

Recapitalised Reskilled Repositioned

Excellence in Oil & Gas, Sydney

12 March 2014



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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 estimates

Hydrocarbon reserves and resource estimates are expressions of judgement 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.

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.

Competent Persons Statement: Qualified Petroleum Reserves and Resources Evaluator

Pursuant to the requirements of the ASX Listing Rules Chapter 5, the technical information and resource reporting provided in this website 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 inclusion of this announcement of the matters based on the information and context in which it appears. Mr Morrison is a member of AAPG.

**Company
snapshot**

**Why
Indonesia?**

Strategy

Strengths

Assets

Milestones

COMPANY SNAPSHOT

An emerging pioneer in Indonesian unconventional oil and gas

Restructuring Complete

- Shares on issue: 95m
- Market cap @20c: A\$19 million
- Cash: A\$7.6 million
- Revenue: ~A\$2.2 million

Major shareholders:

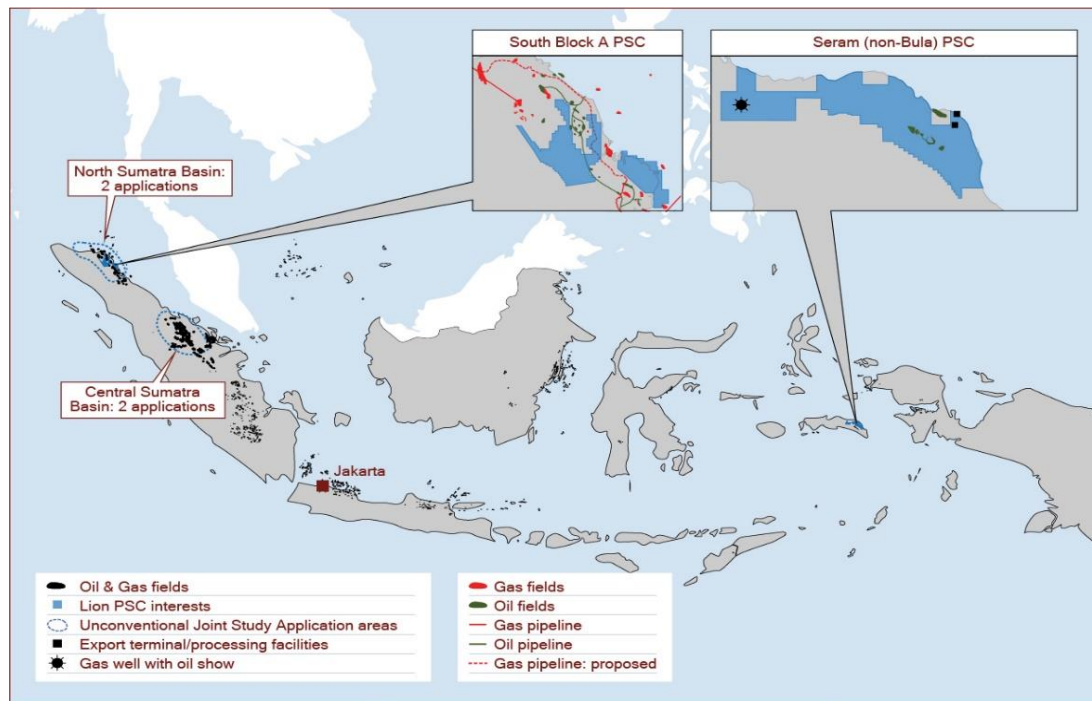
- Risco Energy Investments (47%)
- Tower Energy (14.4%)
- Management (13.3%)

Assets

- Seram PSC (2.5%) - production
- South Block A (35%) - exploration
- Four unconventional applications

High-calibre board:

- Russell Brimage, Chairman
- Kim Morrison, MD and CEO
- Chris Newton, Non-Exec Director
- Tom Soulsby, Non-Exec Director



