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**LION ENERGY LIMITED**  
**ACN 000 753 640**  
**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:00 am (WST)

**DATE:** Tuesday, 30<sup>th</sup> May 2017

**PLACE:** Suite 7, 295 Rokeby Road  
Subiaco, WA 6008

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9211 1500*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 10.00 am (WST) on Tuesday, 30<sup>th</sup> May 2017 at:

Suite 7, 295 Rokeby Road  
Subiaco WA 6005

### Your vote is important

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The business of the Meeting affects your shareholding and your vote is important.

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10.00 am (WST) on Sunday, 28 May 2017.

### Voting in person

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To vote in person, attend the Meeting at the time, date and place set out above.

### Voting by proxy

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made

in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

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##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial period ended 31 December 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial period ended 31 December 2016."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

##### **Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – CHRIS NEWTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Chris Newton, who retires by rotation, and being eligible for re-election, be re-elected as a Director.”*

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## 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – STUART SMITH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Stuart Smith, who retires by rotation, and being eligible for re-election, be re-elected as a Director.”*

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## 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 73,770 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates and nominees of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 9,800,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates and nominees of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 615,385 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates and nominees of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates and nominees of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 250,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates and nominees of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 9. RESOLUTION 9 – APPROVAL TO ISSUE NEW SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 10. RESOLUTION 10 – PARTICIPATION IN PLACEMENT – RELATED PARTIES

To consider and, if thought fit, to pass the following resolution as a **separate ordinary resolution**:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of New Shares to Directors (or their nominees) as follows:*

- (a) 400,000 New Shares to Mr Russell Brimage;*
- (b) 600,000 New Shares to Mr Kim Morrison;*
- (c) 600,000 New Shares to Mr Stuart Smith;*
- (d) 300,000 New Shares to Mr Tom Soulsby; and*
- (e) 300,000 New Shares to Mr Chris Newton,*

*on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by the Directors (and their nominees) and any associates of those persons.

However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 11. RESOLUTION 11 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**Dated: 1 May 2017**

**By order of the Board**

**Russell Brimage  
Executive Chairman**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at: <http://www.lionenergy.com.au>

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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### 3. RESOLUTIONS 2 AND 3 – ELECTION OF DIRECTORS – CHRIS NEWTON AND STUART SMITH

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots; and
- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Chris Newton and Stuart Smith will retire in accordance with clause 13.2 of the Constitution and ASX Listing Rule 14.4 and being eligible, seek re-election from Shareholders.

Chris Newton and Stuart Smith are Risco Energy Unconventional Pte Ltd's nominee's to the Company's Board.

Resolutions 2 and 3 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 2 and 3.

Details of each Director's experience is shown below:

### **Mr Chris Newton**

*Mr Newton is director of business development and operations for Risco Energy. In a career spanning 35 years in oil and gas he has covered the spectrum of exploration, development and production, developing core strengths in petroleum economics, strategic planning, business development and ultimately, top management.*

*A 1978 Geology graduate from Durham University, England, Mr Newton also holds a Grad Dip in Applied Finance and Investment from the Securities Institute of Australia (SIA). He has spent more than 25 years in South East Asia in various industry capacities including Managing Director of Fletcher Challenge in Brunei, a stint as Managing Director of Shell Deepwater Borneo, President of Santos – Indonesia and CEO of Jakarta-listed oil and gas company, EMP. Along with Mr Soulsby, he was a co-founder director of Risco Energy in July 2010.*

*Mr Newton was an active Director of the Indonesian Petroleum Association (IPA) from 2003 to 2008, including serving as President from 2004 to 2007. He remains an advisor to the IPA Board and is also the oil and gas advisor to the Jakarta based Castle Asia Group.*

*Mr Newton was appointed a director of the Company on 10<sup>th</sup> January 2014.*

### **Mr Stuart Smith**

*Mr Smith has some 25 years of experience in the energy industry. He spent 16 years in investment banking specialising in the energy sector including involvement in equity research, IPO's, secondary capital raisings and M&A. From 2005 to 2008 Stuart was Head of Asia-Pacific Oil & Gas Research for Merrill Lynch, based in Singapore. In the last eight years he has held senior management roles with a number of privately-held Asian-based oil and gas companies, with responsibility for commercial and finance functions. These include Ephindo Energy (Indonesia's leading CBM company), Triton Petroleum and Triton Hydrocarbons.*

*Mr Smith is a qualified Chartered Accountant (Australia) graduating from the University of Melbourne in 1988, and his initial experience was with Deloitte. From 2009 to 2010 he was a Non-Executive Director of Warsaw listed E&P company, Kulczyk Oil Ventures Inc, where he served on the Audit and Reserves Committees.*

*Mr Smith was appointed a director of the Company on 10<sup>th</sup> June 2014.*

The Board (excluding Mr Newton with respect to Resolution 2 and Mr Smith with respect to Resolution 3) unanimously supports the re-election of each of these individuals.

