

Lion Energy Ltd

(LIO.ASX)

**PSC tenure de-risked, re-capitalized,
repositioned, ready for growth**



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Overview of Lion Energy

ASX listed, well connected, Seram focused E&P company

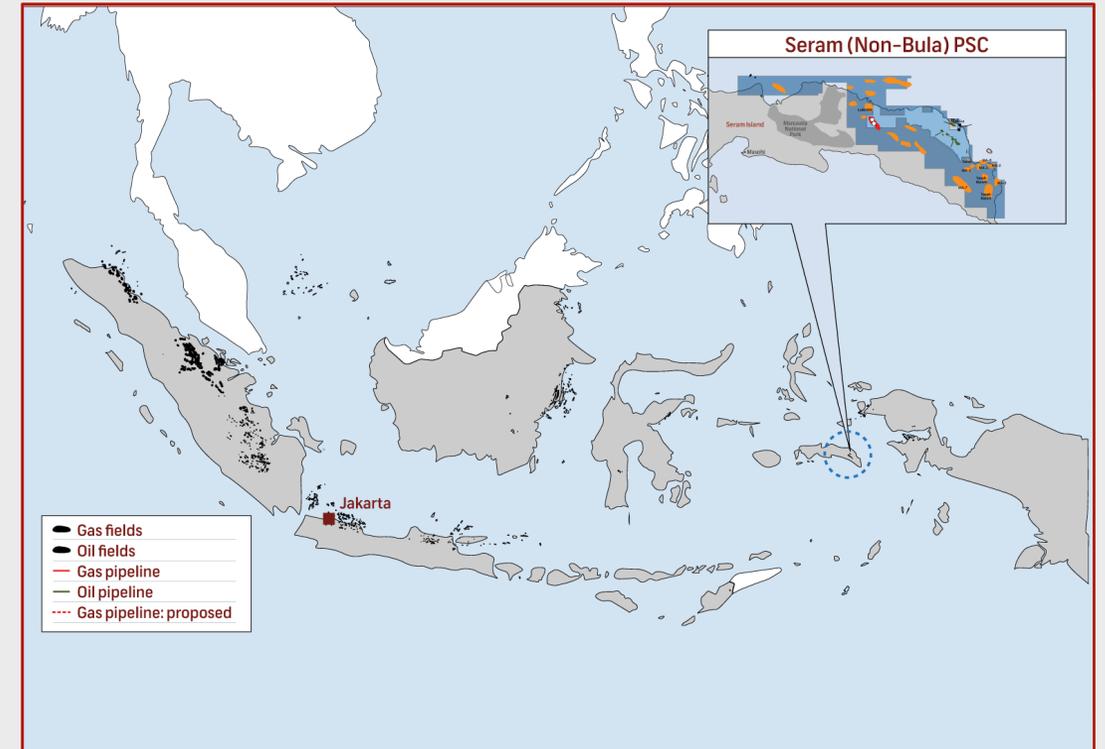


- Focused on Seram Island, Indonesia
- Exposed to the 2TCF Lofin Gas discovery and producing Oseil Oil field, with an inventory of 770m boe's in leads
- Experienced team with pre-eminent value creation track record in SE Asia.
- Market cap approx A\$5m

- Cash of US\$1.8m, Revenue US\$1m in 2017, G&A US\$1m
- Exited South Block A PSC in Aceh in return for an ORRI
- Largely Indonesian owned and very supportive in funding and strategy execution

Shareholder	UBO	%
Risco		43.5%
KL Trio Pte Ltd		12.7%
Pt Senada Nusantara		5.4%
Robert Francis Davis		3.1%
Tower Energy Indonesia Limited		3.0%
W & N Morrison Investments Pty Ltd		3.0%
Transform Exploration Pty Ltd		2.8%
KKSH Holdings Ltd		2.5%
Pouvoir Pty Ltd		2.4%
		78.4%

*Post conversion of the existing convertible notes, which is subject to shareholders approval



