

A **New** Approach to Asian Energy



Lion Energy Company Overview

Kim Morrison CEO

September 2014



Important notice and disclaimer



Forward-looking statements

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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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Important notice and disclaimer (cont.)



Reserves & Resources, 1 Jan 2014 (Recoverable, net to Lion) ¹	Gas/Associated Gas (BCF)			Oil/Condensate (MMbbl)			Method
	1P	2P	3P	1P	2P	3P	
Reserves							
Total Reserves (Seram)				0.153	0.234	0.372	Deterministic
Contingent Resources	1C	2C	3C	1C	2C	3C	
Total Contingent Resources (Seram)	0.348	0.645	1.140	0.004	0.007	0.011	Deterministic
Prospective Resources²	Low	Best	High	Low	Best	High	
Prospective Resources-Seram	0.0	0.2	1.2	0.0	0.1	0.9	Probabilistic
Prospective Resources-South Block A ³	69.8	150.3	315.2	6.5	16.4	41.3	Probabilistic
Total Prospective Resources ³	69.8	150.5	316.4	6.5	16.6	42.2	Probabilistic

Reserves & Resources estimates

1. Hydrocarbon reserves and resource estimates are expressions of judgment 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.

2. 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.

3. Aggregated by arithmetic summation The aggregate Low estimate may be a very conservative estimate and the aggregate High estimate may be a very optimistic estimate due to the portfolio effects of arithmetic summation

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 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 release of this report and to the inclusion of the matters based on the information in the form and context in which it appears. Mr Morrison is a member of AAPG.

Presentation Overview

 **Snapshot**

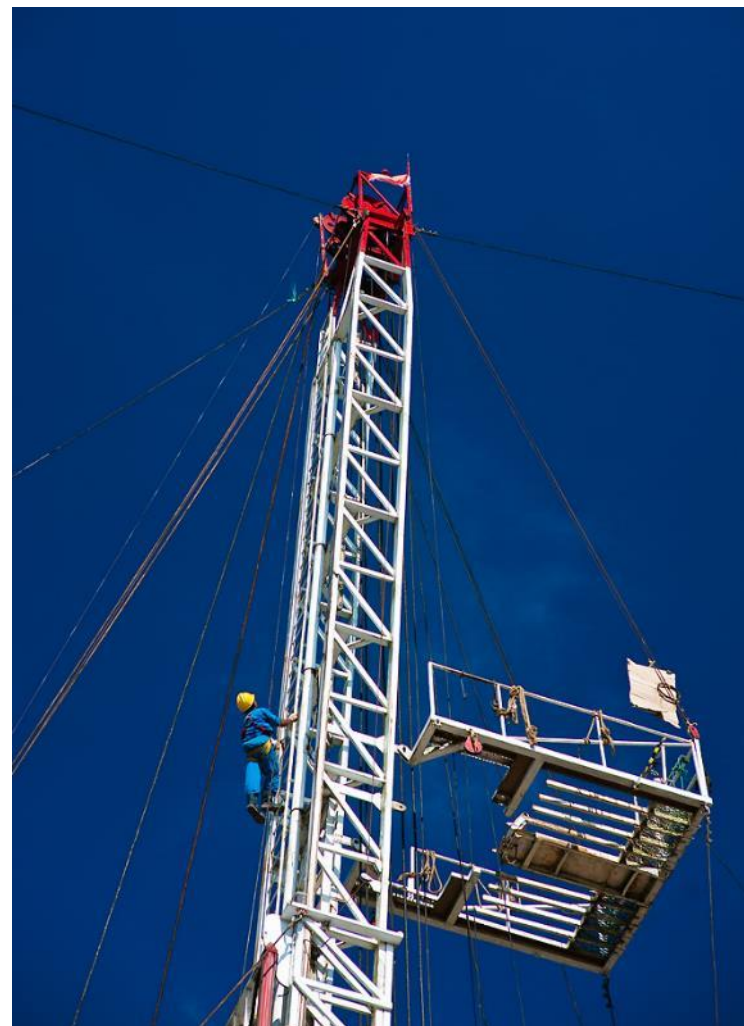
 **Our Team**

 **Why Indonesia?**

 **Strategy**

 **Assets**

 **Milestones**



COMPANY SNAPSHOT

Linked conventional/unconventional Indonesian strategy

Restructuring complete

- Shares on issue: 95m
- Market cap @20c: A\$19 million
- Cash: A\$5.8mil (30/6/2014)
- Revenue: ~A\$2.2 million pa

Major shareholders:

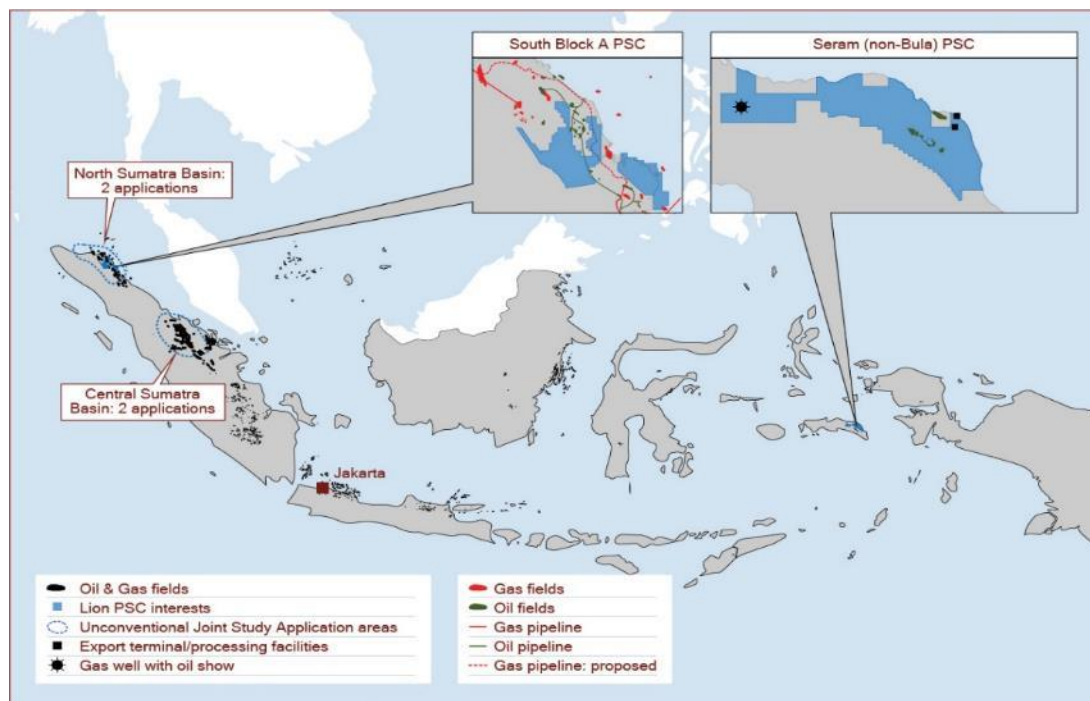
- Risco Energy Investments (55.3%)
- Tower Energy (6.1%)
- Management (13.3%)

Assets

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

High-calibre team:

- Proven Indonesian track record
- Multi-skilled advisory panel including North American unconventional experts



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BOARD & MANAGEMENT



Well rounded board, proven track records



Russell Brimage

Chairman

- 35+ years experience in oil and gas
- Founder of Oilserv Australia Ltd, providing drilling, well testing and production services
- Former CEO of Western Resources NL, Entek Ltd and GM of a WA gas field operator



Kim Morrison

Managing Director and CEO

- Exploration geologist, 28 years of international experience including a strong SE Asian focus.
- Senior roles with Woodside, Shell, Marathon
- Co-founded KRX Energy in 2010 which became part of Lion in 2014



Tom Soulsby

Non Executive Director

- Founding Director of Risco, former Director at PT Energi Mega Persada (EMP)
- Responsible for adding over 500mmboe 2P reserves through M&A in last 10 years
- Accounting and Investment banking background KPMG, UBS and ANZ



Chris Newton

Non Executive Director

- Founding Director of Risco, former CEO of EMP, President of Santos Indonesia; MD, Fletcher/Shell in Brunei & President of IPA.
- 35 years experience, 14 in Indonesia in leadership, technical and commercial roles
- Geologist background, post graduate qualifications in finance and investment



Stuart Smith

Executive Director

- Chartered Accountant, 20+ years in the Energy industry. Formerly Head of Oil & Gas Research for Asia Pacific with Merrill Lynch.
- Leadership roles with private E&P companies, including CFO of leading Indonesian CBM company Ephindo Energy.



