

RIGHT COMPANY RIGHT TIME RIGHT PLACE

June 2015

A background image of a globe with a grid of latitude and longitude lines. A black pushpin is stuck into the globe, with its head pointing towards the top right. The globe is partially obscured by a dark grey curved shape on the left side.

A **New** Approach to Asian Energy

Important notice and disclaimer



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- should or can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “forecast”, “estimate”, “will”, “could”, “may”, “target”, “plan” and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include earnings guidance and statements of intention about future matters and the outcome and effects of the equity raising. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance are also forward looking statements;
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Reserves & Resources, 1 Jan 2015 (Recoverable, net to Lion) ¹	Gas/Associated Gas (bcf)			Oil/Condensate (mmbbl)			Method
	1P	2P	3P	1P	2P	3P	
Reserves							
Total Reserves (Seram)				0.119	0.173	0.241	Deterministic
Contingent Resources	1C	2C	3C	1C	2C	3C	
Total Contingent Resources (Seram)	0.357	0.678	1.399	0.040	0.084	0.990	Deterministic
Prospective Resources²	Low	Best	High	Low	Best	High	
Prospective Resources-Seram ³	0.2	0.6	2.1	0.1	0.5	1.5	Probabilistic
Prospective Resources-South Block A ⁴	69.8	150.3	315.2	6.5	16.4	41.3	Probabilistic
Total Prospective Resources ⁴	70.0	150.9	317.3	6.6	16.9	42.8	Probabilistic

Reserves & Resources estimates

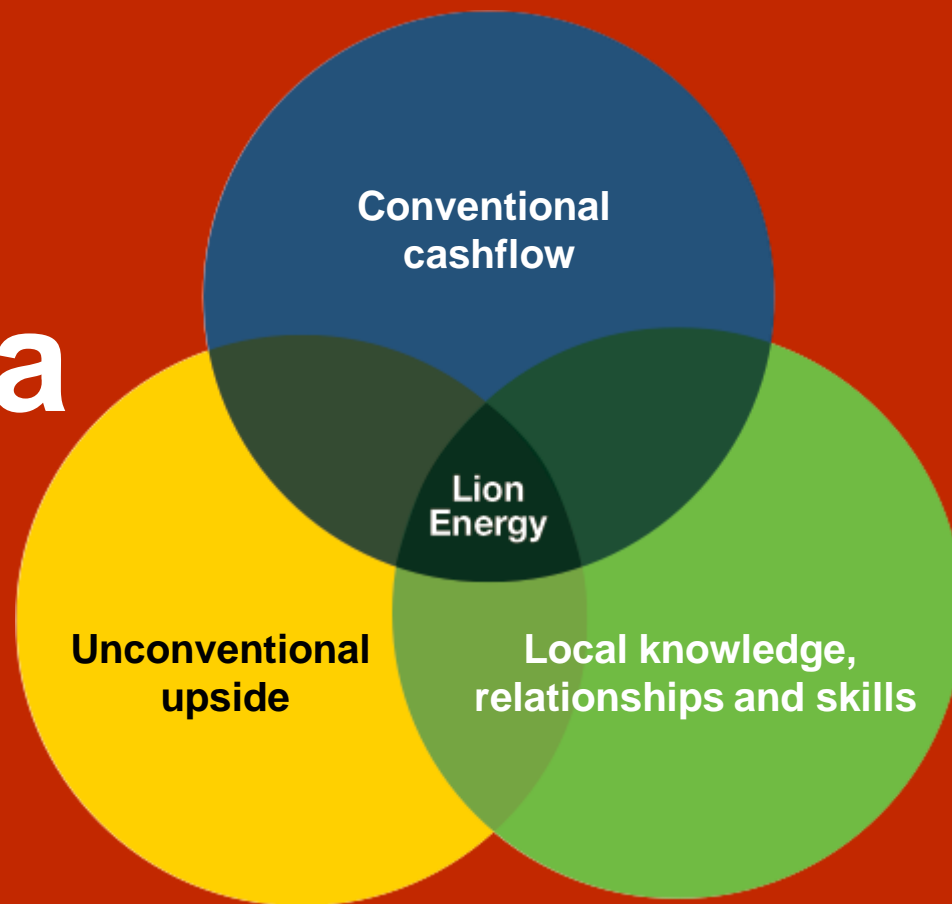
1. Hydrocarbon reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, reserves and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may in turn, adversely affect the Company's operations.
2. Prospective resources: the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
3. Seram prospective resources updated 6 November 2014 (Lion estimate on Lofin structure).
4. Aggregated by arithmetic summation The aggregate Low estimate may be a very conservative estimate and the aggregate High estimate may be a very optimistic estimate due to the portfolio effects of arithmetic summation

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 Limited. Mr Morrison holds a B.Sc. (Hons) in Geology and Geophysics from the University of Sydney and has over 28 years' experience in exploration, appraisal and development of oil and gas resources - including evaluating petroleum reserves and resources. Mr Morrison has reviewed the results, procedures and data contained in this website. Mr Morrison consents to the release of this report and to the inclusion of the matters based on the information in the form and context in which it appears. Mr Morrison is a member of AAPG.

Lion's positioning in Indonesia

Skills, strategy and unique
ability to execute



Lion's unique value proposition

Linked conventional and unconventional growth model

Strong growth driven management team

Strategy for success in untapped Indonesian shales and tight sands

Superior local knowledge and contacts

First mover acreage build ongoing

6 Key Guiding Principals

We seek

1. Heartland positions in world-class basins
2. High working interest positions, operatorship
3. Close proximity to infrastructure/ robust markets
4. Low risk conventional assets, near term production potential
5. Large upside, first mover unconventional advantage
6. Best in-country team