Overview of Lion Energy

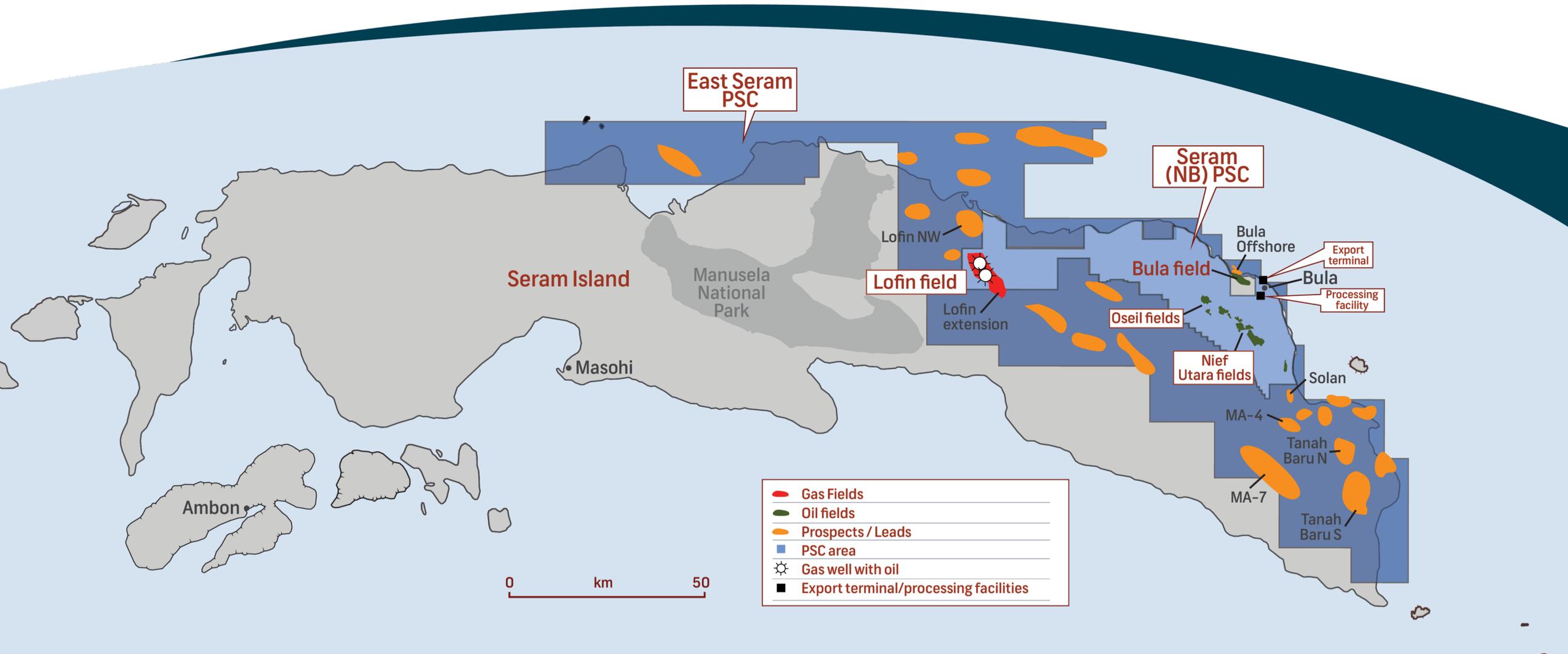
Seram Island, East Indonesia



PSC	Signed	Term	Area (km ²)	Status	Gross Reserves / Resource	Operator	Lio W.I.
Seram (Non Bula)	Old PSC expires 30 Oct 2019. New signed 31 May, 2018 & effective 1 Nov, 2019	20 Years from Effective date	1,353	2,000 bopd production Lofin Gas Development	2P Oil > 3.5MMbo 2C ~2.0 TCF & 18MMbc	Citic	2.5%
East Seram	New PSC effective 17 July 2018	6/10/30 Years	6,505	Expln with low signature. bonus and modest commitments	Exploration Potential > 700m boe's but also includes Lofin discovery extension	Lion	100%

Lion has two critical positions in the proven but uncreamed Seram Basin

Lion has secured a dominant long term position on Seram Island



Provides exposure to Indonesia's largest gas discovery since the 1990's, "Lofin"

1. Strategy streamlined: singular focus on Seram Island, Indonesia that contains the Lofin Gas discovery, containing 2TCF in a 1300m gas column.
2. Lion now operates under a light handed, new gross split tax and royalty regime
3. New executive team arguably the most experienced Australian team in Indonesia
1. Track record for delivery and runs on the board since Feb 2018
2. Growth starting now
3. Balance of oil production growth, a world class gas development, appraisal risk and material exploration upside
4. Share price unmoved since capital raising

1. Strategy

Seram Island Focus



Lion now focuses on Seram Island, East Indonesia and Lion has the largest onshore land position

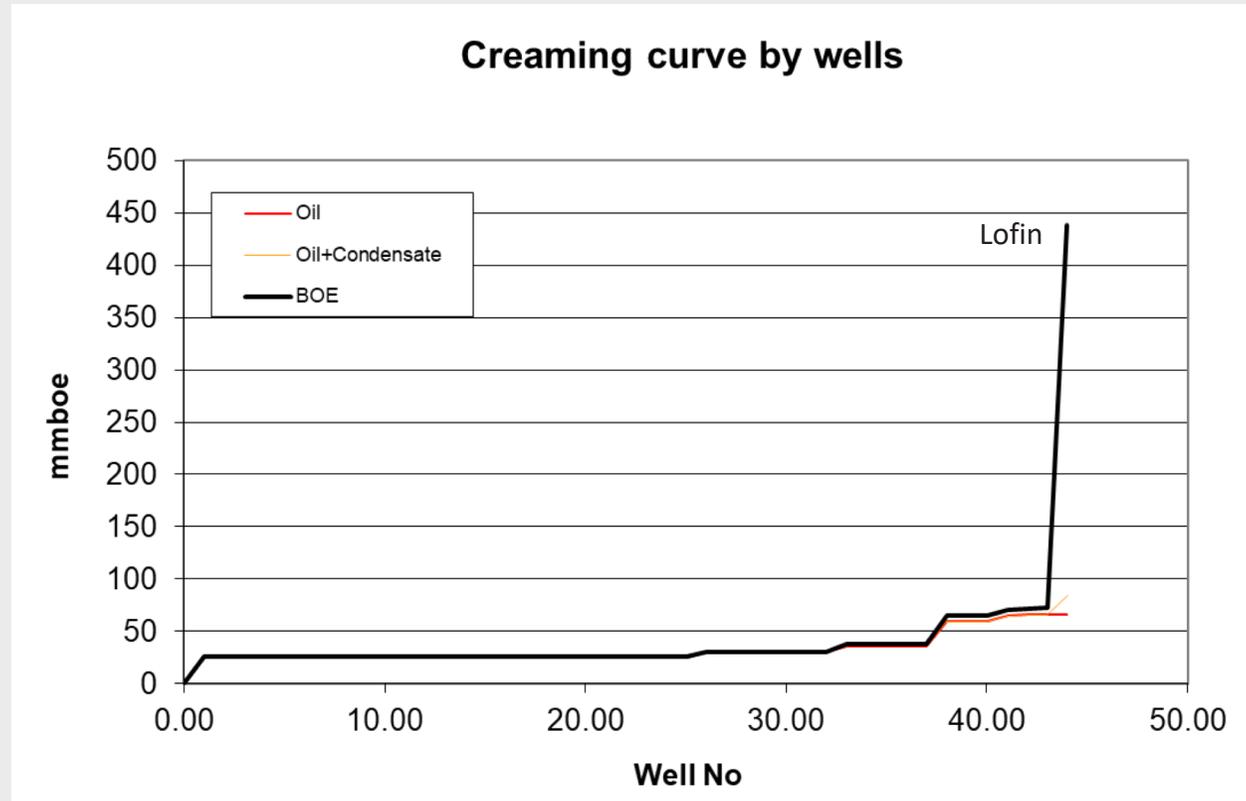
- The Seram Island hydrocarbon basin is rare, being proven, but un-creamed
- The Seram Non Bula PSC has existing oil and gas infrastructure within our JV's (roads, jetty's, tank farms, mini refinery, storage, 500,000bbl marine export terminal etc)
- High prospectively in the East Seram PSC on the back of Lion's unique and unrivalled Seram data, knowledge and insight from a long history in Seram E&P dating back 20 years eg Lofin Extension
- Lion's portfolio has existing oil production, development, appraisal, and high impact exploration risk
- New regime conducive to investment

Lion has a foothold on a 2TCF discovery and material upside potential

Why focus on the Seram Basin?