Sammy Hamzah

Principal Advisor

- Founder of Tower Energy; Founder/CEO of Ephindo, Indonesia's leading CBM company
- Senior management positions at: Unocal and Chevron Indonesia; Siemens; and Lafarge
- Excellent Government/Industry relations; Board Member of IPA

ADVISORY BOARD



Pre-eminent panel of industry advisors, wide-ranging skill set



Mr Roger Whyte

Principal Advisor

- Geophysicist with extensive SE Asia exposure, Co-founder of KRX
- Excellent technical and management skills Indonesia Country Manager, Oilex; MD/CEO GulfX Limited; Commenced career with Shell, senior roles Union Texas, Trend Energy



Dr Andrew Cullen

Technical Advisor

- Petroleum geoscientist (BSc, MSc and PhD)
- Involved in international and Nth American discoveries/reserves additions >700 mmbob
- Senior Advisor to Chesapeake Energy working on major unconventional projects
- Nearly 20 years with Shell in Nigeria, Malaysia, the Netherlands and the US



Dr Harold Williams

Technical Advisor

- Geochemist (BSc, MSc and a PhD) with strong unconventional expertise, Shale gas experience in Western Canada, Australia (NT) and Europe
- Senior technical positions with Caltex in Indonesia and published widely-cited papers on Sumatran petroleum systems.
- Strong operations experience with geological supervision of unconventional wells.



Mr Michael Ellis

Technical Advisor

- Drilling/Operations Engineer with 34 year in majors through small companies including US unconventional experience
- 20+ years in Jakarta & KL for ARCO, BP, Hess & Pexco. VP Exploitation for Maxus-YPF Repsol, responsible 150,000 bopd production



Mr Zane Lewis

Company Secretary, Accounting

- Principal and joint-founder of corporate advisory firm SmallCap Corporate,
- Wealth of knowledge obtained from diverse financial and corporate experience
- Member of Chartered Secretaries Australia.

STRENGTHS

The right mix of skills and expertise

Technical

- Best-in-class team
- Big company expertise, small company agility
- Advisory panel (tapping US/international unconventional knowledge)

Commercial

- Risco team involved in deals >\$1billion in past 10 yrs
- Proven track records of creating value

Finance

- Funded through Q1 2015 (\$5.8m cash), committed major shareholder
- Focus on governance

Indonesian expertise

- All senior management have lived and worked in Indonesia
- Backing of major Indonesian-based investors

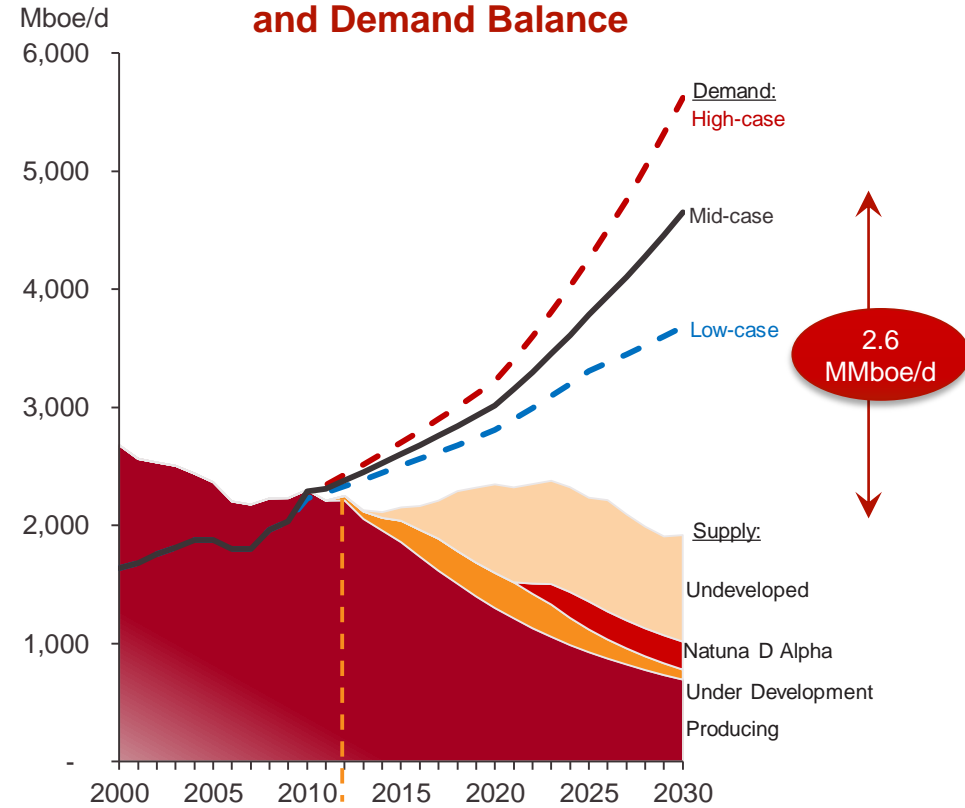


WHY INVEST IN INDONESIA?