What we are now

Summary

Capital structure

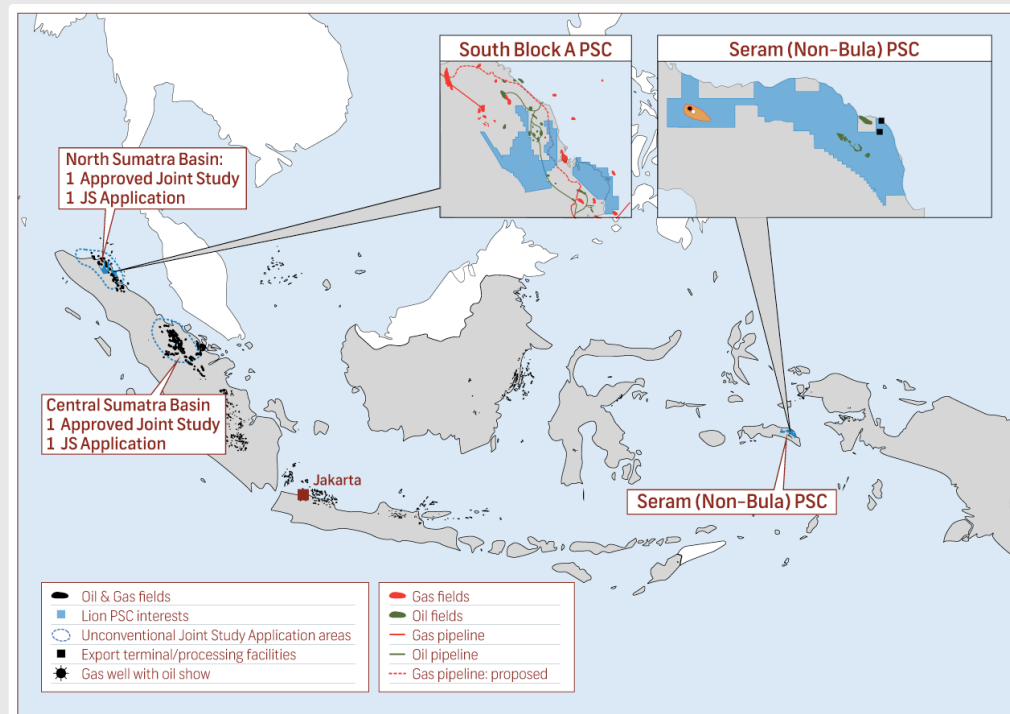
- Shares on issue: 96m
- Market cap @ 15c: A\$14.4 million
- Cash: A\$5.2mil (31/3/2015)
- Revenue: ~A\$2 million pa

Major shareholders:

- Risco Energy Investments (54.7%)
- Tower Energy (6.6%)
- Management (13.5%)

Assets:

- Seram PSC (2.5%) - production
- South Block A (35%) - exploration
- Two unconventional joint studies
- Two unconventional JS applications



Who we are

Well rounded team, proven track records



- 35+ years experience in oil and gas
- Founder of Oilserv Australia Ltd, providing drilling, well testing and production services
- Former CEO of Western Resources NL, Entek Ltd and GM of a WA gas field operator

Russell Brimage Chairman



- Exploration geologist, 28 years of international experience including a strong SE Asian focus
- Senior roles with Woodside, Shell, Marathon
- Co-founded KRX Energy in 2010 which became part of Lion in 2014

Kim Morrison Managing Director and CEO



- Founding Director of Risco, former Director at PT Energi Mega Persada (EMP)
- Responsible for adding over 500mboe 2P reserves through M&A in last 10 years
- Accounting and Investment banking background KPMG, UBS and ANZ

Tom Soulsby Non Executive Director



Founding Director of Risco, former CEO of EMP, President of Santos Indonesia; MD, Fletcher/Shell in Brunei & President of IPA. 35 years experience, 14 in Indonesia in leadership, technical and commercial roles. Geologist background, post graduate qualifications in finance and investment

Chris Newton Non Executive Director



- Chartered Accountant, 20+ years in the Energy industry. Formerly Head of Oil & Gas Research for Asia Pacific with Merrill Lynch
- Leadership roles with private E&P companies, including CFO of leading Indonesian CBM company Ephindo Energy

Stuart Smith Executive Director



- Founder of Tower Energy; Founder/CEO of Ephindo, Indonesia's leading CBM company
- Senior management positions at: Unocal and Chevron Indonesia; Siemens; and Lafarge
- Excellent Government/Industry relations; Board Member of IPA and KADIN

Sammy Hamzah Principal Advisor

World-class expertise



Pre-eminent panel of industry advisors, wide-ranging skill set

Mr Roger Whyte Principal Advisor

- Geophysicist with extensive SE Asia exposure, Co-founder of KRX which is now a wholly owned subsidiary of Lion
- Excellent technical and management skills Indonesia Country Manager, Oillex; MD/CEO GulfX Limited; Commenced career with Shell, senior roles Union Texas, Trend Energy

Dr Andrew Cullen Technical Advisor

- Petroleum geoscientist (BSc, MSc and PhD)
- Involved in international and Nth American discoveries/reserves additions >700 mmboe
- Senior Advisor to Chesapeake Energy working on major unconventional projects
- Nearly 20 years with Shell in Nigeria, Malaysia, the Netherlands and the US

Mr Michael Ellis Technical Advisor

- Drilling/Operations Engineer with 34 year in majors through small companies including US unconventional experience
- 20+ years in Jakarta & KL for ARCO, BP, Hess & Pexco. VP Exploitation for Maxus-YPF Repsol, responsible 150,000 bopd production

Dr Harold Williams Technical Advisor

- Geochemist (BSc, MSc and a PhD) with strong unconventional expertise, Shale gas experience in Western Canada, Australia (NT) and Europe
- Senior technical positions with Caltex in Indonesia and published widely-cited papers on Sumatran petroleum systems.
- Strong operations experience with geological supervision of unconventional wells.

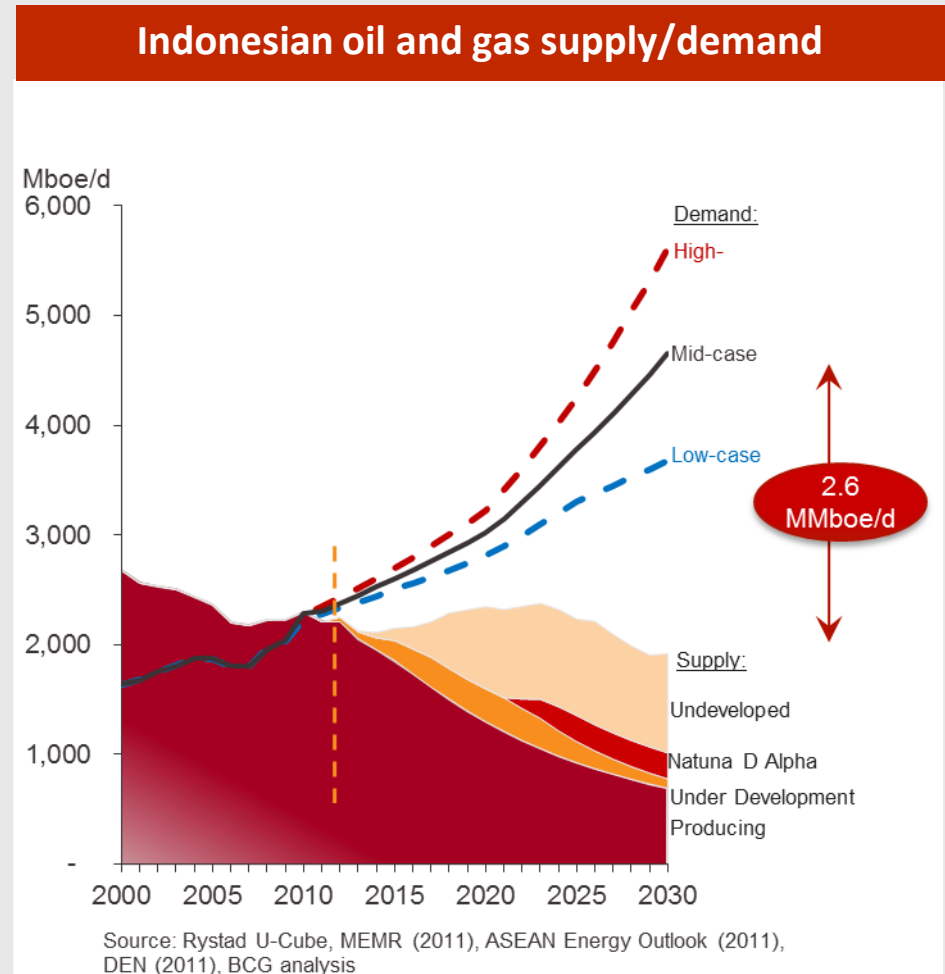
Mr Zane Lewis Company Secretary, Accounting