Reserves & Resources (Recoverable, net to Lion)	Gas/Associated Gas (BCF)			Oil/Condensate (MMbbl)		
	1P	2P	3P	1P	2P	3P
Reserves						
Total Reserves				0.163	0.270	0.378
Resources	P90	P50	P10	P90	P50	P10
Total Contingent Resources	0.348	0.645	1.140	0.004	0.007	0.011
Total Prospective Resources	70.1	151.1	317.5	6.5	16.6	42.2

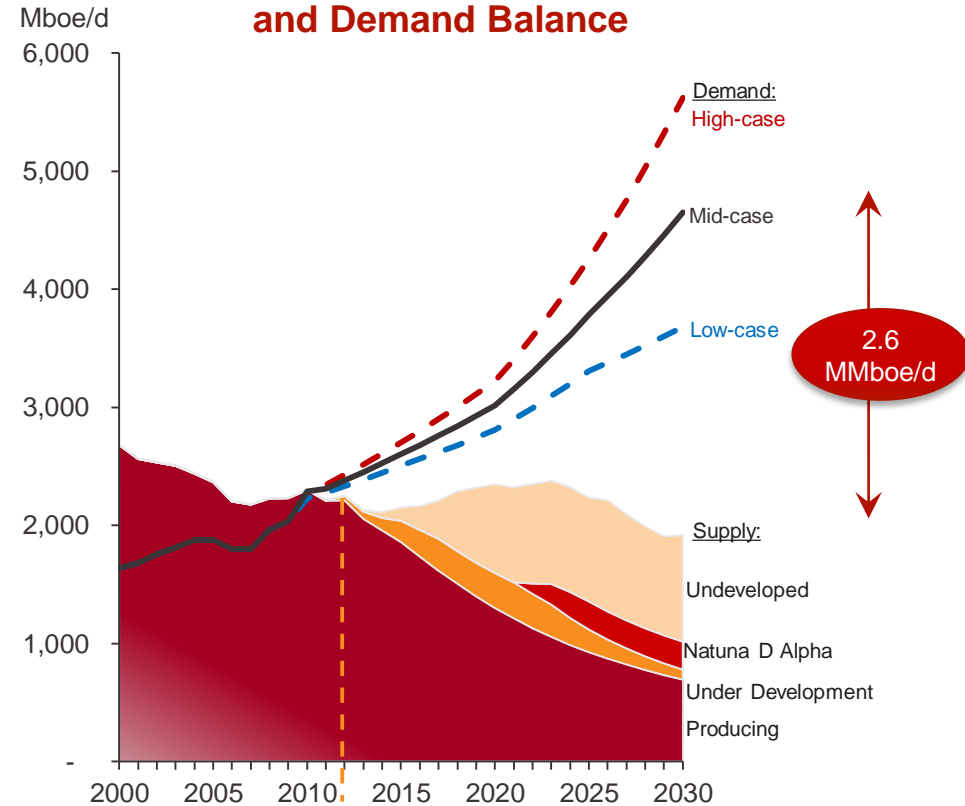
Unconventional potential in JSA's: ~3.5 tcf and 380 mmbbl oil/cond (Gross, recoverable, P50, unrisks)

WHY INVEST IN INDONESIA?

A unique opportunity in SE Asia

- World's fourth-largest population (~250mm)
- 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 investment to fill supply demand gap
- Competitive fiscal terms, contrary to popular perception

Projected Indonesian Oil and Gas Supply and Demand Balance



Source: Rystad U-Cube, MEMR (2011), ASEAN Energy Outlook (2011), DEN (2011), BCG analysis

CLEAR STRATEGY

The leading unconventional player in Indonesia

- Focus on Sumatra in areas with prospective geology, infrastructure and markets
- The right mix of technical, commercial, operational and market skills
- Indonesia's attractive macro and industry environment
- Build significant unconventional position and exploit synergies of conventional exploration
- Portfolio attractive to investors with capital, capability and strategic intent but no early mover position