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, moved from average US\$2-3/mmbtu in 2005 to current US\$9+/mmbtu (LNG pricing link)
- Regulatory changes promoting unconventional investment to fill supply demand gap
- Competitive fiscal terms

Projected Indonesian Oil and Gas Supply and Demand Balance



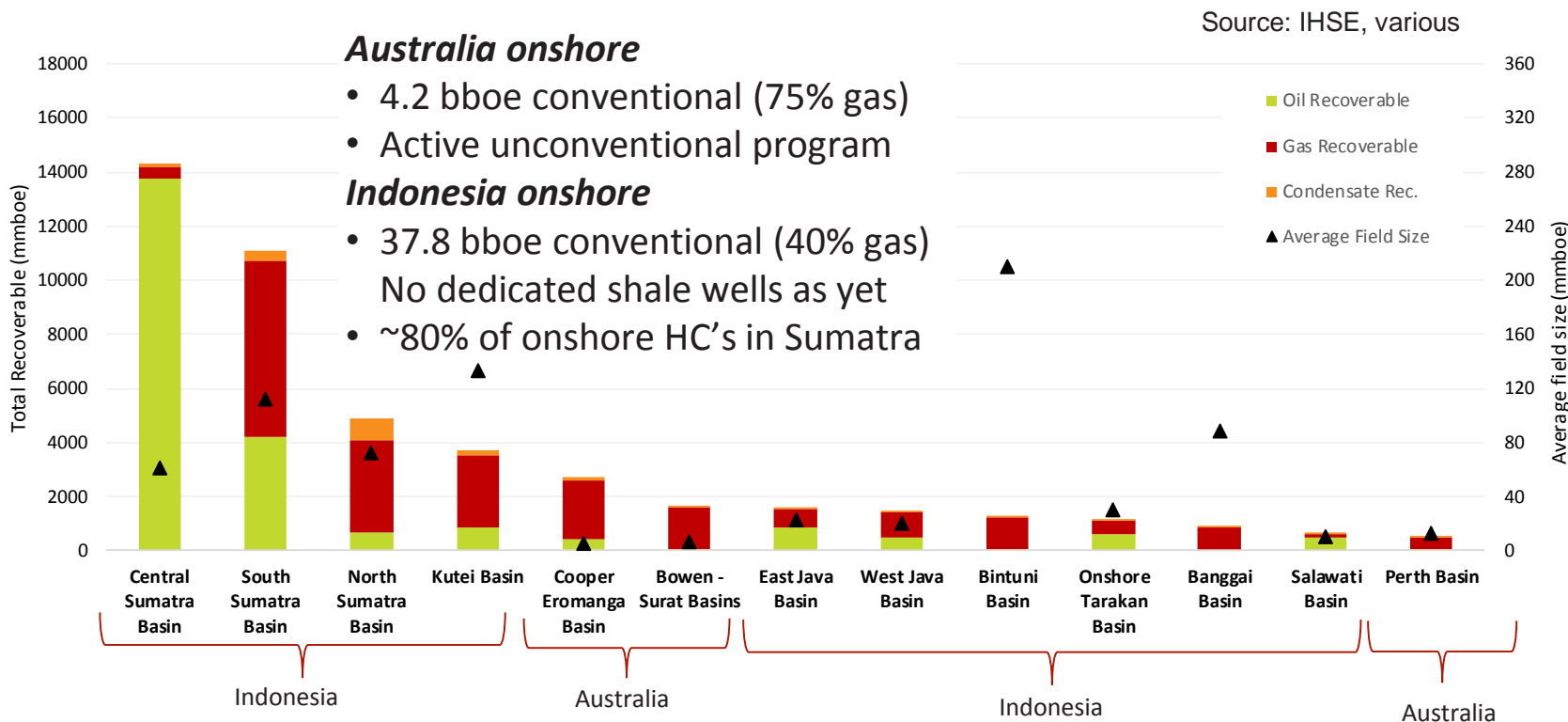
Source: Rystad U-Cube, MEMR (2011), ASEAN Energy Outlook (2011), DEN (2011), BCG analysis

INDONESIAN, AUSTRALIAN COMPARISON



Indonesia has 9x more onshore discovered oil and gas than Australia despite only a 1/4 of the land mass.

