

ASX/Media Release

For Immediate Release – 25 August 2017



Cleansing Statement

Lion Energy Limited (ASX: LIO – the “Company” or “Lion”) has today issued and allotted 4,800,000 ordinary shares as part of an acquisition of 50% in the East Seram Joint Study. In addition, 250,000 ordinary shares have been issued and allotted to director Stuart Smith as the third and final tranche of shares as approved by shareholders at the 2014 AGM and 202,000 ordinary shares have been issued and allotted in lieu of cash payments to consultants providing corporate advisory services to Lion.

Below is the applicable Cleansing Notice.

Secondary Trading Exemption:

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under Section 708 or 708A. By the Company giving this notice, a sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies the ASX under paragraph 708(A)(5)(e) of the Act that:

- a) The Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- b) As at the date of this notice the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- c) As at the date of this notice there is no information:
 - i) that has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and
 - ii) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (1) The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (2) The rights and liabilities attaching to the Securities.

For and on behalf of the board of

Lion Energy Limited

A handwritten signature in blue ink, appearing to read "Zane Lewis", written over a horizontal line.

Zane Lewis
Company Secretary

ENDS.