STRENGTHS

The right mix of skills and expertise

Technical

- Best-in-class team
- Leveraging big company expertise with small company agility
- Advisory panel (tapping US/international unconventional knowledge)

Commercial

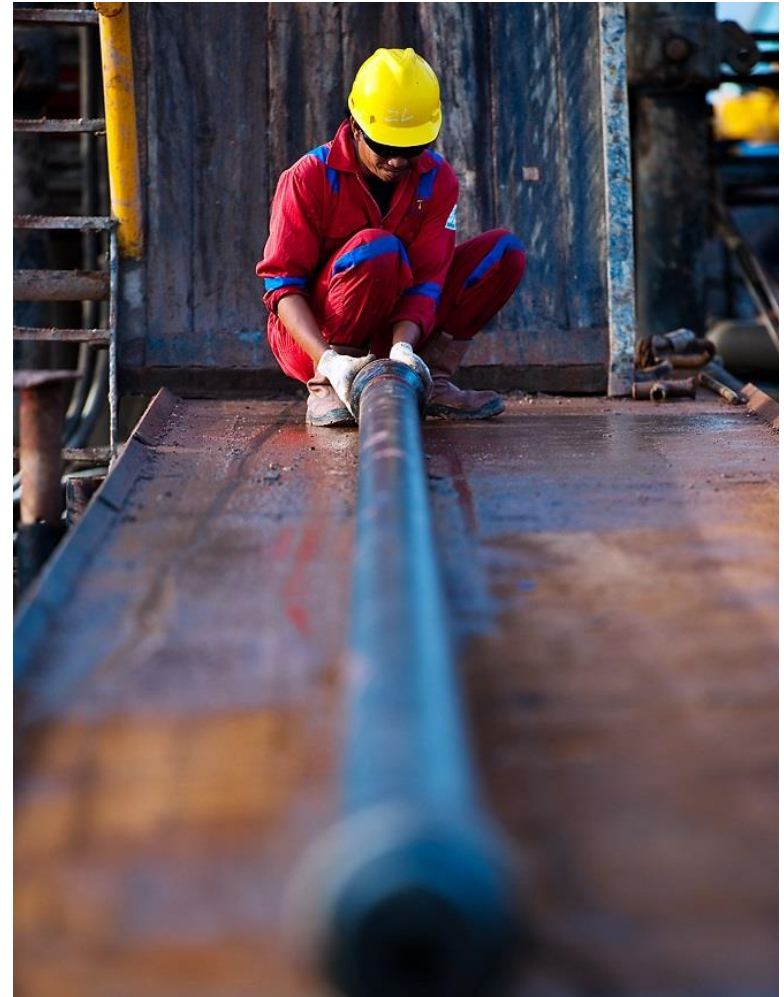
- Risco team involved in deals >\$1billion in past 10 yrs
- Entrepreneurial management, proven track records of creating value