- Principal and joint-founder of corporate advisory firm SmallCap Corporate,
- Wealth of knowledge obtained from diverse financial and corporate experience
- Member of Chartered Secretaries Australia.

Indonesia's investment rationale

A unique opportunity in SE Asia

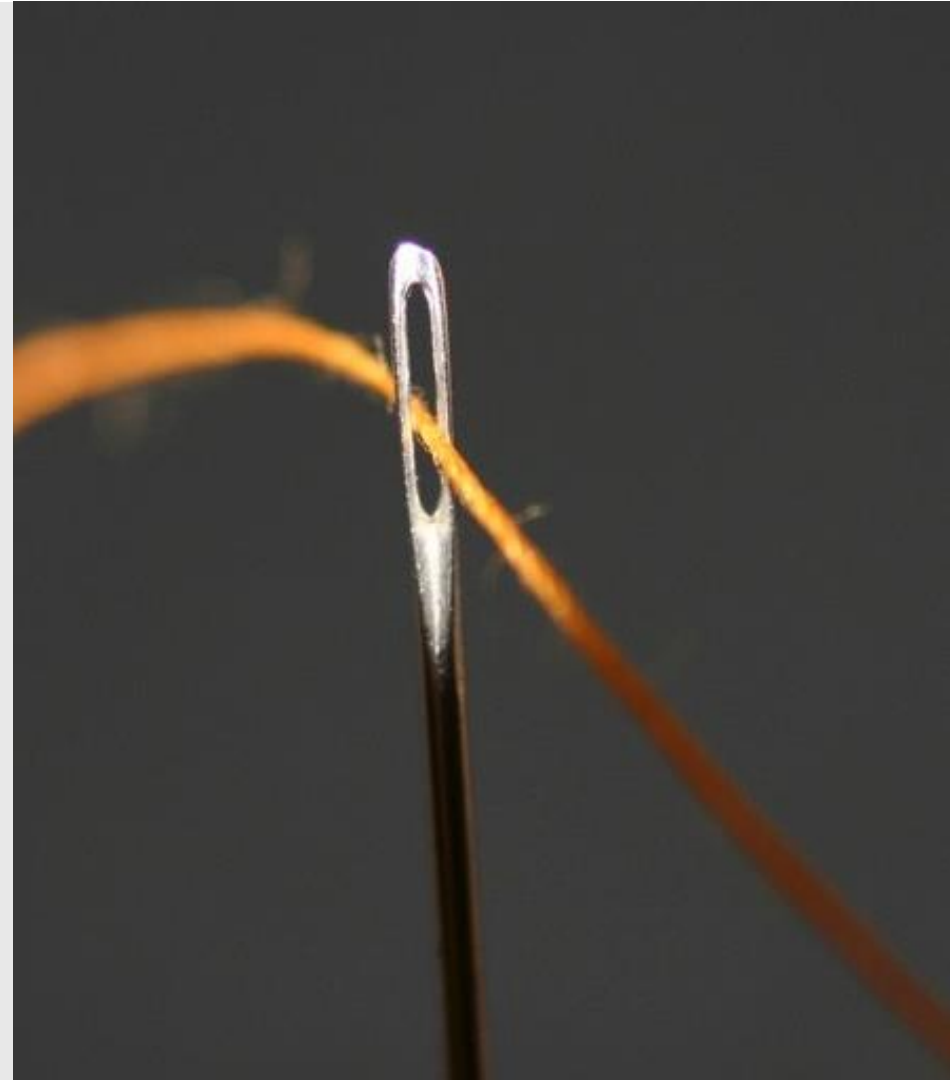
- World's fourth-largest population (~250mil)
- Fast-growing economy (GDP ~ 6%pa) with oil and gas demand growing at > 5%pa
- Declining conventional oil/gas supply, Indonesia approaching net BOE imports
- Rising domestic gas prices (LNG pricing link), US\$8+/mmBtu
- Regulatory changes promoting unconventional oil/ gas investment with competitive fiscal terms
- Prolific hydrocarbon basins



Strategic focus

Linked conventional/unconventional approach

- Focus on Sumatra: prospective geology, infrastructure and markets
- Using synergies in conventional exploration to understand our unconventional potential
 - Cost efficiencies
 - Near/mid-term cash flow potential
- Adopt best practices from the US
- Apply best in-class technical, commercial, operational and market skills
- Portfolio attractive to large companies with capital, capability and strategic intent but no early mover position



Delivering on our promises



Major discovery, Seram production boost, unconventional joint studies

- Lofin-2 success, material discovery for Lion
- Strong production from Oseil field
 - ~3400 bopd (85 bopd net)
 - Further development approval, increase to 4000bopd+ (113 bopd+ net) planned
- Building significant unconventional acreage position
 - Two joint studies awarded (~7,200 km²), others being progressed
 - Early mover position - sweet spots captured
- South Block A PSC extension, new seismic firms up high impact gas-condensate and low risk oil prospects
- Active new business program
- Prudent cash management