Top down, still some 800 mmboe's of potential

After a bunch of small discoveries and one big one, the Seram Basin is on the verge of delivering more big discoveries

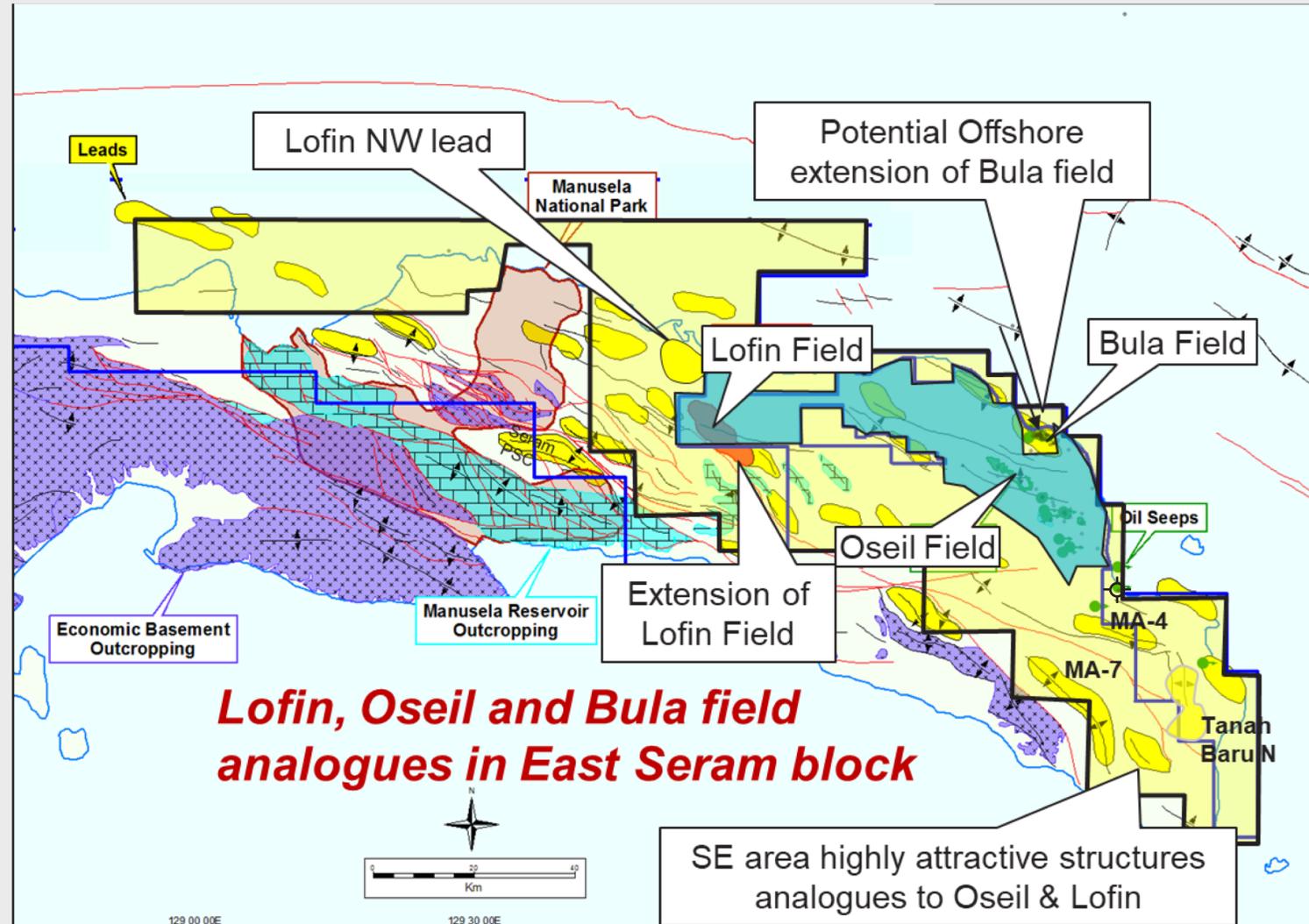


Lion has a foothold on a 2TCF discovery and 800m boe's of top down net potential including MA-7, Lofin NW and the Lofin Field Extension

Proven Basin, with immature plays & high prospectivity

Bottom up analysis: immature plays & 700m boe's of leads

- Seram Island is a proven oil and gas province with producing field and multiple oil and gas seeps.
- Producing Bula (~20 mmbbl) and Oseil (17 mmbbl to date) oil fields
- 2 TCF Lofin Field discovery
- Acreage contains offshore extension potential of Bula oil field and trend extension of Lofin gas field
- Numerous large attractive leads/structure includes MA-7, Tanah Baru Lead (identified by CITIC) & Lofin NW
- Bottom up leads exceed 700m boe's
- Only 4 wells drilled to date in East Seram, all testing shallow Plio-Pleistocene play.



Overview of Seram (Non Bula) PSC

Oseil oil production



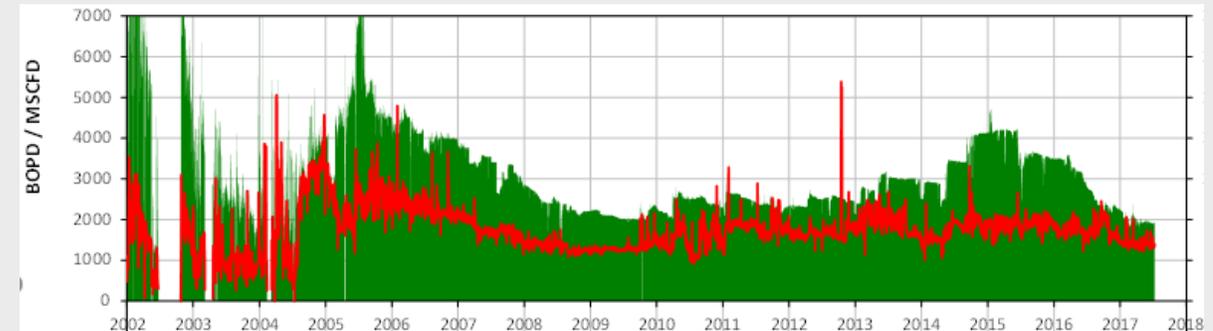
Current Participating Interests:

Citic Seram Energy (Operator)		41.0%
PT Petro Indo Mandiri		30.0%
Gulf Petroleum Investment Company		16.5%
PT GHJ Seram Indonesia		10.0%
Lion International Investment Ltd		2.5%

Oseil Area Production

- Current Production ~1,900 bopd, 89% WC, 1.4 MMscfd
- Cumulative Production to July 31 2018 = 17.6 MMstbo
- Reserves ~ 5.0 mmstbo
- Contingent Resources in Satellite Fields ~17mmstbo
- 7 producing wells producing 25 API gravity oil with ESP's
- Reservoir is fractured Manusela Carbonate at ~6,000'
- Current Direct Production Costs ~ US\$10.1 / bbl
- 4 New wells planned for 2018/19 to add ~1,600 bopd
- Current Contractor share = 94.375%

Oseil Oil Production Performance



Main Production Facility & Export Terminal



Field Facility



Infrastructure:

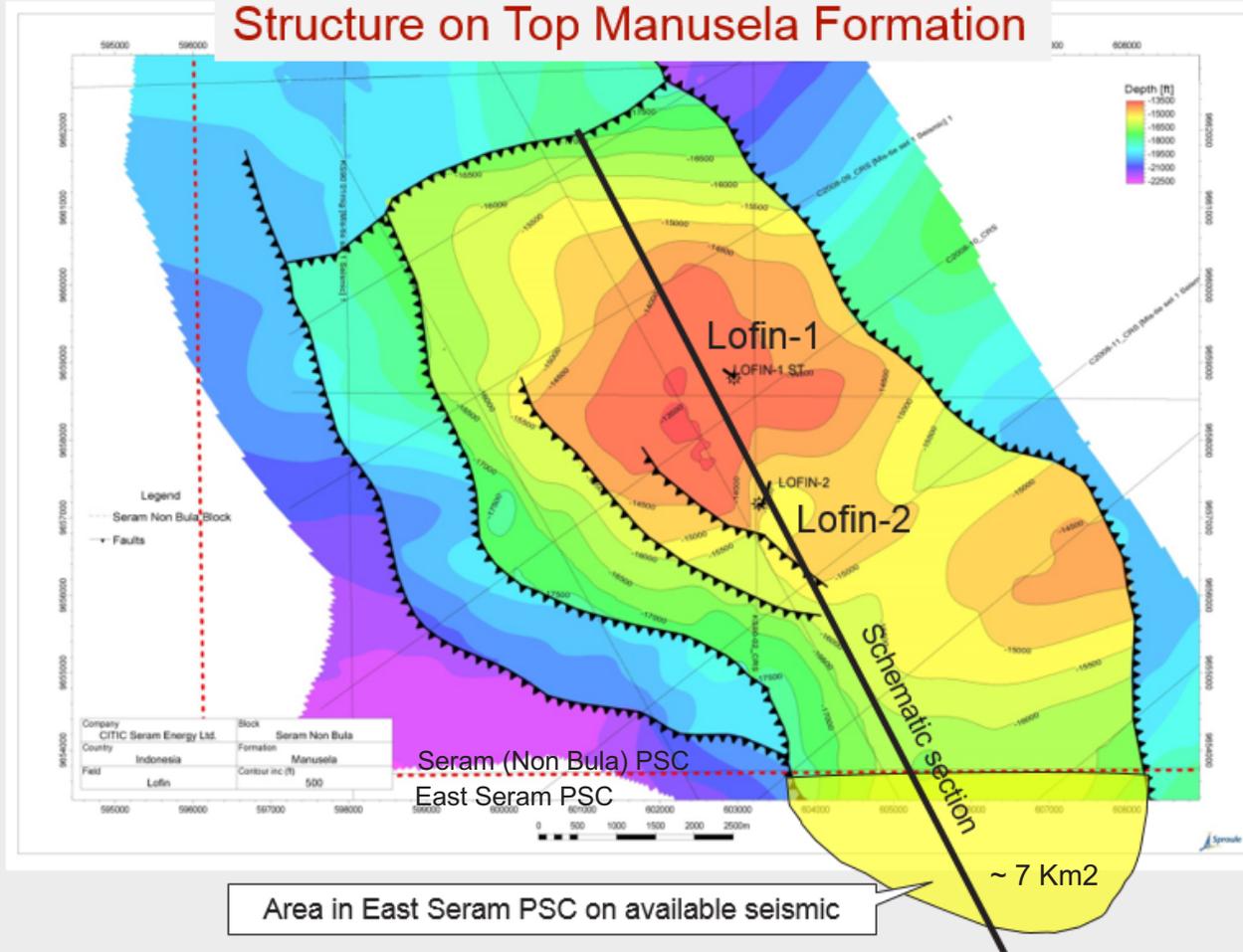
- 12Km 8" flow line connects field facility to MPF
- MPF has capacity of 21,000 bopd and 25,000 bwpd
- Marine Export terminal can handle liftings of 500,000 bbls

Seram Basin: two key fields extend into Lion's 100% owned East Seram PSC

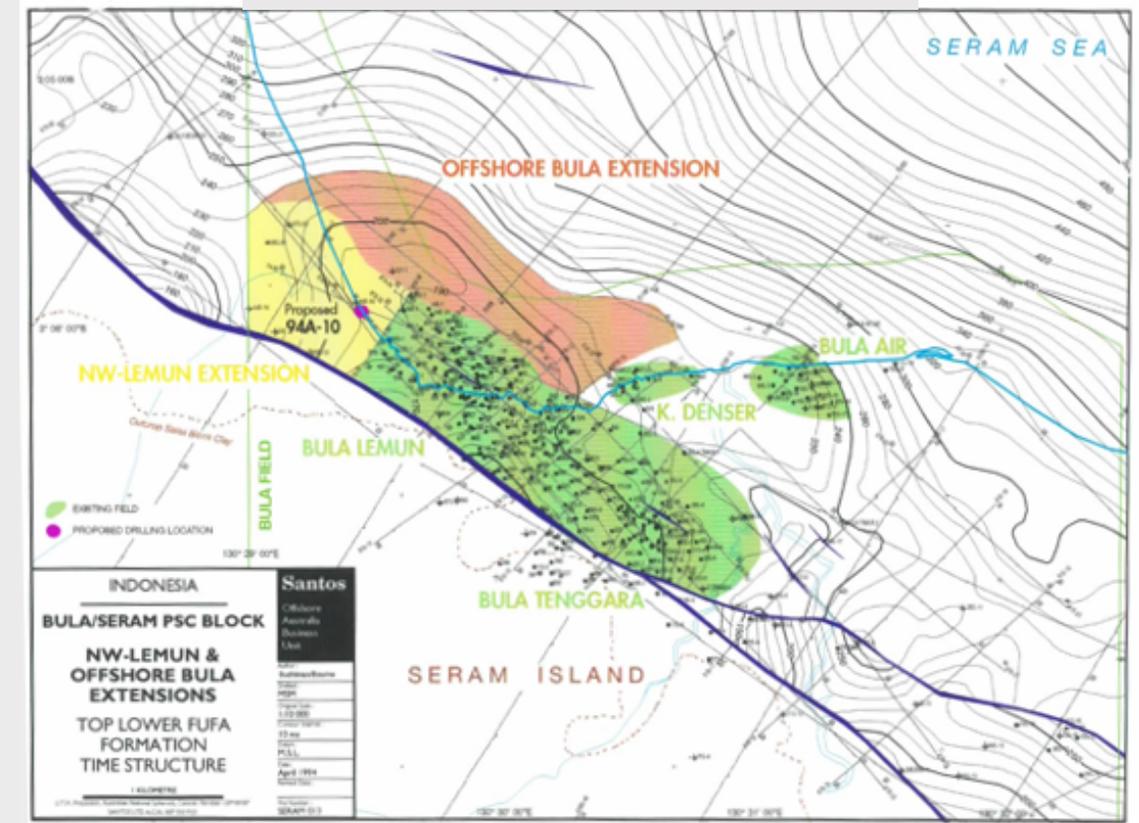
About 7km² of Lofin sits in East Seram, the Bula field extends into East Seram