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## **4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **4.1 General**

On 4 July 2016, the Company issued 73,770 Shares at a deemed issue price of \$0.061 per Share. These Shares were issued in payment for certain consultancy services provided to the Company by a key consultant.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 4.

#### **4.2 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification under Resolution 4:

- (a) 73,770 Shares were issued;
- (b) the deemed issue price was \$0.061 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to SmallCap Corporate Pty Ltd, a consultant of the Company, who is not a related party of the Company; and
- (e) the Shares were issued as payment for certain consultancy services provided to the Company and the Company conserved its cash in effecting payment in this manner.

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### **5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES**

#### **5.1 General**

On 6 December 2016, the Company issued 9,800,000 Shares at an issue price of \$0.05 per Share. These Shares were issued to raise \$490,000 before costs.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares).

See Section 4.1 for a summary of ASX Listing Rules 7.1 and 7.4.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 5 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 5.

#### **5.2 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification under Resolution 5:

- (a) 9,800,000 Shares were issued;
- (b) the issue price was \$0.05 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares were issued to clients of Henslow Pty Ltd, none of whom are related parties of the Company; and
- (e) the funds raised from this issue were used to fund the Amanah Timur-1 well on the South Block A asset.

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## **6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **6.1 General**

On 2 December 2016, the Company issued 615,385 Shares at a deemed issue price of \$0.065 per Share. These Shares were issued in payment for consultancy services provided to the Company from an external consultant.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

See Section 4.1 for a summary of ASX Listing Rules 7.1 and 7.4.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 6 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 6.

### **6.2 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification under Resolution 6:

- (a) 615,385 Shares were issued;
- (b) the deemed issue price was \$0.065 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to S3 Consortium Pty Ltd, a consultant of the Company, who is not a related party of the Company; and
- (e) the Shares were issued as payment for certain consultancy services provided to the Company and the Company conserved its cash in effecting payment in this manner.

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## **7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **7.1 General**

On 21 December 2016, the Company issued 1,000,000 Shares at an issue price of \$0.05 per Share. These Shares were issued to raise \$50,000 before costs.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

See Section 4.1 for a summary of ASX Listing Rules 7.1 and 7.4.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 7 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 7.

## **7.2 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification under Resolution 7:

- (a) 1,000,000 Shares were issued;
- (b) the deemed issue price was \$0.05 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Henslow Pty Ltd an external party, who is not a related party of the Company; and
- (e) the Shares were issued as payment for certain consultancy services provided to the Company and the Company conserved its cash in effecting payment in this manner.

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## **8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **8.1 General**

On 21 December 2016, the Company issued 250,000 Shares at a deemed issue price of \$0.05 per Share. These Shares were issued to a member of the Advisory Panel.

Resolution 8 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares.

See Section 4.1 for a summary of ASX Listing Rules 7.1 and 7.4.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolution 8 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 8.

### **8.2 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the ratification under Resolution 8:

- (a) 250,000 Shares were issued;
- (b) the deemed issue price was \$0.05 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to International Energy Group Limited, which is controlled by Mr Sammy Hamzah who is a member of the Advisory Panel, who is not a related party of the Company; and
- (e) the Shares were issued as payment for certain consultancy services provided to the Company and the Company conserved its cash in effecting payment in this manner; and.

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## **9. RESOLUTION 9 – APPROVAL OF ISSUE OF NEW SHARES**

### **9.1 General**

The Company proposes to issue new Shares to vendors in consideration for potential acquisitions of interests in oil and gas projects or the provision of services to the Company. With respect to acquisitions, no decision has yet been made by the Company to acquire interests in oil and gas projects. However, as the Company is considering making acquisitions at present it wishes to maintain the flexibility of issuing Shares as consideration in the event that an acquisition is made within the time period permitted by the Listing Rule 7.3.2, without such an issue affecting the Company's 15% placement capacity. The Company notes the maximum number of Shares for which approval is sought is less than 5% of the Company's existing issued share capital.

See Section 4.1 for a summary of ASX Listing Rule 7.1.

The effect of Resolution 9 will be to allow the Company to issue Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

Resolution 9 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 9.