Seram (Non-Bula) PSC



Seram PSC processing, storage facilities and marine export terminal

Seram (Non-Bula) PSC Overview

Block continues to exceed expectations

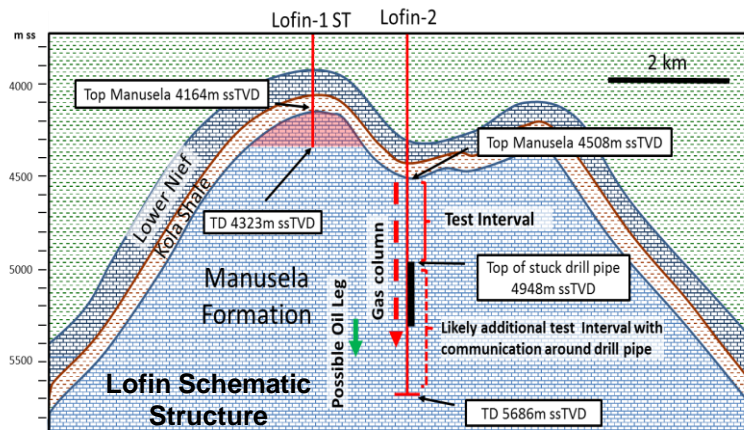
- 2.5% interest - CITIC (operator), Kufpec and Gulf Petroleum as co-venturers
- Annual net revenue of circa A\$2 million
- Attractive fiscal terms/large sunk cost pool
- PSC expiry 2019, JV working on renewal
- Exciting results on Lofin-2 appraisal well
- Continuing positive production and development results for Oseil field



Lofin-2 Success

Material gas discovery for Lion, up to hydrocarbon 1300m column

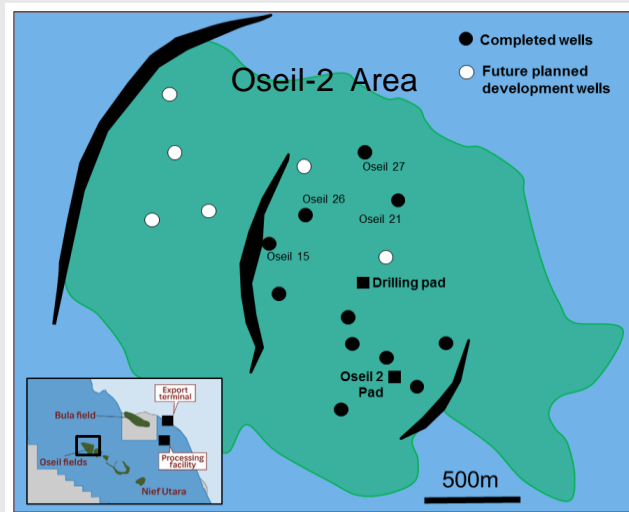
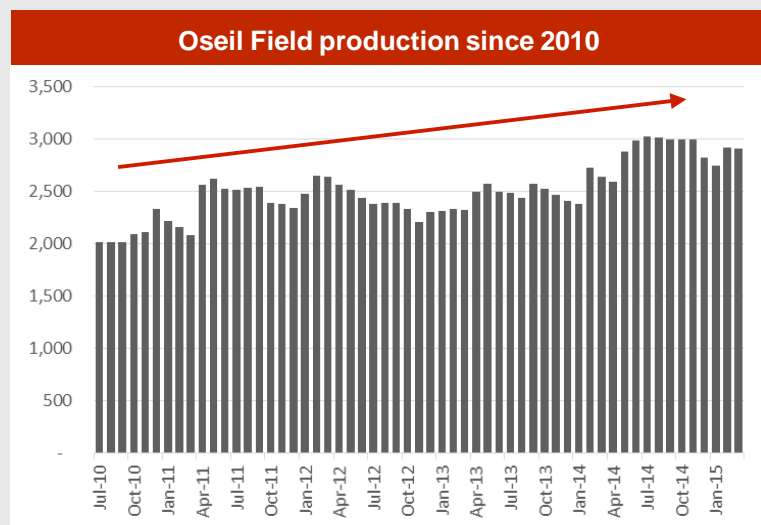
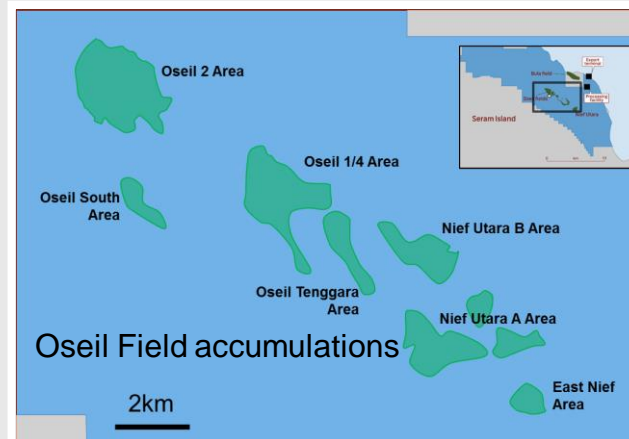
- Appraisal of Lofin discovery: 15.7mmscf/d gas and 171 bpd of 36.1° API condensate
- Lofin-2 test of potential HC column extent in fractured Manusela limestone
- Reached total depth of 5861m MD ssTVD
- Gas shows down to 5595m ss TVD, some oil shows through to total depth
- Wireline pressure testing indicates at least 1106m gas column, with up to 1300m HC column possible in large Lofin feature
- Gas test at up to 17.8 mmcf/d on 52/64” choke with 2250 psi flowing pressure
- Water interpreted below 5595m ssTVD
- Key objectives of well met, good data set acquired and evaluation ongoing



Oseil Field

Excellent production and development drilling results

- Production now exceeds 3400 bopd (85 bopd net to Lion)
- 2014 Oseil-21 and -26 development wells currently producing over 1300 bopd combined
- Latest Oseil-27 (completed May 2015), producing ~650 bopd, forecast to produce approx. half million barrels
- Phase 3 development plan approved, additional drilling has potential to increase production to ~4500 bopd

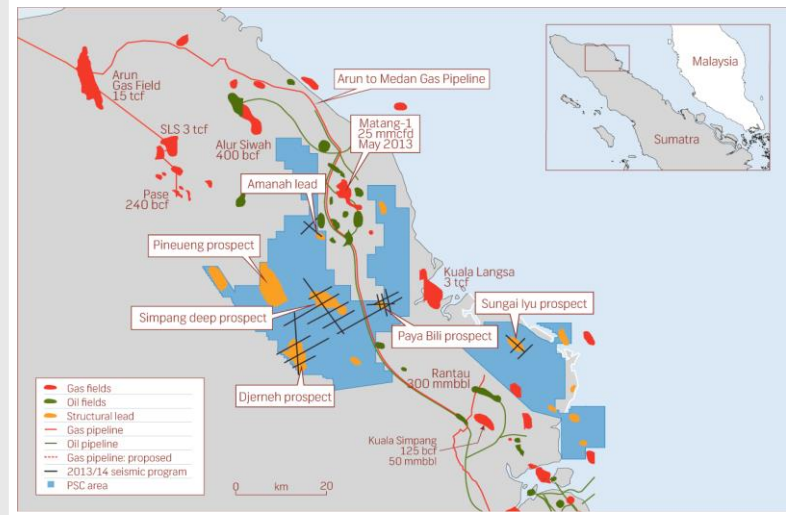


South Block a PSC (35%)