Structure on Top Manusela Formation



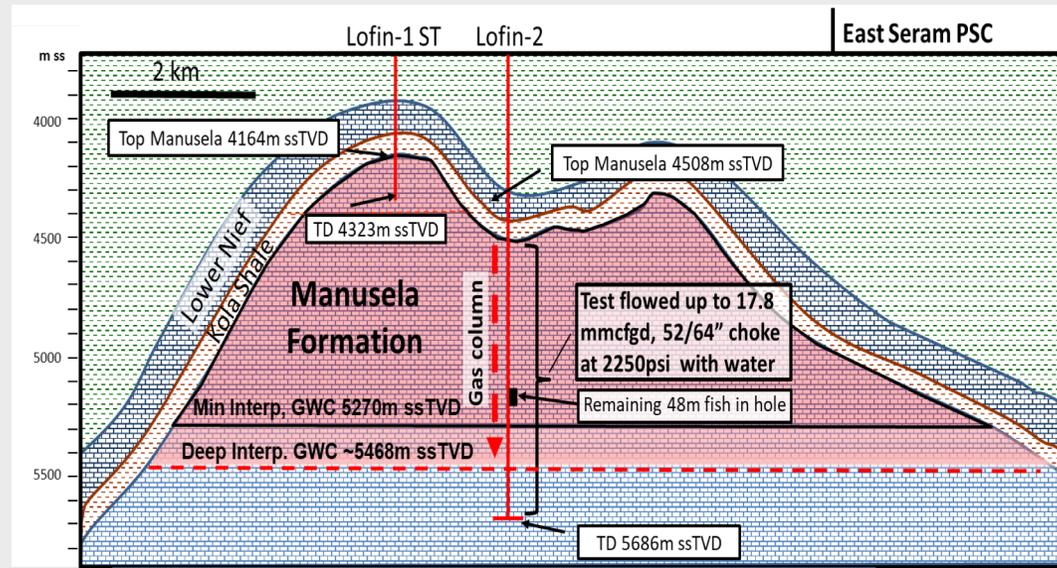
Offshore Bula Field Extension



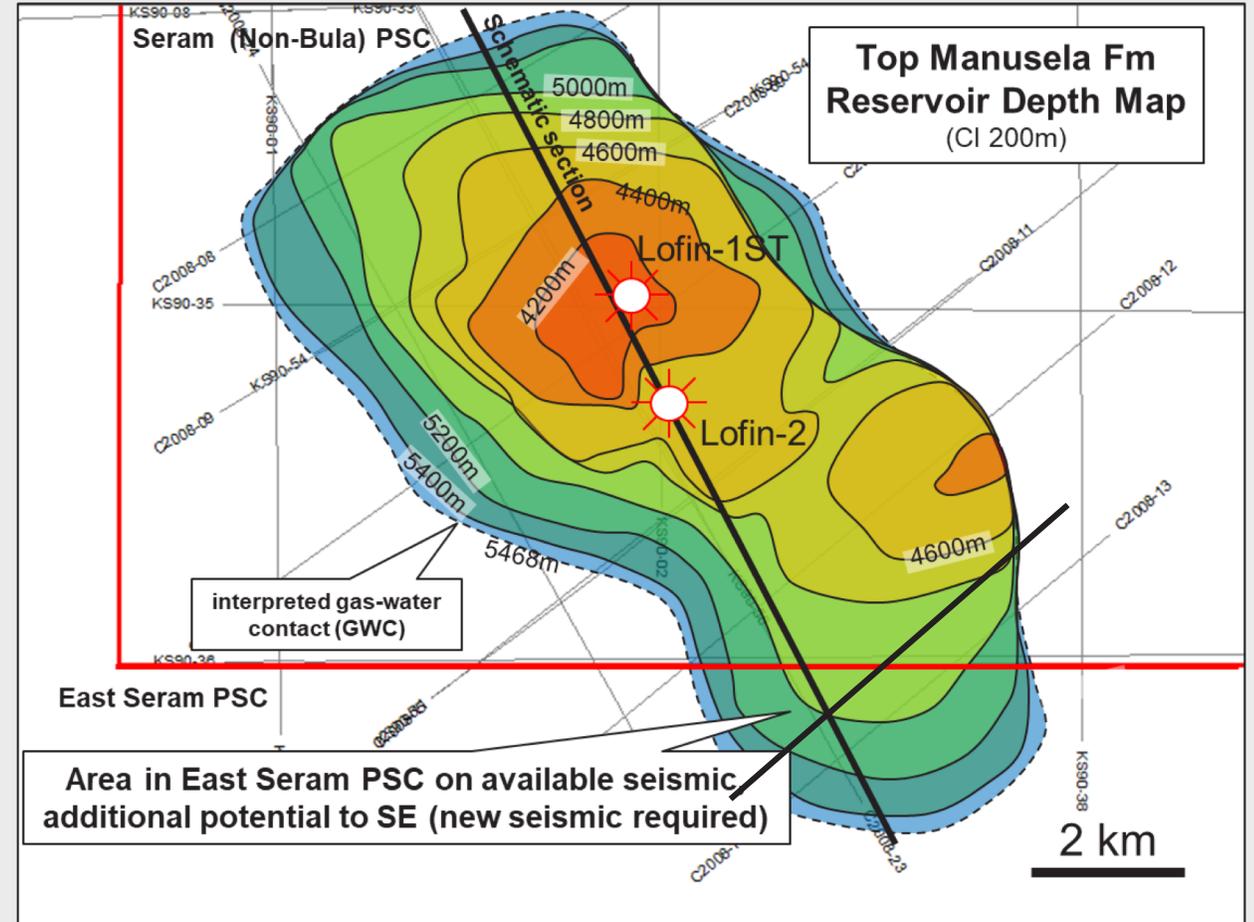
Lofin field – A major discovery

Seismic shows ~7 km² of Lofin field extends into the East Seram PSC, unitisation potential

- 2015 Lofin-2 confirmed 1300m gas column, flowed gas at 17.8 MMscfd (Lofin-1 flowed gas ~15 MMscfd)
- Contingent Resources (2C): 2.02 TCF gas/ 18.3 mmbbl condensate (100% basis, Seram PSC only)