Indonesian and Australian Onshore Productive Basins



Australia onshore

- 4.2 bboe conventional (75% gas)
- Active unconventional program

Indonesia onshore

- 37.8 bboe conventional (40% gas)
- No dedicated shale wells as yet
- ~80% of onshore HC's in Sumatra

>\$1.5 billion committed to Australian shale/tight oil & gas exploration since 2010

Attention is now focussing on Indonesia

CLEAR STRATEGY

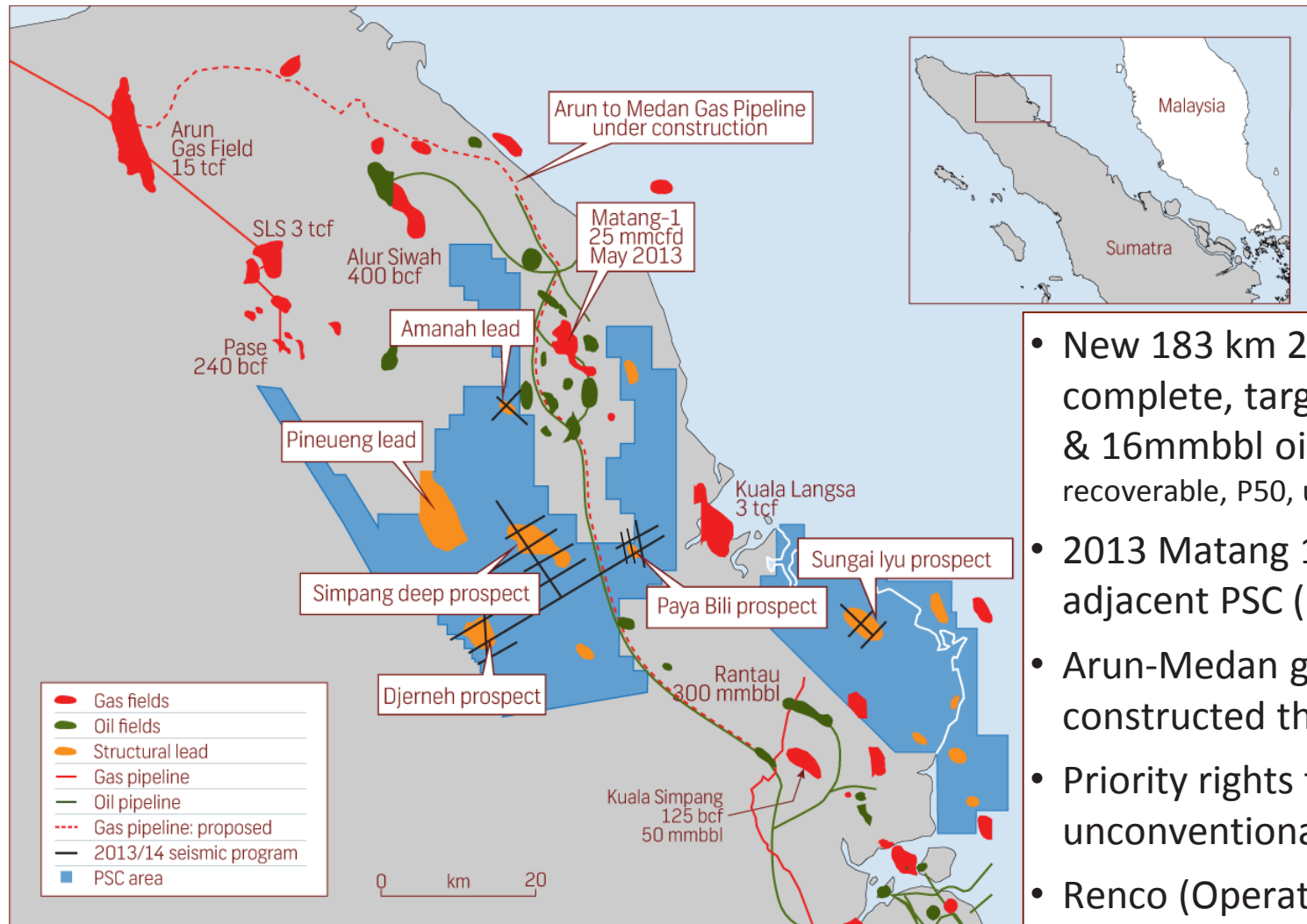
Linked conventional/unconventional approach

- Focus on Sumatra: prospective geology, infrastructure and markets
- Use synergies in conventional exploration to de-risk our unconventional potential, advantages:
 - Cost efficiencies
 - Build capability
 - Near/mid term cash flow potential
- Adopt best practices from the US
- Apply best in-class technical, commercial, operational and market skills
- Portfolio attractive to investors with capital, capability and strategic intent but no early mover position



SOUTH BLOCK A PSC (35%)