Finance

- Strong balance sheet - \$7.6m cash
- Focus on governance

Indonesian expertise

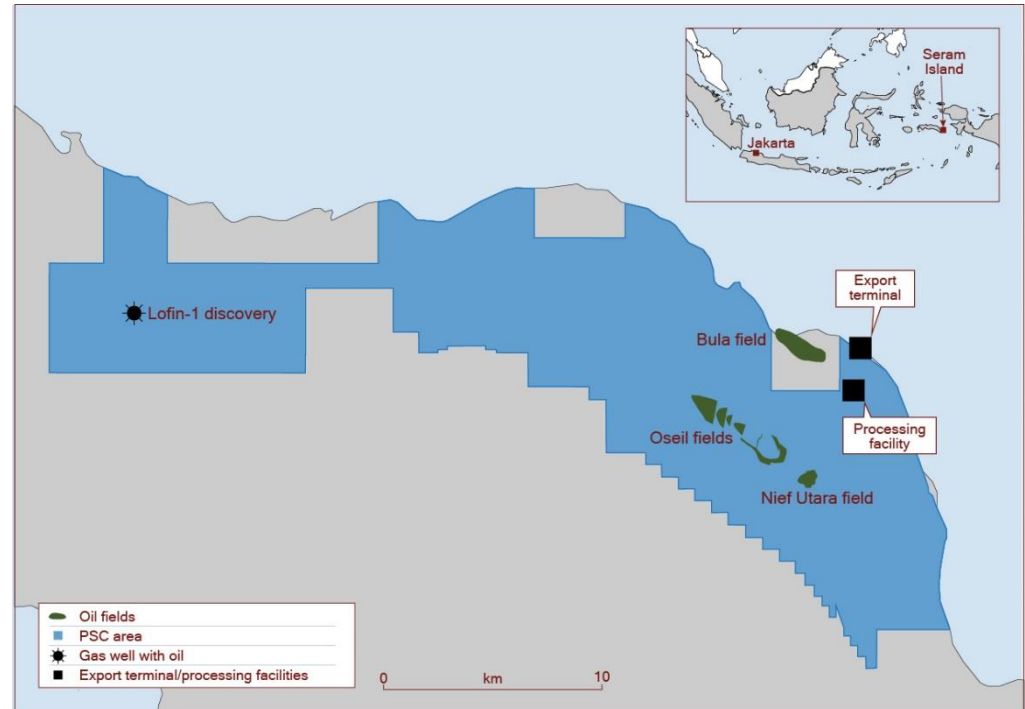
- Senior management with more than 50 years combined working and living in Indonesia
- Backing of major Indonesian-based investors



SERAM (NON-BULA) PSC (2.5%)

Production with exploration and exploitation upside

- 2.5% interest - CITIC is operator, Kufpec and Gulf Petroleum as co-venturers
- Annual net revenue of circa A\$2.2 mill
- Attractive fiscal terms and large sunk cost pool
- Oseil Field:
 - Gross production ~2800bopd
 - Recent development well added 500bopd; another is currently drilling
- Lofin 2012 discovery :
 - HC column 160m+
 - 2014 appraisal well to test large upside potential (P10 HC column ~ 770m)

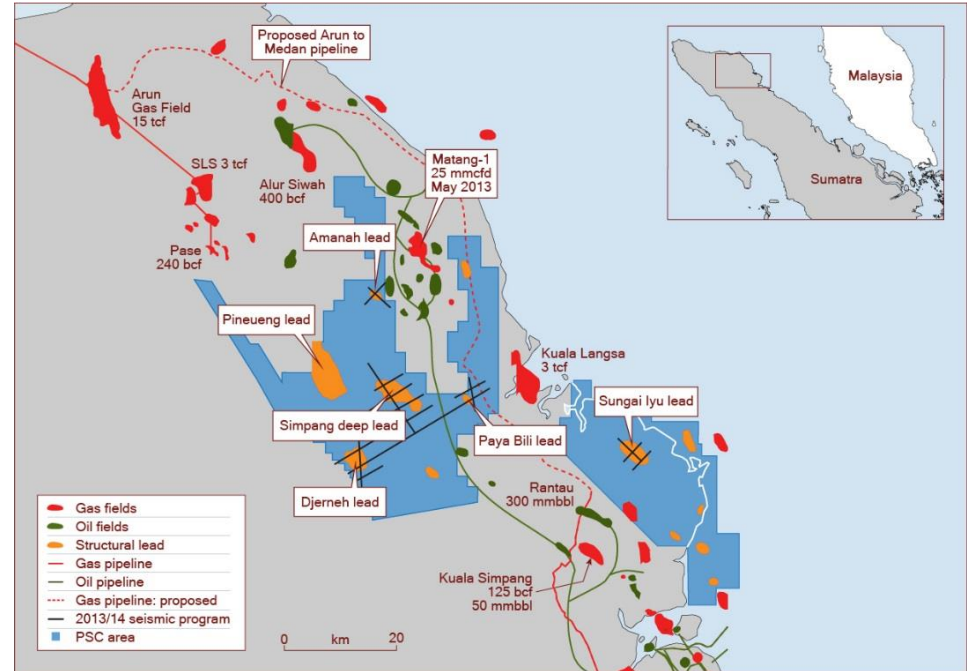


Source: CITIC 2013

SOUTH BLOCK A PSC (35%)