### **9.2 Technical information required by ASX Listing Rule 7.3**

The following information is provided in relation to the proposed issue of Shares pursuant to and in accordance with Listing Rule 7.3:

- (a) the maximum number of Shares to be issued for which prior approval is being sought is up to 5,000,000 Shares;
- (b) the Shares will be issued for a deemed issue price of \$nil each as the Shares are intended to be issued in consideration for the acquisition of interests in oil and gas projects under review or as consideration for the provision of services to the Company. Accordingly, no funds will be raised as a result of the issue of Shares under this Resolution;
- (c) the Shares will be issued no later than three (3) months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the Shares will be issued to vendors of potential oil and gas projects or as consideration for the provision of services to the Company. None of the recipients will be related parties of the Company;
- (e) the Shares are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares; and
- (f) a voting exclusion statement is included in the Notice.

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## **10. RESOLUTION 10 – PARTICIPATION IN PLACEMENT – RELATED PARTIES**

### **10.1 General**

As announced on 6 December 2016, the Company secured a placement of 12,000,000 Shares at an issue price of \$0.05 to professional and sophisticated investors and Directors, which was completed on 21 December 2016 (**Placement**).

The number of Shares that each Director has committed to subscribe for, subject to Shareholder approval, is set out below:

Director	Number of Shares	Total subscription amount
Mr Russel Brimage	400,000	\$20,000
Mr Kim Morison	600,000	\$30,000
Mr Stuart Smith	600,000	\$30,000
Mr Tom Soulsby	300,000	\$15,000
Mr Kim Newton	300,000	\$15,000
<b>Total</b>	<b>2,200,000</b>	<b>\$110,000</b>

Resolution 10 seeks Shareholder approval pursuant to issue a total of 2,200,000 Shares at \$0.05 to the Directors as detailed in the table above (**Participation**).

Resolution 10 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 10.

## 10.2 Chapter 2E of the Corporations Act and Listing Rule 10.11

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in an issue of Shares which constitutes giving a financial benefit and Directors are related parties by virtue of being Directors. The terms of the Placement are at the same issue price as the remaining 9,800,000 Shares issued to professional and sophisticated investors on 6 December 2016 and as such the giving of the financial benefit is on arm's length terms.

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the Participation involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the Participation as approval is being obtained under Listing Rule 10.11. Accordingly, the issue Shares to the Directors (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Resolution 10 is an ordinary resolution.

As each Director has an interest in the outcome of this resolution, a voting recommendation to Shareholders will not be made.

## 10.3 Section 195

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

The Directors have a material personal interest in the outcome of Resolution 10. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

#### **10.4 Technical information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be issued to the Directors (or their respective nominees);
- (b) the maximum number of Shares to be issued to the Directors under the Placement in in the proportions set out in the table in Section 10.1 above;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (d) the issue price will be \$0.05 per Share, being the same as all other Shares issued under the Placement, to raise approximately \$110,000;
- (e) the funds raised from this issue of Shares will be used for working capital requirements of the Company; and
- (f) a voting exclusion statement is included in the Notice.

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### **11. RESOLUTION 11 – APPROVAL OF 10% PLACEMENT CAPACITY**

#### **11.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

If Shareholders approve Resolution 11, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 11.2 below).

The effect of Resolution 11 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Board unanimously recommends that Shareholders vote in favour of Resolution 11.

Resolution 11 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 11 for it to be passed.

The Chair intends to exercise all available proxies in favour of Resolution 11.

#### **11.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$4,800,000.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: LIO).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

### 11.3 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 10:

**(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 11.3(a)(i), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to

occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (**10% Placement Capacity Period**).

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 11 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice, together with the Shares to be issued pursuant to resolutions to be passed at the Meeting.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.0225 50% decrease in Issue Price	0.045 Issue Price	0.090 100% increase in Issue Price
108,186,532 (Current Variable A)	Shares issued - 10% voting dilution	10,818,653 Shares	10,818,653 Shares	10,818,653 Shares
	Funds raised	\$243,420	\$486,839	\$973,679
162,279,798 (50% increase in Variable A)	Shares issued - 10% voting dilution	16,227,980 Shares	16,227,980 Shares	16,227,980 Shares
	Funds raised	\$365,130	\$730,259	\$1,460,518
216,373,064 (100% increase in Variable A)	Shares issued - 10% voting dilution	21,637,306 Shares	21,637,306 Shares	21,637,306 Shares
	Funds raised	\$486,839	\$973,679	\$1,947,358

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

- (a) There are currently 108,186,532 Shares on issue which includes 11,739,155 shares issued under the entity's 15% placement capacity, for which shareholder approval is being sought in Resolutions 4 to 8 herein.
- (b) The issue price set out above is the closing price of the Shares on the ASX on 11 April 2017.
- (c) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (d) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (e) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (f) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (g) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (h) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (i) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

**(f) Previous approval under ASX Listing Rule 7.1A**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 30 May 2016. In the 12 months following the date of the 2016 Annual General Meeting and as at the date of this Notice, the Company has issued 11,989,155 Equity Securities and this represents approximately 12.46% of the total number of Equity Securities on issue at the commencement of that 12 month period.