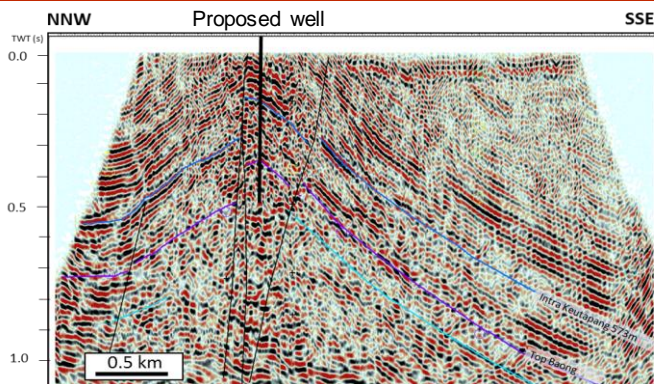
Heartland position in prolific basin

- Exciting, underexplored block (1894km²)
- New pipeline through area:
 - Recent Block A gas contract - US\$9.45 mmbtu
- 183 km seismic program complete, two high ranked candidates for drilling
 - Paya Bili Prospect - low risk, shallow oil
 - Djerneh Prospect - “company maker” gas/condensate
- Recent extension of term to end 2016
- 2013 Matang-1 discovery in adjacent PSC
- Priority rights for unconventional JSA/PSC

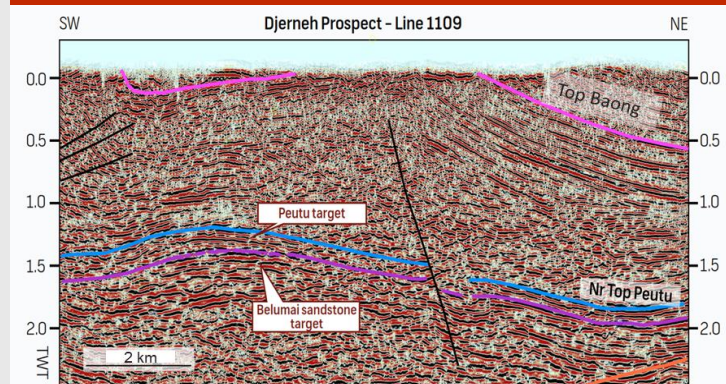
Map of South Block A PSC showing key prospects



Paya Bili Prospect



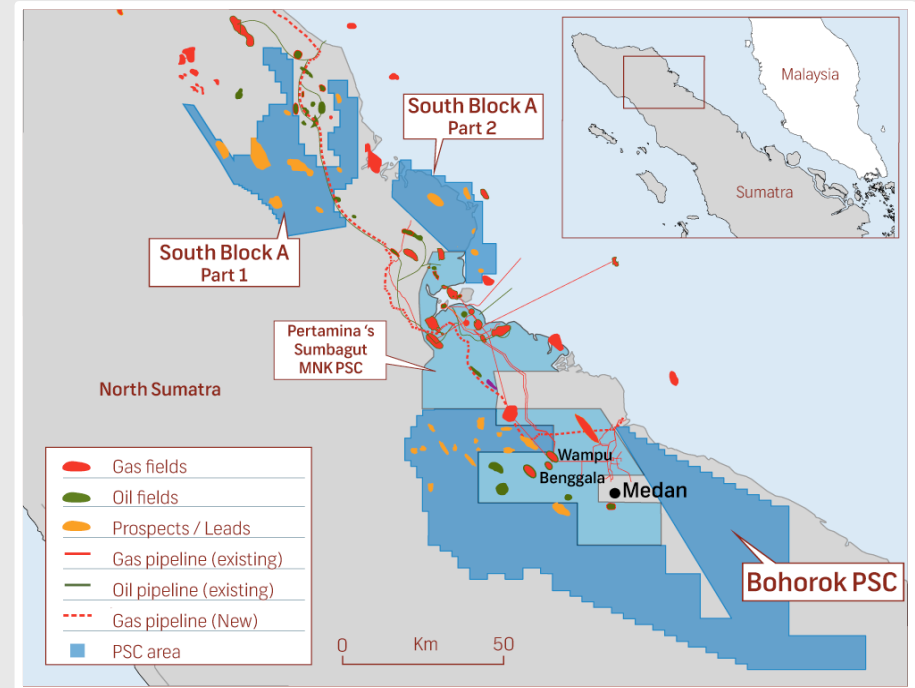
Djerneh Prospect



North Sumatran Unconventional

February approval of 4684 km² Joint Study

- Lion 55% with partners of overlapping conventional Bohorok PSC (Bukit, NZOG, SBL) 45%
- Joint study with Indonesian University
- Adjacent to PERTAMINA's unconv. Sumbagut MNK PSC (first unconv. PSC awarded in Indonesia)
- Suitable geology: Key targets have properties analogous to successful US unconventional plays
- Access to infrastructure and markets: Recent gas at a price of US\$9.45/mmBtu
- Attractive operational environment
- Multi-tcf / multi-100's mmbbl potential

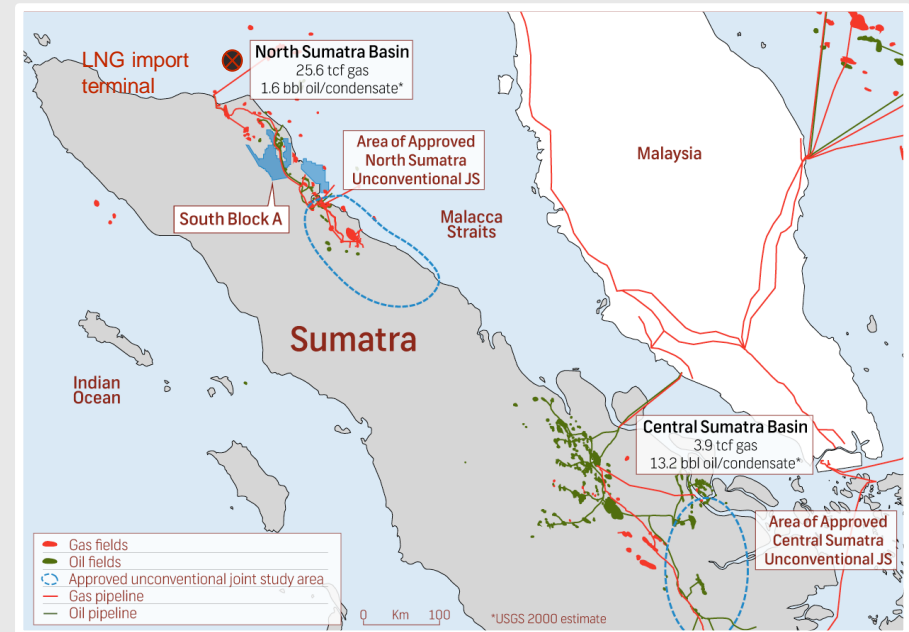


Early mover advantage has allowed Lion to stake claim over some of the most prospective parts of the North Sumatran Basins