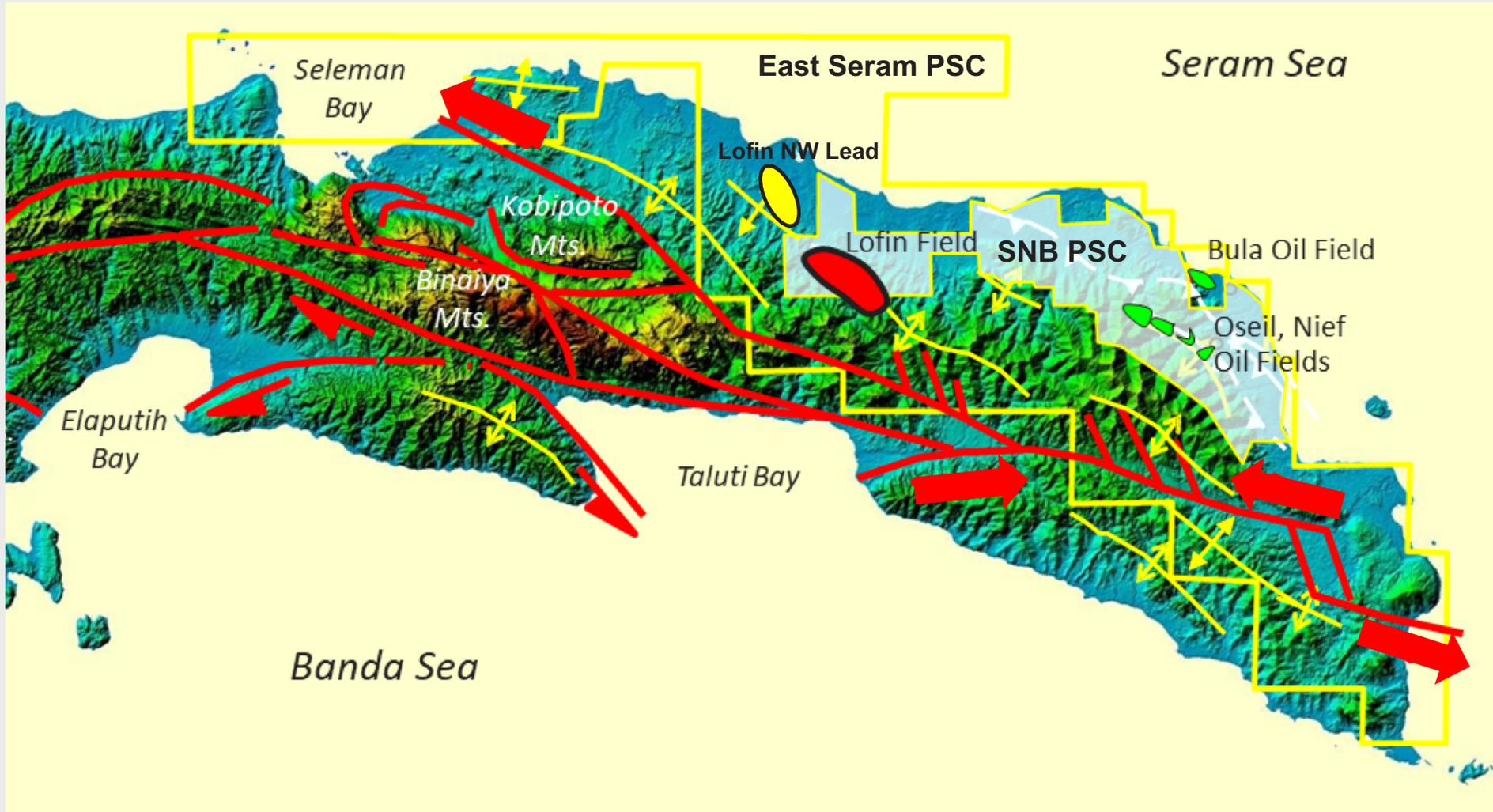


Lofin Field schematic cross section



Seram basin dominated by NW-SE trending thrust anticlines

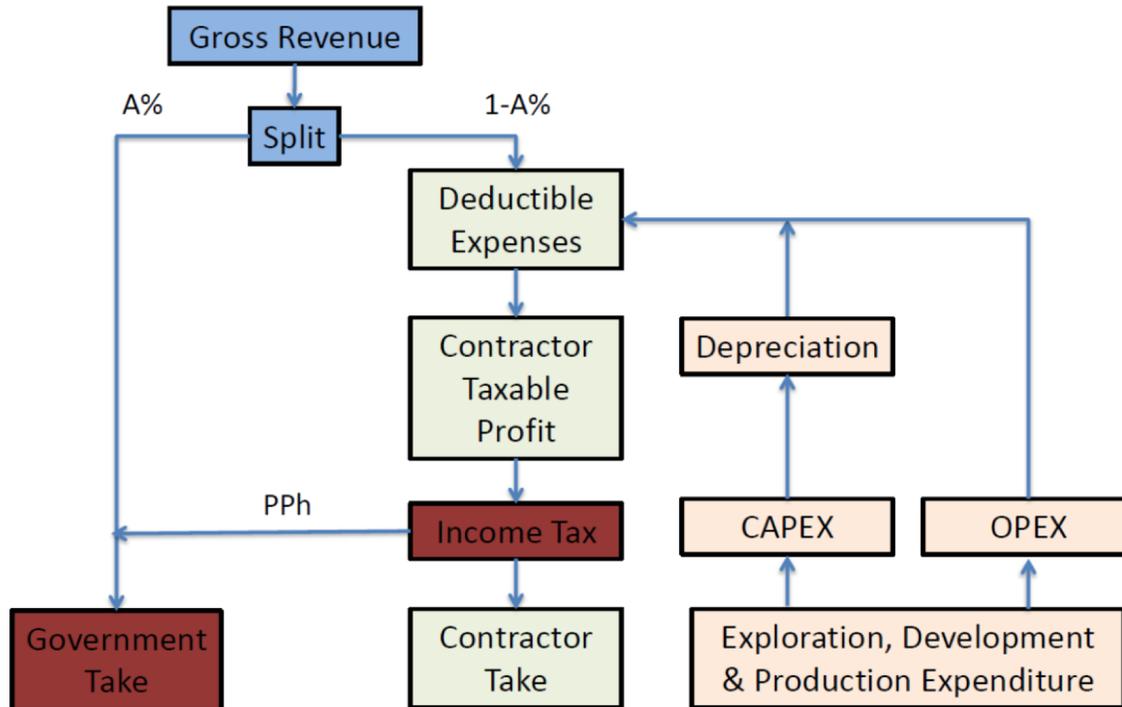
These have surface and gravity expression and are seismically imaged



