

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Lion Energy Limited

ABN

51 000 753 640

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 Mths) \$A'000
1.1 Receipts from product sales and related debtors	690	1,973
1.2 Payments for (a) exploration and evaluation	(683)	(698)
(b) development	(202)	(695)
(c) production	(156)	(708)
(d) administration	(336)	(973)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	7
1.5 Interest and other costs of finance paid	(16)	(16)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(696)	(1,110)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(311)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Acquisition of subsidiaries	(197)	(197)
Net investing cash flows	(197)	(508)
1.13 Total operating and investing cash flows (carried forward)	(893)	(1,618)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(893)	(1,618)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares/options	9,421	9,421
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	850
1.17	Repayment of borrowings	(250)	(250)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Capital raising costs	(739)	(739)
	Net financing cash flows	8,432	9,282
	Net increase (decrease) in cash held	7,539	7,664
1.20	Cash at beginning of quarter/year to date	239	122
1.21	Exchange rate adjustments to item 1.20	(218)	(226)
1.22	Cash at end of quarter	7,560	7,560

Note: the above Consolidated Statement of Cashflows includes the results of KRX Energy Pte Ltd from the effective date of acquisition on 13 January 2014.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	216
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments of director's remuneration.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

7,500,000 shares and 3,125,000 free attaching Class A unlisted options issued on conversion of the convertible note; 11,625,046 shares issued as consideration for the acquisition of shares in KRX Energy Pte Ltd; 4,987,514 shares issued as consideration for the acquisition of AMI interests pursuant to the Risco AMI withdrawal Agreement; 4,275,012 shares issued as consideration for the acquisition of AMI interests pursuant to the Tower share purchase agreement; 1,300,000 shares and 541,667 free attaching class A options issued pursuant to the Pouvoir fee payment agreement, the KKSH loan repayment deed and the Grigg loan repayment deed; 1,835,041 shares issued pursuant to the listed options offer as consideration for the cancellation of 11,015,119 listed options.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,150
4.2 Development	400
4.3 Production	160
4.4 Administration	350
Total	2,060

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,323	239
5.2 Deposits at call	6,237	
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	7,560	239

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	South Block A PSC, North Sumatra Indonesia	Direct Participating interest acquired through the purchase of KRX Energy Pte Ltd, held through KRX Energy (SBA) Pte Ltd.	Nil	35.0%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference⁺securities (<i>description</i>)	-	-		
7.2 Changes during quarter	-	-		
7.3 +Ordinary securities	95,029,377	95,029,377		
7.4 Changes during quarter (a) Increases through issues Ordinary Shares (b) Decreases through returns of capital, buy-backs	79,028,361	79,028,361		
7.5 +Convertible debt securities (<i>description</i>)				
7.6 Changes during quarter				
7.7 Options (<i>description and conversion factor</i>)			<i>Exercise price</i>	<i>Expiry date</i>
Class A unlisted options	3,666,667	-	26 cents	10/07/2015
Class B unlisted options	406,250	-	26 cents	16/01/2017
7.8 Issued during quarter				
Class A unlisted options	3,666,667	-	26 cents	10/07/2015
Class B unlisted options	406,250	-	26 cents	16/01/2017
7.9 Exercised during quarter				
Listed options	5,748	5,748	24 cents	10/01/2014
Listed options	11,015,119	11,015,119	24 cents	10/01/2014
7.10 Expired/Lapsed during quarter				
7.11 Debentures (<i>totals only</i>)				
7.12 Unsecured notes (<i>totals only</i>)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Zane Lewis
Company Secretary

Date: 30 April 2014

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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