Central Sumatra Unconventional

Unconventional JS in Bengkalis Graben area (2478 km²)

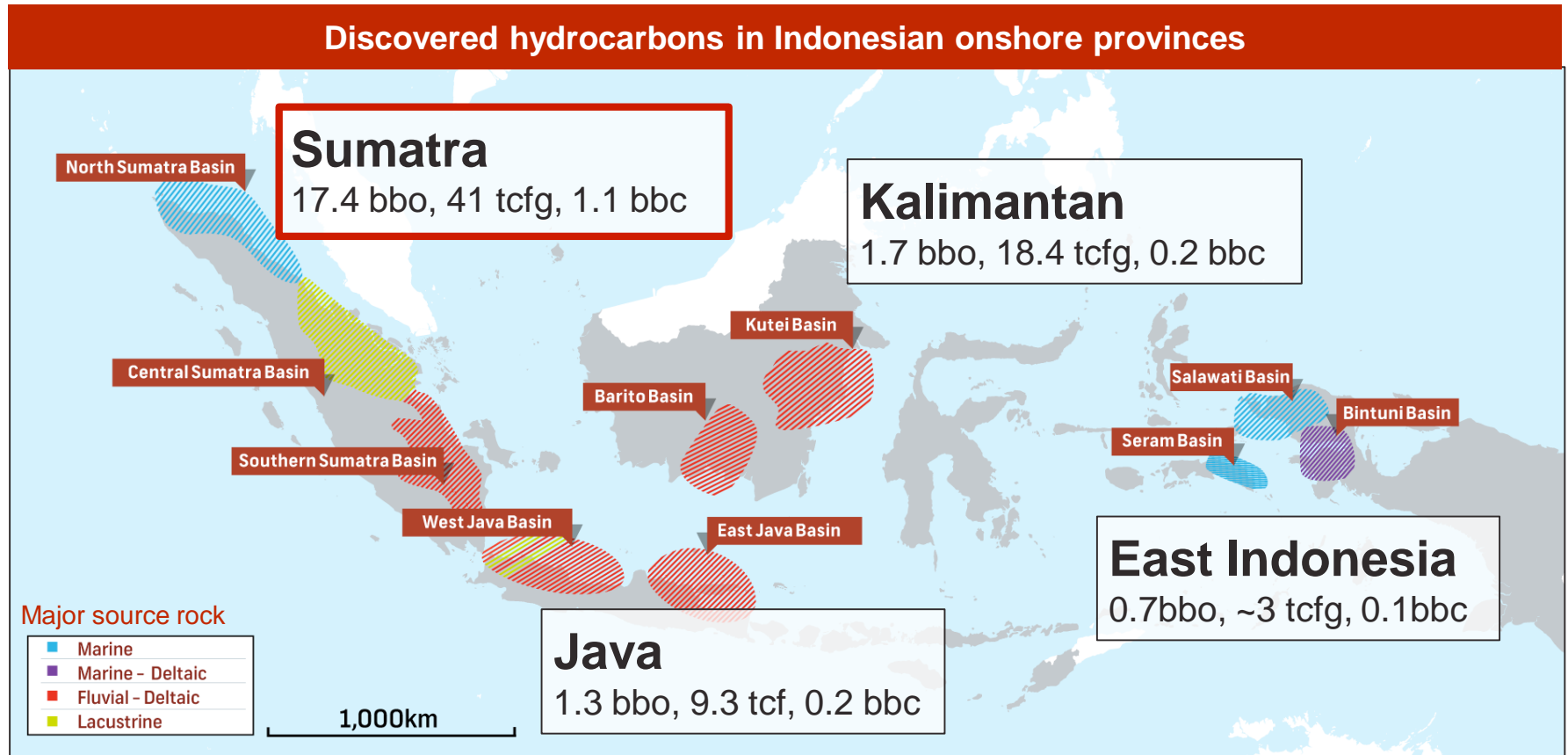
- Lion 75% and operator of joint study, with conventional PSC holder at 25%
- Joint study underway
- Bengkalis Graben located in the east of the prolific Central Sumatra Basin, hosts major discoveries
- Prospective source rocks at a suitable maturity and depositional setting to be attractive unconventional targets
- Lion evaluation indicates significant shale gas/oil & tight gas/oil potential
- Additional Joint Study Application in Central Sumatra being progressed and actively reviewing new opportunities



Joint study process provides cost effective mechanism (~US\$300K) to gain priority rights for subsequent PSC gazettal over large areas