The Company did not issue any Shares pursuant to Listing Rule 7.1A during the year.

Details of the only issue of Equity Securities by the Company during the 12 months preceding the date of the 2016 Annual General Meeting are in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount to Market Price <sup>1</sup> (if applicable)	Consideration & Use of Funds as at the date of this Notice
04/07/2016	73,770	Shares <sup>2</sup>	The Shares were issued in lieu of a cash payment to SmallCap Corporate Pty Ltd, a consultant for services provided to the Company.	Nil (but a deemed issue price of \$0.0061 per Share)	Consideration: services provided to the Company Current value <sup>3</sup> = \$3,320 The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue
04/07/2016	250,000	Shares <sup>2</sup>	The Shares were issued to Mr Stuart Smith, a Director under an employee share scheme as approved by Shareholders at the Company's 2014 annual general meeting	\$0.20	Consideration: services provided to the Company Current value <sup>3</sup> = \$11,250 The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue
06/12/2016	9,800,000	Shares <sup>2</sup>	Non-related party sophisticated investors	\$0.05, which represents a 56% discount to the closing share price on the day	Cash Amount raised = \$490,000 (\$0 spent) Proposed use of remaining funds = Seram and South Block A project development and general working capital <sup>4</sup>
06/12/2016	615,385	Shares <sup>2</sup>	The Shares were issued to S3 Consortium Pty Ltd, a key consultant. None of these subscribers are related parties of the Company (see also Resolution 6)	Nil (but a deemed issue price of \$0.065 per Share) , which represents a 20% discount to the closing share price on the day	Consideration: services provided to the Company Current value <sup>3</sup> = \$27,692 The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount to Market Price <sup>1</sup> (if applicable)	Consideration & Use of Funds as at the date of this Notice
21/12/2016	1,000,000	Shares <sup>2</sup>	Non-related party sophisticated investors	\$0.05, which represents a 18% discount to the closing share price on the day	Cash  Amount raised = \$50,000  (\$0 spent)  Proposed use of remaining funds = Seram and South Block A project development and general working capital <sup>4</sup>
21/12/2016	250,000	Shares <sup>2</sup>	The Shares were issued to International Energy Group Limited, which is controlled by Mr Sammy Hamzah who is a member of the Advisory Panel. None of these subscribers are related parties of the Company (see also Resolution 8)	Nil (but a deemed issue price of \$0.05 per Share) , which represents a 18% discount to the closing share price on the day	Consideration: services provided to the Company  Current value <sup>3</sup> = \$12,500  The Shares were issued for nil cash consideration and therefore no funds were raised as a result of the issue

Notes:

- 1 Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last Trading Day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
- 2 Fully paid ordinary shares in the capital of the Company.
- 3 The value of Shares is based on the closing price of the Shares (\$0.045) as the context requires on the ASX on the Trading Day prior to the date of this Notice.
- 4 This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

**(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

**11.4 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 11.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 9.1 of the Explanatory Statement.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Lion Energy Limited (ACN 000 753 640).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** has the meaning given in Section 11.2.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly,

including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Participation** has the meaning given to it in Section 10.1.

**Placement** has the meaning given to it in Section 10.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2013.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Technical Advisory Panel** means the advisory panel established by the Company to provide it with technical and operational advice.

**Variable A** means "A" as set out in the calculation in section 5.3(c) of the Explanatory Statement.

**WST** means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

APPOINTMENT OF PROXY FORM

LION ENERGY LIMITED
ACN 000 753 640

ANNUAL GENERAL MEETING

I/We [ ]

of: [ ]

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name: [ ]

OR: [ ] the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00 am (WST), on Tuesday,30th May 2017 at Suite 7, 295 Rokeby Road Subiaco WA 6008, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

Table with 5 columns: Resolution, Description, FOR, AGAINST, ABSTAIN. Rows include Resolutions 1 through 11 covering topics like Remuneration Report, Director elections, Ratification of Prior Issue Shares, and Placement Capacity.

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

[ ]

Sole Director/Company Secretary

Shareholder 2

[ ]

Director

Shareholder 3

[ ]

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail: YES [ ] NO [ ]

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to the Company Secretary, Suite 7, 295 Rokeby Rd, Subiaco, WA 6008; or
  - (b) facsimile to the Company on facsimile number +61 8 9211 1501; orso that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**