Heartland position in prolific basin

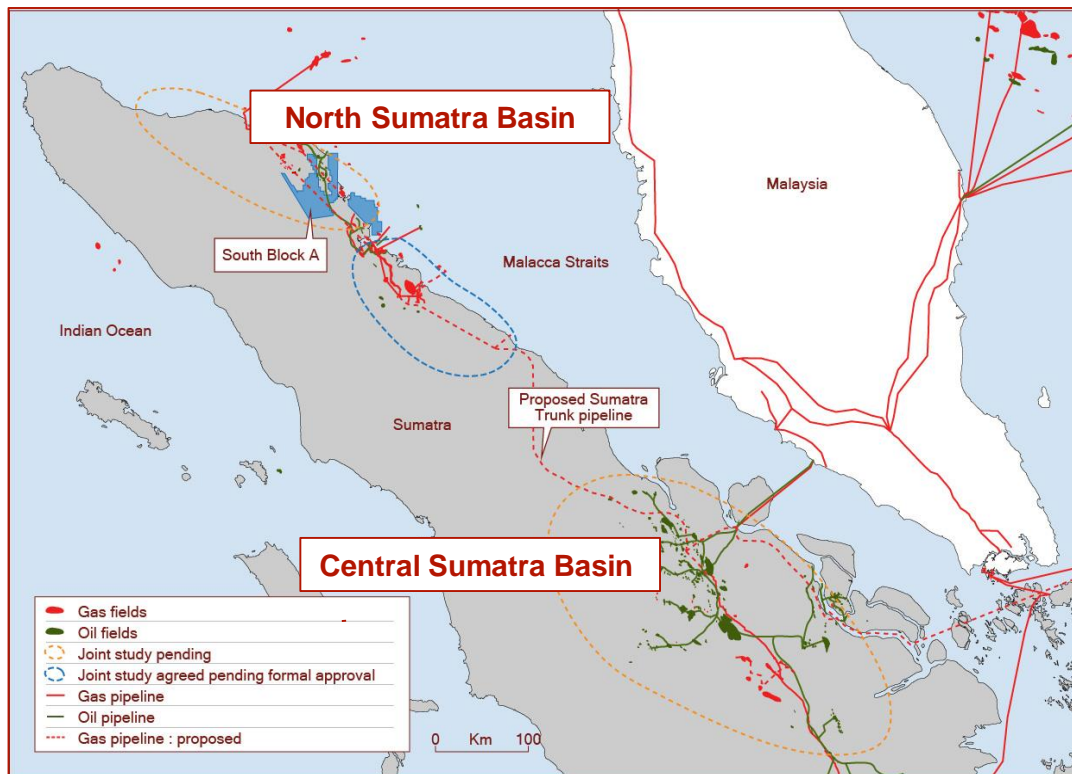
- Exciting, underexplored block (1894km²)
- Recent new play success including 100-400 bcf Matang 1 discovery in adjacent PSC
- Current 170km seismic program:
 - Targeting leads with prospective resources of 429bcf of gas and 47mmbbl of oil/cond (Gross, recoverable, P50, unrisks)
- Exploration well planned in 2014.
- Ready gas market with existing Infrastructure:
 - New Arun-Medan gas pipeline through block
- Priority rights for unconventional JSA/PSC
- Operated by Renco



UNCONVENTIONAL CLAIMS “STAKED”

Four Joint Study Applications (JSAs) submitted

- Applications over 17,000km²:
 - If awarded, right to match bids on PSC
- In prolific Sumatran basins, ready access to infrastructure and markets
- Shales with suitable properties, maturity for shale gas/oil
- Tight gas/oil opportunities
- Lion JSAs have potential of ~3.5 tcf and 380 mmbbl oil/cond (Gross, recoverable, P50, unrisks)
- Conventional/unconventional exploration synergies