Indonesian World Class Oil/Gas Basins

Sumatra is Indonesia's most established hydrocarbon province



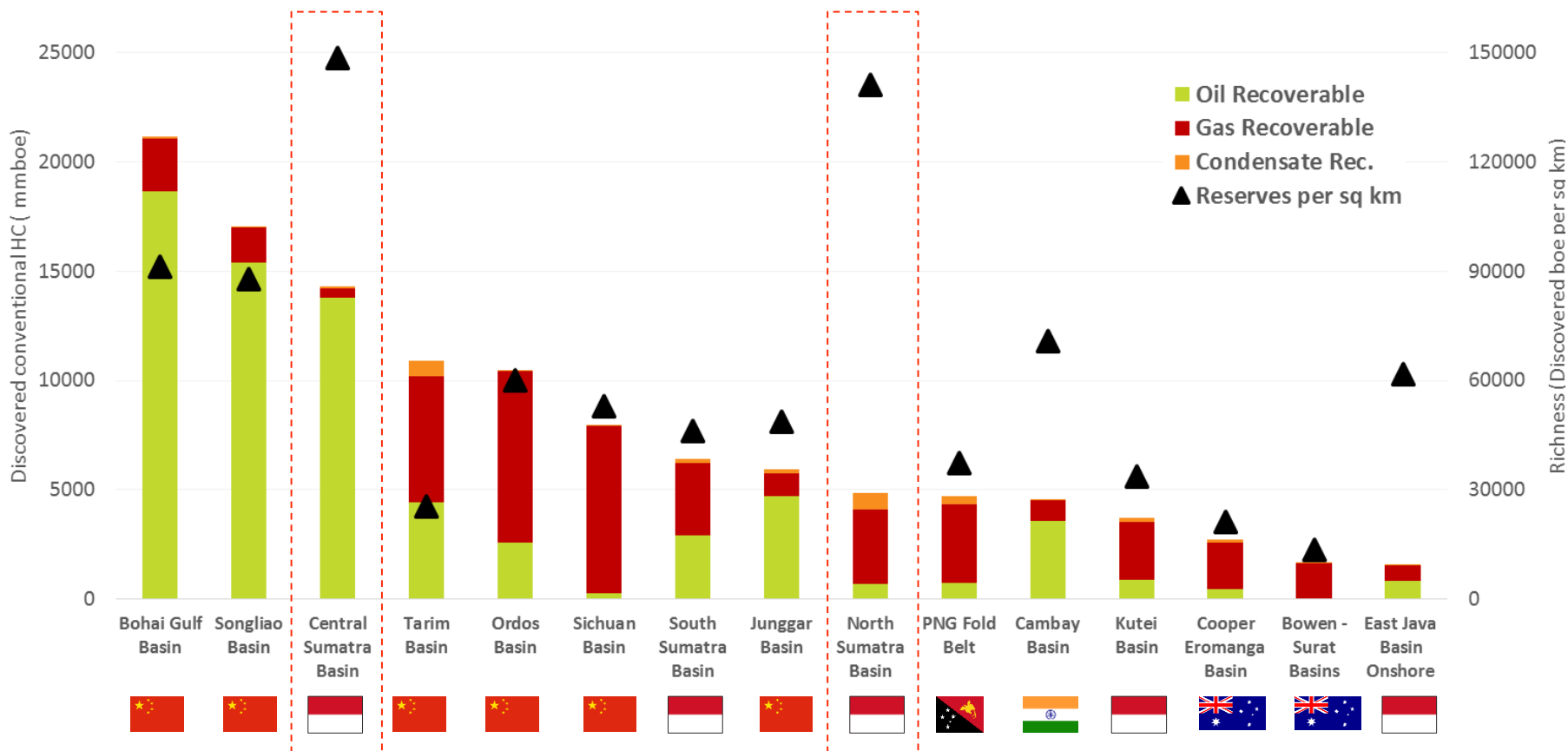
Source oil and gas reserves: IHSE (Onshore volumes only shown)

- Long history of oil and gas operations
- Lion targeting Sumatran basins for linked conventional/unconventional strategy, 65% of onshore conventional reserves, gas market access & infrastructure

Indonesia's Prolific Onshore Basin

5 basins in top 15 in region by discovered onshore conventional HC's
 North & Central Sumatra highest hydrocarbon density (disc. HC's per km²)

Asia-Pacific top15 onshore basins, ranked by discovered hydrocarbons



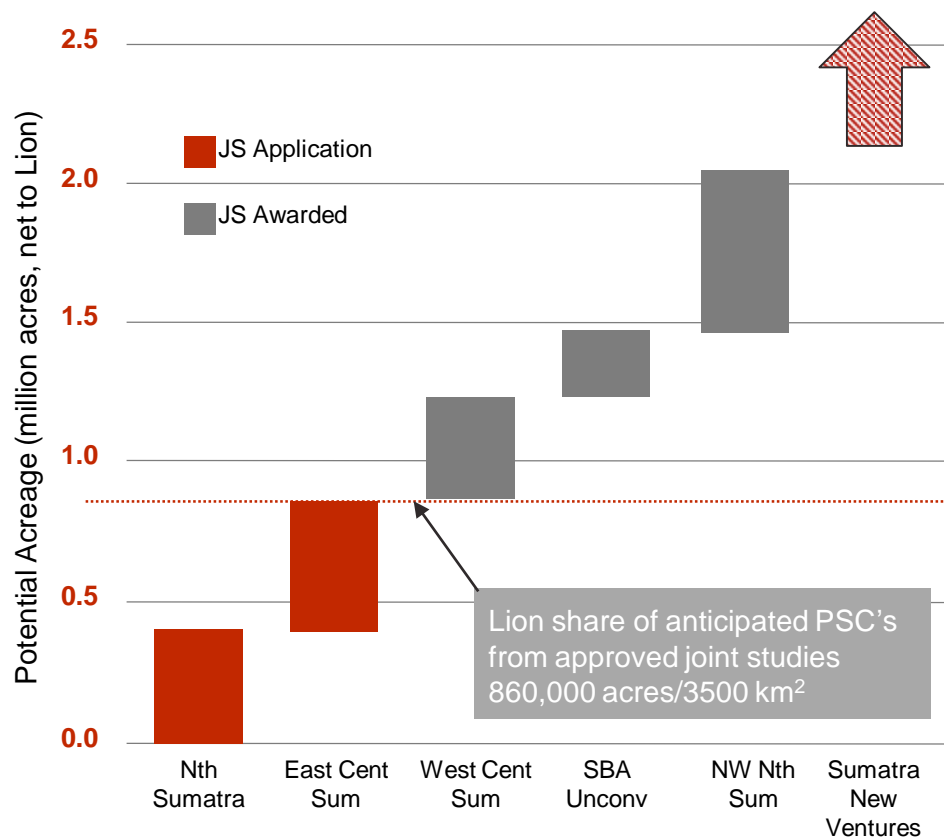
Source: IHSE, various

The unconventional acreage build

Targeting 2 million plus net acres in prolific Sumatran basins

Early days but assessments point to multi-tcf gas/multi-100's mmbbl oil upside

Lion's unconventional acreage growth staircase



US unconventional examples

	Net acres	Proved reserves (boe)	Net production (boe/d)
	2,660,000	2.47 billion	640,000
	1,650,000	1.35 billion	200,000
	780,000	~1.0 billion	206,000
	570,000	83 million	32,000