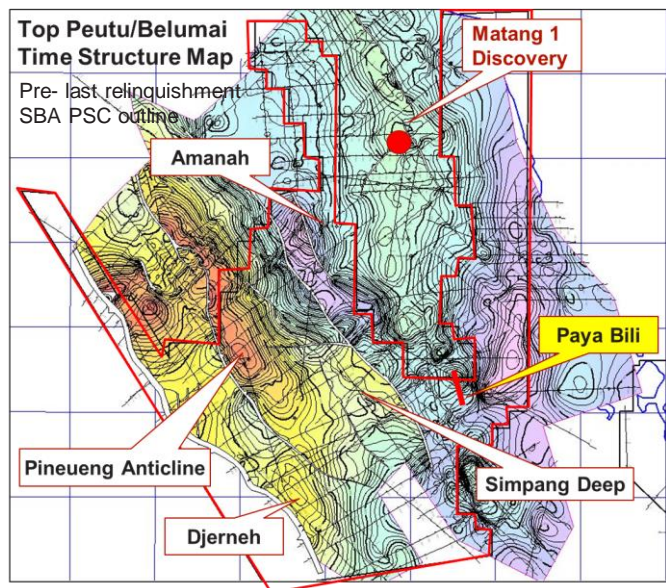
Heartland position in prolific North Sumatran Basin (1894 km²)



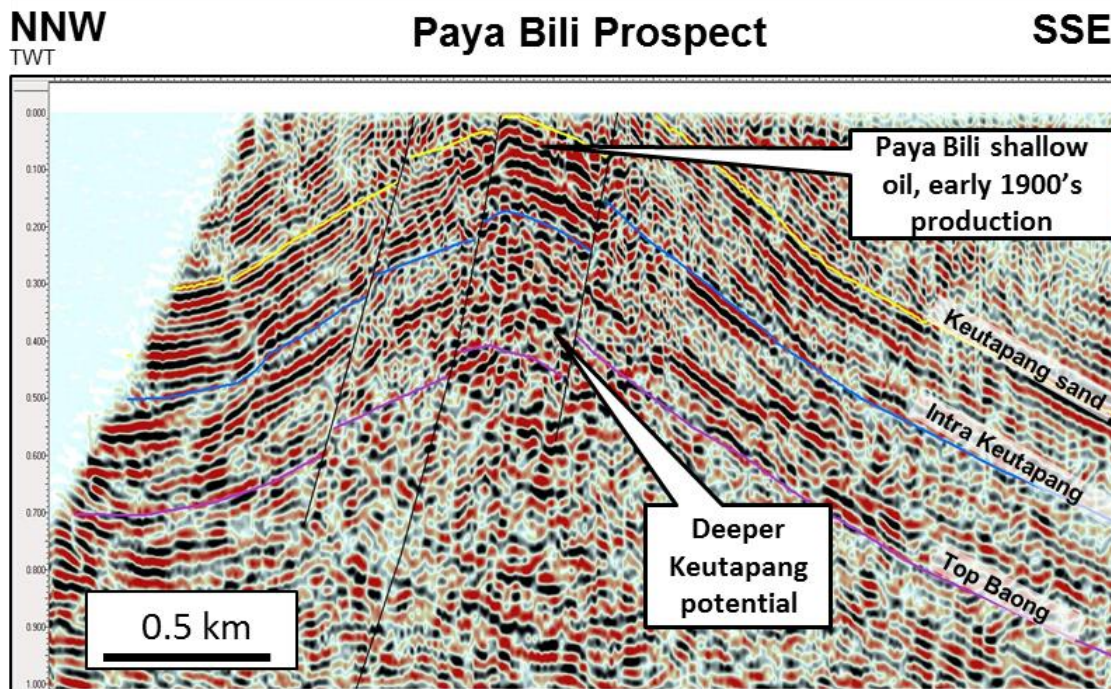
- New 183 km 2D seismic complete, targets 150bcfg & 16mmbbl oil/cond (Net, recoverable, P50, unrisksed)
- 2013 Matang 1 discovery in adjacent PSC (100-400 bcf)
- Arun-Medan gas pipeline constructed through block
- Priority rights for unconventional PSC
- Renco (Operator) – control by ASX Peak Oil and Gas