Resource Estimate	Conventional EUR (Discovered) ¹		Unconventional In-Place (Undiscovered)	
	Oil/Cond (bil bbl)	Gas (tcf)	Oil/Cond (bil bbl)	Gas (tcf)
North Sumatra Basin	1.6	25.6	?	65 ²
Central Sumatra Basin	13.2	3.9	69 ³	42 ³

¹USGS 2000, ²Badan Geologi KESDM 2013, ³EIA 2013

VIABLE UNCONVENTIONAL TARGETS



Prospective shales in Lion JSA areas

Properties	North Sumatra			Central Sumatra	
	Lower Baong	Belumai Formation	Bampo Shale	Telisa Formation	Brown Shale/Kelesa
Rock Description	Marine shale with carbonate lenses deposited during global highstand event	Marine calcareous shale, carbonate and sandstone	Restricted marine black claystone, siltstone and thinly bedded sandstone	Marine brown to brownish gray shale and in fine to medium grained sandstone and siltstone.	Lacustrine black organic rich algal mudstone with carbonate rich lenses
Age	Middle Miocene	Early Miocene	Late Oligocene	Middle Miocene	Oligocene
Environment of Deposition	Outer shelf/Deepwater	Shelfal Marine	Restricted marine	Shelfal to deep marine	Lacustrine
Thickness	100-600m	25-600m	20-200m	100-600m	20-600m
Organic Content/TOC (Traffic light)					
Kerogen Type	Type II/III	Type II/III	Type II/III	Type II/III	Type I
Recorded TOC	0.5-2.3%	0.5-3.4	Generally 0.5-1.0	0.5-3%	2-23% mean of 3.7%
Maturity (Traffic light)					
Maturity window	Mid Oil to Gas window	late Oil to Gas window	Gas window	Early Oil	Peak Oil to Gas window
Depth range in Lion areas of interest	500-4000m	600-4500m	600-4500	100-2000m	600-3000m
Mineralogy Comments	Carbonate rich lenses	Calcaroues shale and tight sandstone	High maturity may contribute to fracture stimulation.	Some carbonate lenses	Relatively high clay content with some carbonate lenses and laminated sandstone (silica)
Mineralogy/brittleness (Traffic light)					
Pressure	Generally moderately to occasional highly overpressured	Normal to moderately overpressured	Normal to moderately overpressured	Normal to moderately overpressured	Normal to moderately overpressured
Potential Analogues	US Late Jurassic Haynesville-Bossier, Upper Cretaceous Hilliard/Baxter Formation, Lewis Shale, Uteland Butte	US Uteland Butte, Upper Cretaceous Eagleford	US Late Jurassic Haynesville-Bossier, Upper Cretaceous Hilliard/Baxter Formation, Lewis Shale, Uteland Butte	US Late Jurassic Haynesville-Bossier, Upper Cretaceous Hilliard/Baxter Formation, Cretaceous Lewis Shale	US Uteland Butte, Bakken

MILESTONES

An active program for 2014 with high impact potential

Lion Interests/Activities	2013	2014				Remaining 2014 net cost forecast A\$mil
	Q4	Q1	Q2	Q3	Q4	
Corporate	Transaction approved					1.3
Build Team/Processes, Manage Assets	22 Jan 2014 relisting					
South Block A						3.2
Seismic Acquisition	2014 prospect selection					
Well Planning/Drilling	2014 well					
Evaluate Unconventional Play						
Seram (Non Bula) PSC						1.9
Production Operations						
Development Drilling	Oseil 26					
Lofin well planning	Oseil 21					
Lofin 2 Appraisal	Partners approve Lofin 2					
Unconventional Joint Study Applications						1.0
Develop New Opportunities	Lofin 2 spud					
Secure Approvals	JSA's awarded					
Implement Studies						
Bid for PSC's						
Synergistic Conventional Opportunities						??
Evaluate and Negotiate	Notional new conventional /unconventional PSC farmin					
Capture						
					Total	7.4+??