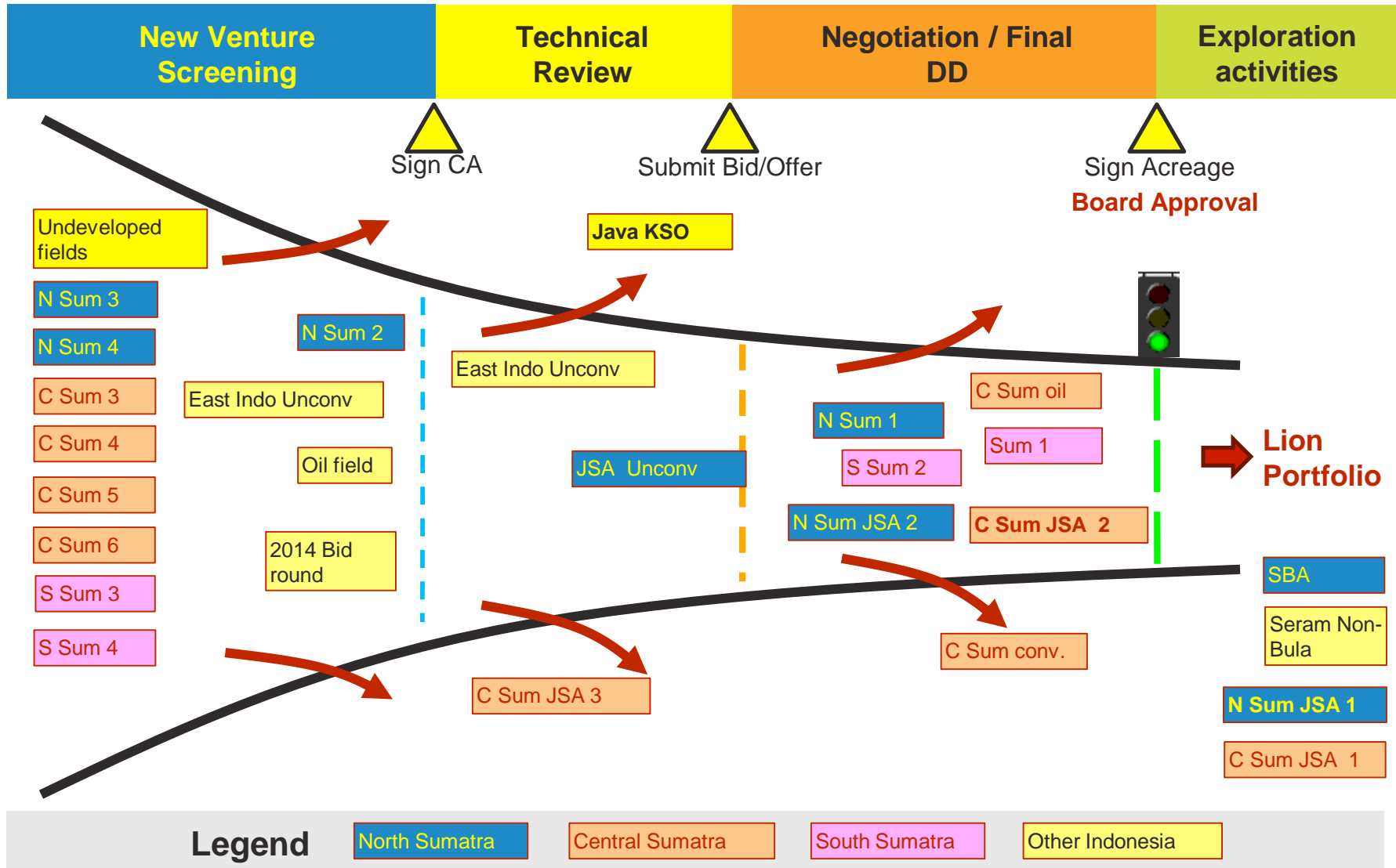
Source: Company websites

Joint studies - cost effective process to secure large areas with material upside (cost approx. US\$2 to 3 dollars per acre including study and signature bonus)

Lion Opportunity Funnel – New Business



Active negotiation, near-mid term exploration & production in Sumatra

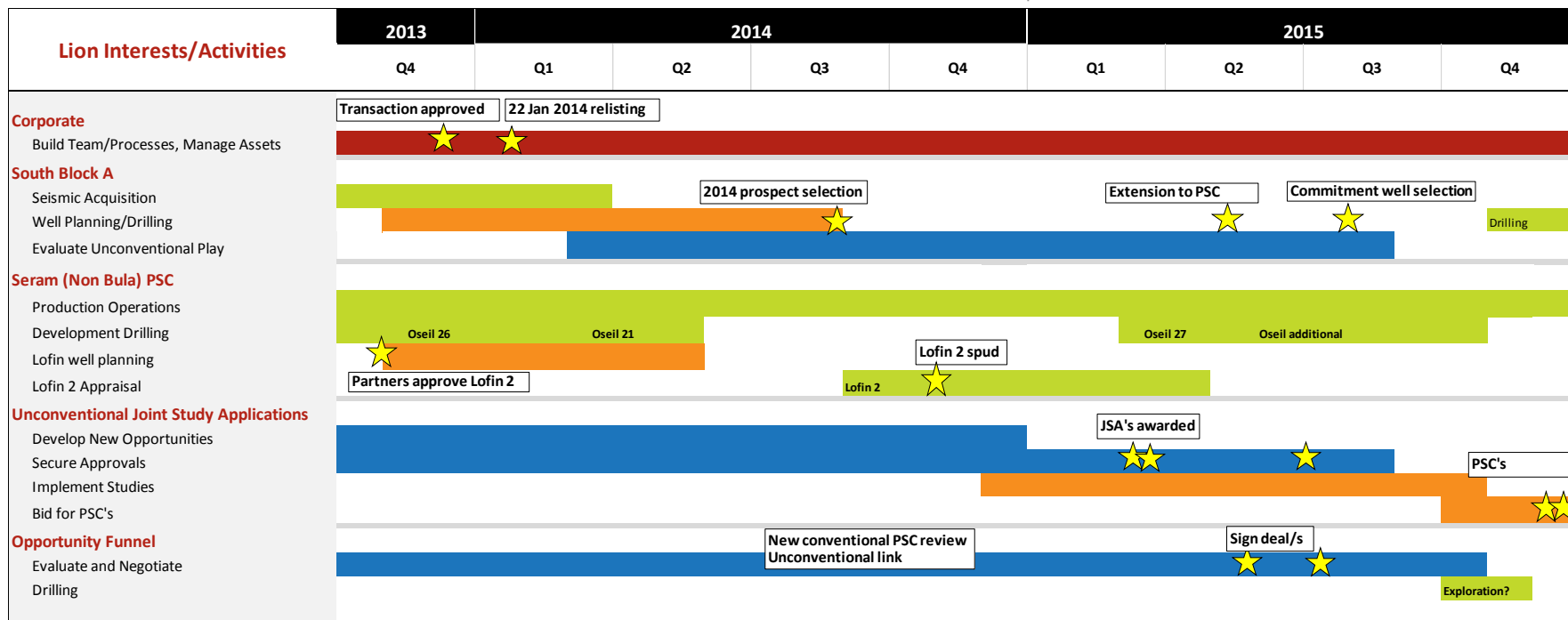


Milestones



Active program - good news flow, base funded through 2015

Lion activity and key event timeline (4Q-2013 to end-2015)



Legend

Code	Activity type
Red	Lion Corporate
Orange	Held Assets General Exploration
Green	Held Asset Field Activities (Drilling/Seismic)
Blue	Lion New Business Activities

Forecast Key Event /News flow



(Note: There is no guarantee that activities shown will occur. In addition, the timing of anticipated activities is indicative only. They are dependant on factors such as Government of Indonesia and Joint Venture approval, rig availability and unforeseen delays)

As of May 2015



Thank you

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