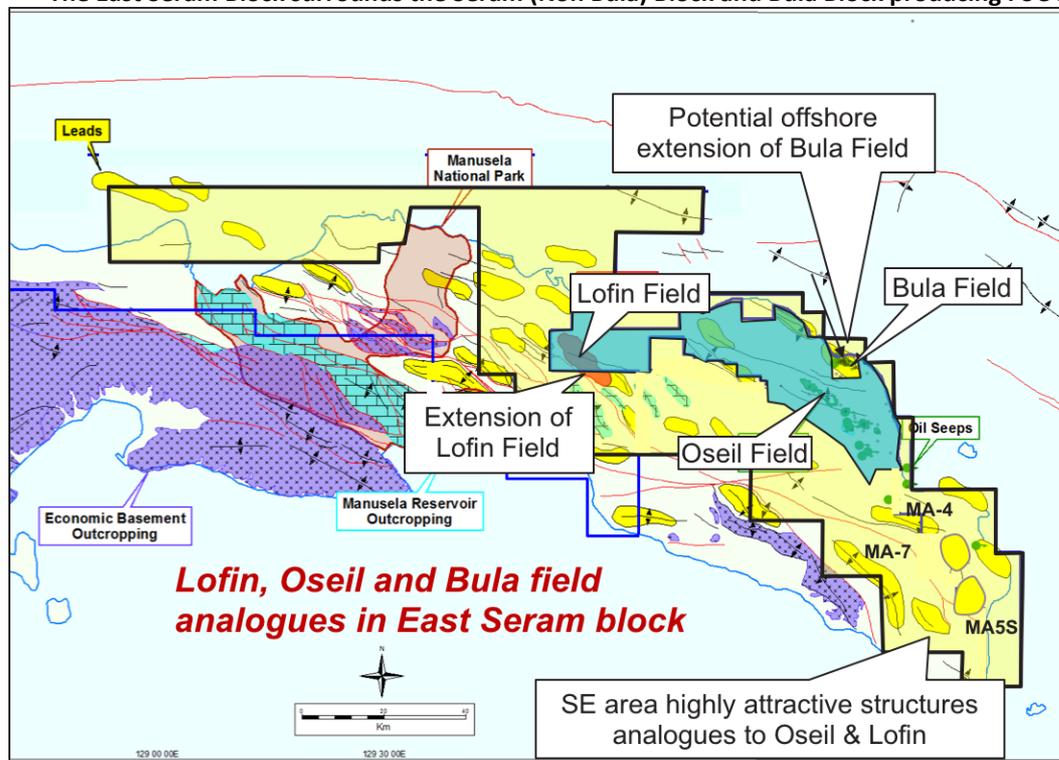
The East Seram Block also includes the shallow offshore area immediately adjacent to the producing Bula oil field, which has produced 20 mmbo since its discovery in the 1890’s. There are also a number of additional significant oil and gas prospects with compelling geological justification.

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The East Seram Block surrounds the Seram (Non Bula) Block and Bula Block producing PSC's



Qualified petroleum reserves and resources evaluator requirements

In accordance with ASX Listing Rule 5.43m the Company confirms that it has previously announced the contingent resource for Lofin on 8 October 2015.

The Company also confirms that it is not aware of any new information or data that materially affects the Lofin contingent resource and that all the material assumptions and technical parameters underpinning the resource continue to apply and have not materially changed.

ENDS