PAYA BILI PROSPECT

New seismic promising, evaluation ongoing



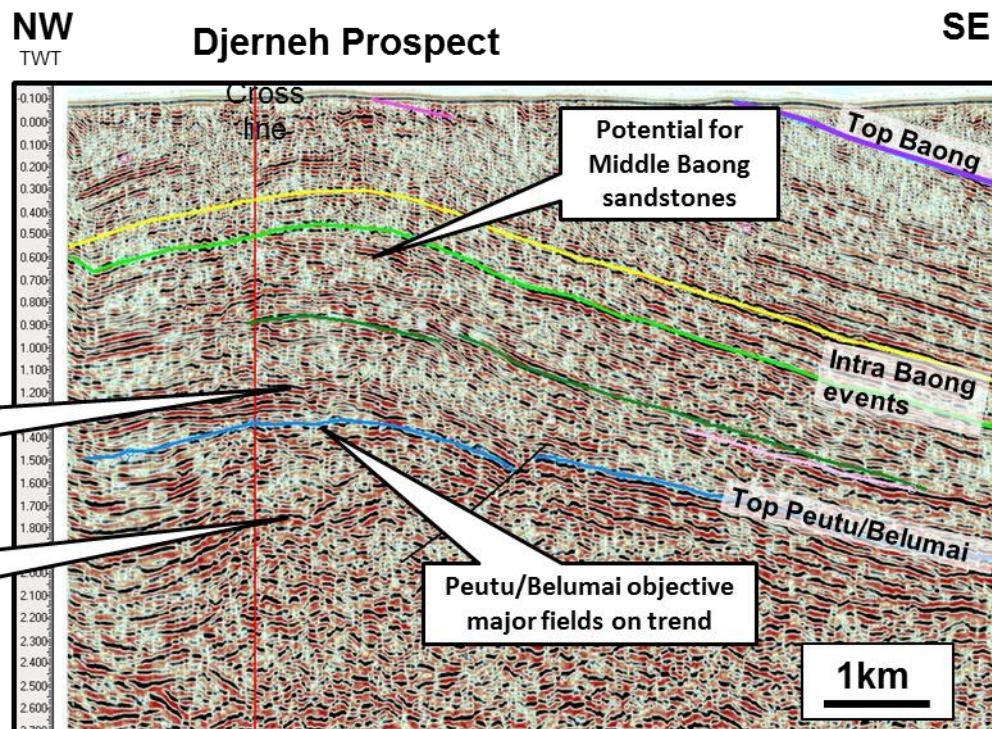
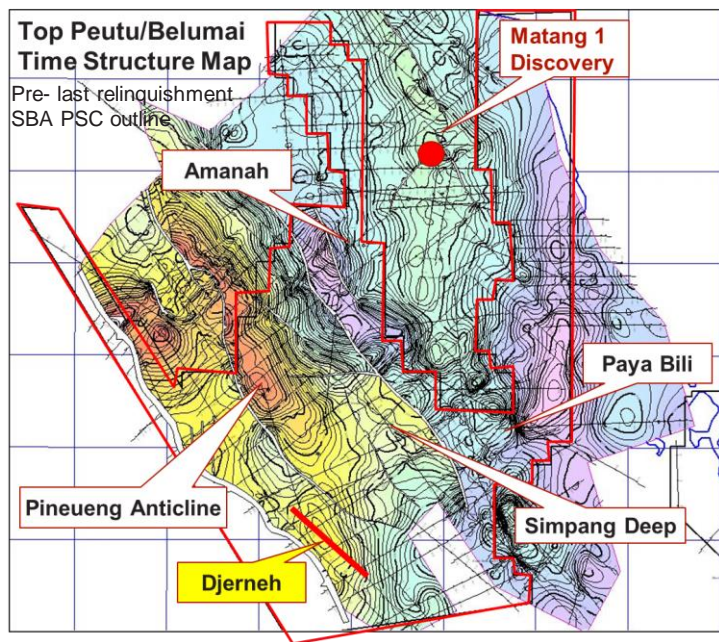
- Shallow, pre-war field with untested deeper sands
- On productive oil trend
- Updip to well which tested oil and gas
- <800m well
- Oil, some gas likely



DJERNEH PROSPECT

Large attractive prospect, on trend with major fields to north (i.e. Pase)

