

ASX/Media Release

For Immediate Release – 9 January 2017



Encouraging oil and gas shows in Amanah Timur-1 well

Highlights

- Elevated gas readings up to 5.4% (C1-C5) and some oil shows throughout objective “400” sandstone from 80m to midnight depth of 154m
- First objective “400” sandstone encountered approximately 29m high to prognosis
- Wireline logs to be run on reaching planned total depth of 570m KB followed by likely production testing to evaluate fluid content and reservoir quality

Lion Energy Limited (“Lion” or “Company”; ASX: LIO) is pleased to announce that encouraging gas readings, combined with some oil fluorescence shows have been encountered in the objective “400” sandstone from 80m KB to the midnight depth of 154m KB. On reaching planned total depth of 570m KB, the section will be evaluated with wireline logs and likely production testing to confirm fluid content and reservoir quality. The “400” sandstone is the first of four main objectives in Amanah Timur-1. Lion has a 40.7% interest in the well.

Since the last announcement by Lion on 5 January 2017, 9 5/8” casing has been set at approximately 78.5m and the well drilled ahead in 8 1/2” hole. The primary objective “400” sandstone was encountered at 80m KB, approximately 29m high to prognosis. Elevated gas was encountered in drilling sandstone dominated section from 80 to 95m KB. An interbedded shale and sandstone section is interpreted from 95-115m KB and from 115m KB to the midnight TD of 154m a predominantly 100% sandstone section has been encountered. High gas readings, with peaks up to 5.4% have been recorded (Gas composition of the peak is C1: 19,495 ppm, C2: 1669 ppm, C3: 1427 ppm, iC4:1036 ppm, nC4: 813 ppm, iC5: 1269 ppm, nC5 240ppm) as well as some oil show in the sandstone (described as less than 5% spotty pale yellow gold to bright yellow fluorescence with some cut and nil to weak oil odour).

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 “the elevated gas readings with some oil shows over a 60m section in the shallow objective are very encouraging. We would note wireline log evaluation and production testing will be required to determine fluid content and potential commerciality of the interval. We will continue to keep the market informed of result on this exciting well as we drill the deeper objectives which we hope will continue to exceed our pre-drill expectations.”

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.

Contact

Lion Energy Limited

ABN 51 000 753 640

ASX Code: LIO

Suite 7
295 Rokeby Road
Subiaco WA 6008
Australia
Post Box 557
Subiaco WA 6904
Australia

Tel +61 8 9211 1500 | Fax +61 8 9211 1501

info@lionenergy.com.au

www.lionenergy.com.au

Directors & Officers

Russell Brimage	Executive Chairman
Kim Morrison	Chief Executive Officer
Stuart B. Smith	Executive Director
Tom Soulsby	Non-Executive Director
Chris Newton	Non-Executive Director
Zane Lewis	Company Secretary

For more information contact

Kim Morrison

+61 404 490 964

kmorrison@lionenergy.com.au

Stuart Smith

+65 9820 3889

ssmith@lionenergy.com.au

Zane Lewis

+61 400 007 900

zlewis@lionenergy.com.au

ASX/Media Release

For Immediate Release – 9 January 2017



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

km²: square kilometres

mmboe: million barrels oil equivalent

mmbbl: million barrels

PSC: Production Sharing Contract

tcf: trillion cubic feet

END