Legend

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



Forecast Key Event /News flow

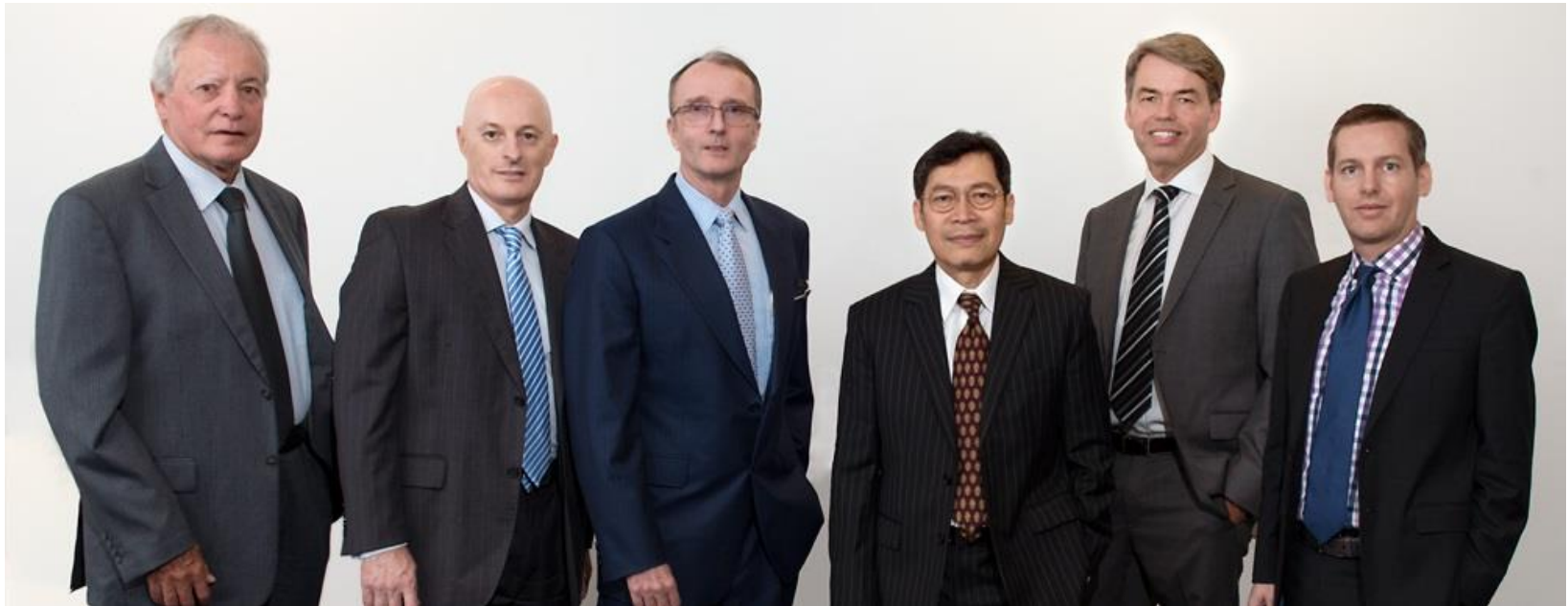
(Note: There is no guarantee that activities shown will occur. In addition, the timing of anticipated activities is indicative only. They are dependant on factors such as Government of Indonesia and Joint Venture approval, rig availability and unforeseen delays)

As of March 5 2014

WHY INVEST IN LION?

Early mover in Indonesia's emerging unconventional business

- Management
- Existing conventional assets
- Priority rights via Joint Study Applications
- Material upside potential
- Attractive operating environment



Russell Brimage
Chairman

Tom Soulsby
Non-Exec Director

Chris Newton
Non-Exec Director

Sammy Hamzah
Principal Advisor

Kim Morrison
CEO

Stuart Smith
CFO (designate)



Thank you

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