2. New fiscal regime

A well thought out tax and royalty regime

PSC Gross Split Before Tax



East Seram Gross Split PSC Structure

	Contractor Share		
	Oil	Gas	
Basic Split	45.00%	48.00%	Defined in PSC
Variable Split	+10-25%		Prescriptive, dependent upon cost location etc
Progressive Split	+10-20%		Prescriptive based on oil/ gas price and cum production
Discretionary Split	+/-10% - 20%		Government Discretion at POD approval stage
Total Split	Up to 90%		
Income Tax	25%	25%	Fixed at Income Tax rate at signing of PSC
BPT	5% -20%	5% -20%	Dependent upon jurisdiction and applicable DTA.
After Tax Split	50% +/- 10%		

Variable Split Factors: (additional 10-25% available)
 POD sequence, water depth, reservoir depth, Infrastructure availability, reservoir type, CO2 and H2S content, oil gravity, local content, production phase

Progressive Split Factors: (additional 10-20% available)
 Oi and Gas price deviation from US\$85/ bbl and US\$7.0 MMbtu base. Cumulative Production level between 30 and 175 MMbo

Discretionary Split Factors: (~20% additional)
 To enhance full cycle project economics towards 20% IRR

Lion provides first mover leverage into this regime

New fiscal regime

A well thought out tax and royalty regime



SNBB Example Contractor Share		
Oseil Oil Terms defined in GSPSC		
Basic Split	45.00%	
Variable Split	10.50%	
- CO2 Content	0.50%	5-10%
- H2S Content	5.00%	> 4000ppm
- API Gravity	1.00%	<25 API
- Local Content	4.00%	
Progressive Split	15.00%	
- <30 mmboc cum.	10.00%	
- \$65/bbl oil	5.00%	Assumed \$65 / bbl realised price
Discretionary Split	19.38%	
Total Split	89.88%	
Income Tax	25.00%	2018 corporate Income tax rate
BPT	15.00%	Australia DTA
Total Tax	36.25%	
After Tax Split	57.30%	

SNBB Example Contractor Share		
Likely Lofin Gas Field Terms		
Basic Split	48.00%	
Variable Split	11.00%	
- POD II	3.00%	Oil producing block
- Reservoir depth	1.00%	> 2,500m
- Infrastructure	4.00%	Zero gas infrastructure
- Local Content	3.00%	Assumed @ 50 to70%
Progressive Split	15.00%	
- <30 mmboc cum.	10.00%	initially
- \$4.0 Mmbtu gas	7.50%	Assumed pretrchem price
Discretionary Split	16.00%	Required return
Total Split	90.00%	Maximum
Income Tax	25%	2018 corporate Income tax rate
BPT	15%	Australia DTA
Total Tax	36.25%	
After Tax Split	57.38%	

Lion provides first mover leverage into this regime

* Lion Estimate

3. Indonesian experienced board and management team



Tom Soulsby, Executive Chairman

- CEO and founder of Risco Energy Investments with 28 years' experience of the oil and gas and resources sector spanning investment banking, corporate business development and management /leadership roles.
- 15+ years experience in Indonesia



Russell Brimage, Non Executive Director

- 40 years' operating experience in the E&P and service sector
- Founder and MD of Oilserv Australia, a service company which became a major 1980's provider of contract field operations
- 15 years of Indonesian experience including GM of Kalrez that operated Bula field from 1999 to 2005



Zane Lewis, NED and Company Secretary

- Principal and joint founder of corporate advisory firm SmallCap Corporate which specialises in corporate advice and compliance administration to public companies.
- Member of the Governance Institute of Australia



Kim Morrison, Exploration Manager

- Geologist by background with 30 years worldwide exploration and operations experience with Woodside, Shell, Marathon and recently small cap companies
- Hands on technical expertise with 12 years Indonesian experience



Non Executive Director, technical consultant

- Geologist by background with 40 years of E&P industry experience in technical, commercial, & leadership roles
- Former President of IPA, EMP, and Santos Indonesia & IPA
- Co founder of Risco with 25 years in SE Asia and 20 years in Indonesia



Damien Servant, Executive Director & CFO

- Chief Financial Officer of Risco Energy and has more than
- 10 years experience in oil and gas including reserve based lending and corporate finance.
- 15 years of experience in M&A and capital markets with various financial institutions in the region.



Sammy Hamzah, Advisor

- CEO and founder of Tower Energy and Ephindo and a pioneering authority in Indonesian unconventional oil and gas.
- Formerly Unocal Indonesia Company's Senior VP
- KADIN ((Energy) Chairman and a non-executive director of Rio Tinto Indonesia.



Amrullah Hasyim, Advisor

- 30 years experience E&P experience including operations, technology BD
- 25 years international experience with Halliburton before becoming operations manager at Ephindo

New executive team in place February 2018

Strategy reset with strong delivery ethos



Lion reset its strategy in February 2018

- We set about
 - Exiting unconventional joint study positions – not done yet but low cost hold positions, and Lion can walk away
 - Signing the new Seram Non Bula Gross Split Contract – done May 31 2018 and extended 20 years
 - Sign East Seram Gross Split PSC – done July 17, 2018 and held up to 30 years
 - Exit South Block A PSC but retain exposure through ORRI – done
 - Close A\$1.7m capital raising to manage and optimise Lion's interests in the 2 PSC's – done but oversubscribed to A\$3.1m
 - Raise Lion's profile – now

Lion has a foothold on a 2TCF discovery and 800m boe's of net potential

Reserves and resources

Net 2C gas 50BCF, net 2C oil 477,000 barrels



Resources Updated with effective date 31 December 2017 ¹	100%						Lion WI Share (2.5%)					
	Gas/Associated Gas Recoverable (BCF)			Oil/Condensate Recoverable (MMbbl)			Gas/Associated Gas Recoverable (BCF)			Oil/Condensate Recoverable (MMbbl)		
Reserves²	1P	2P	3P	1P	2P	3P	1P	2P	3P	1P	2P	3P
Oseil Area Developed ³				1.831	2.509	2.784				0.046	0.063	0.070
Oseil Area Undeveloped ⁴				0.281	1.598	2.728				0.007	0.040	0.068
Total Reserves				2.112	4.107	5.512				0.053	0.103	0.138
Contingent Resources⁵	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C
Seram Oseil Area	0.39	1.34	10.36	0.14	0.83	10.18	0.01	0.03	0.26	0.004	0.021	0.255
Seram PSC Lofin Field	879.50	2020.10	NA	7.95	18.25	NA	21.99	50.50		0.199	0.456	
Total Contingent Resources	879.89	2021.44	10.36⁶	8.09	19.08	10.18	22.00	50.54	0.26⁵	0.20	0.48	0.25⁶

New contracts have an immediate derisking effect on reserves and resources

4. Conclusion

Seram Island Focus

Since taking over Chairmanship, I have successfully repositioned Lion into a Seram focused E&P company

- Oseil oil production and ongoing development
- Lofin gas field appraisal and ongoing commercialisation – 2TCF play, with extension into East Seram



Well placed to ride growth organically and through M&A

- East Seram exploration – Includes Lofin NW and MA 7

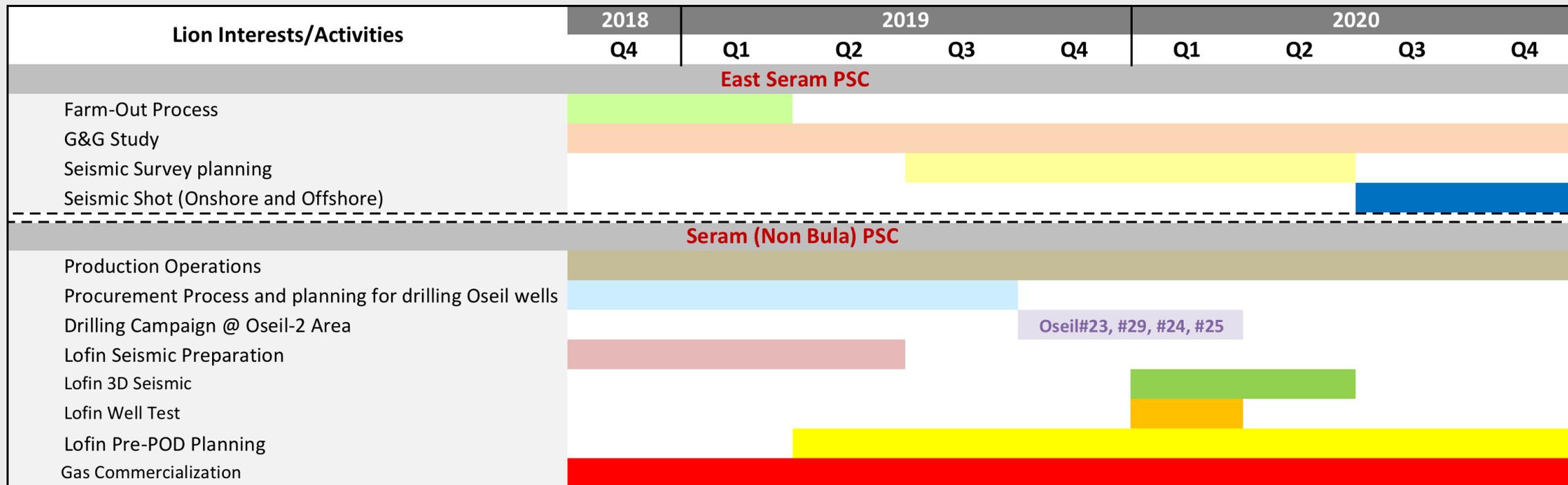


Lion has received unsolicited interest to fund a plethora of appraisal and exploration targets

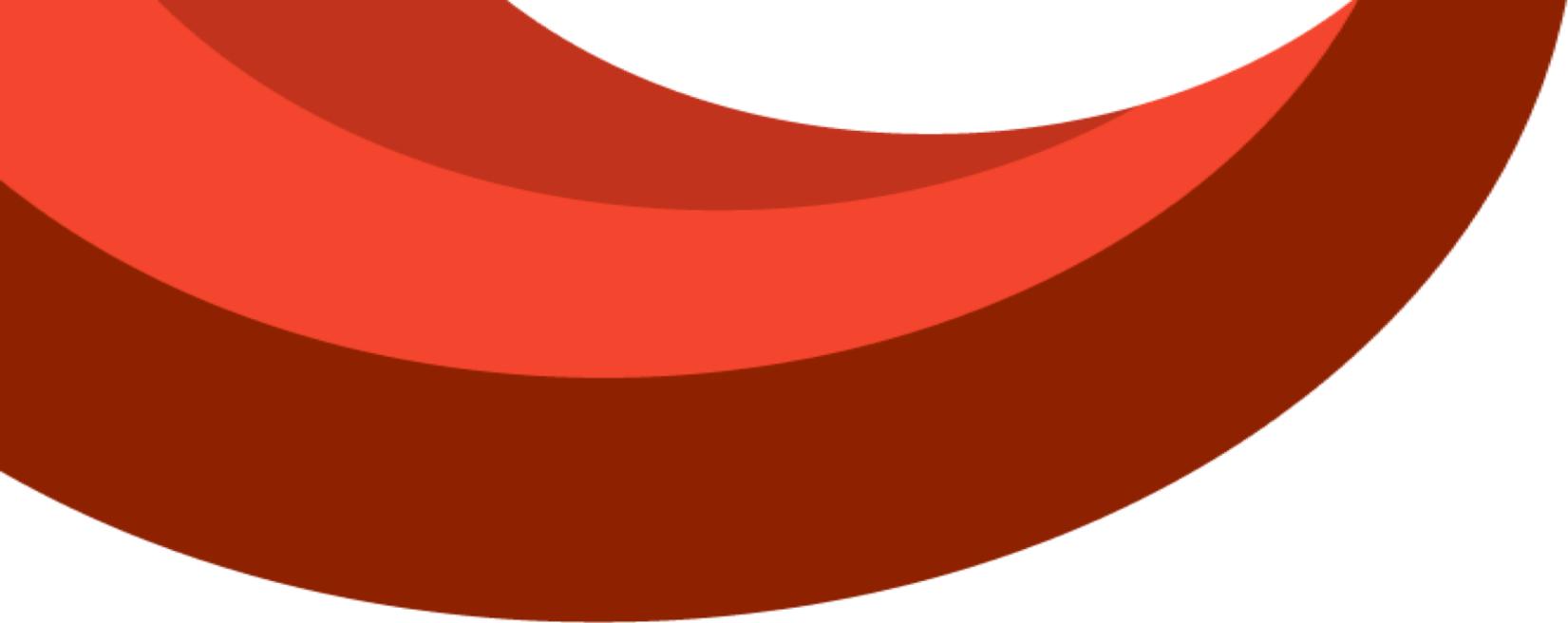
Lion set to increase oil production, drive gas commercialisation, and leverage high East Seram working interest position to fund exploration upside

Lion Activities

Contracts secured, activity picking up at pace



Activities focus on East Seram and Oseil Oil and Lofin Gas



Thank you

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