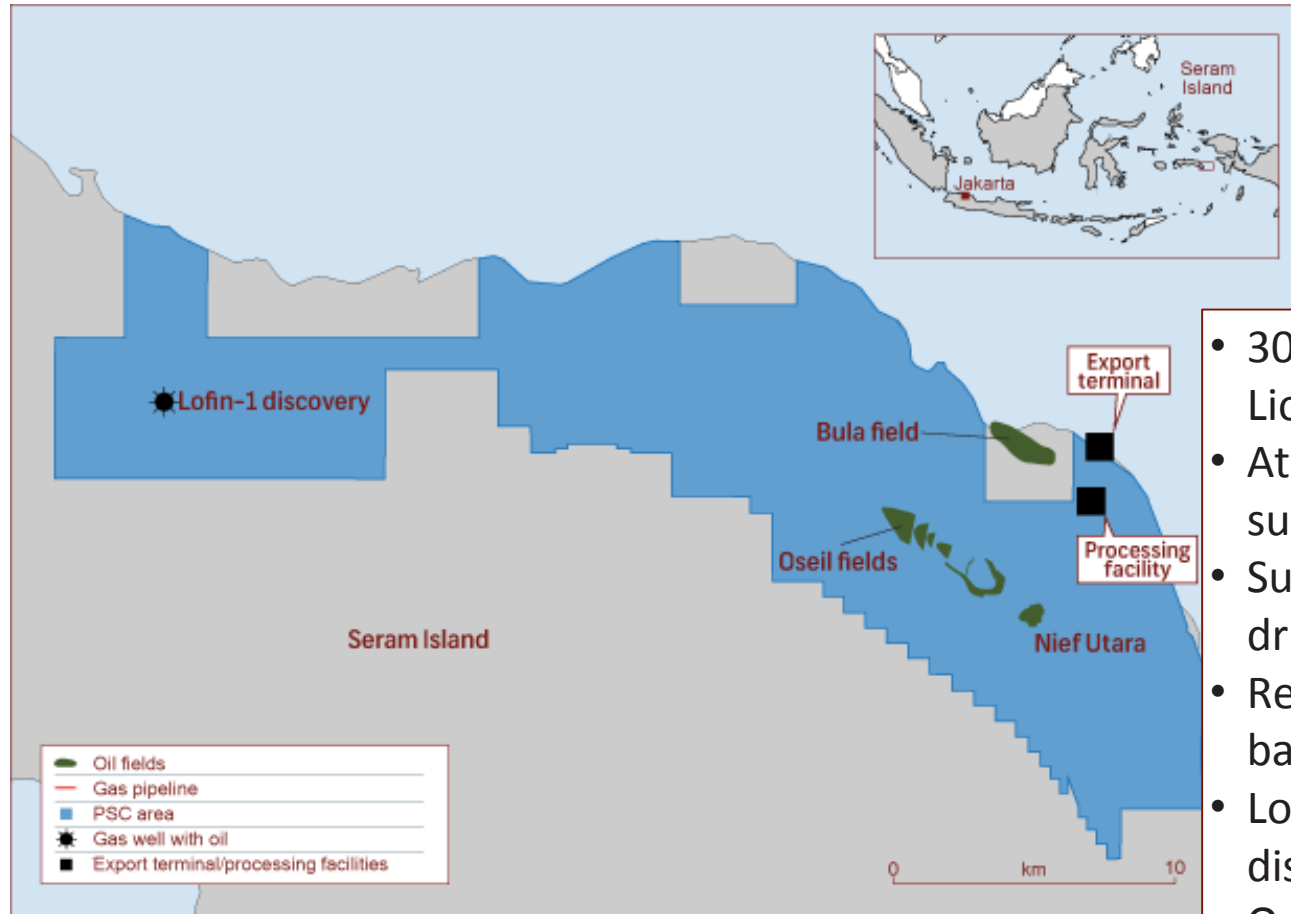
- Prominent anticline, four way dip (7 km²) with large sub-thrust closure (up to 40 km²)
- 2014 seismic positive, work ongoing
- Well less than 1800m to test prospect



- Lower Baong unconventional target
- Bampo Shale unconventional target

SERAM (NON-BULA) PSC (2.5%)

Production with exploration & development upside (1524 km²)

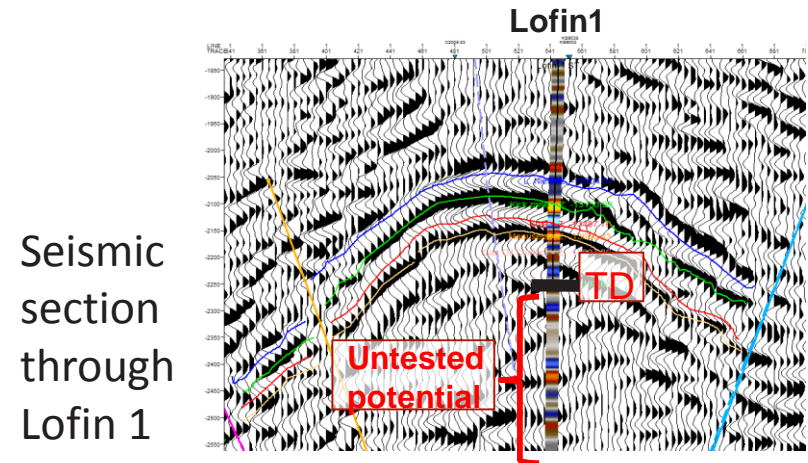
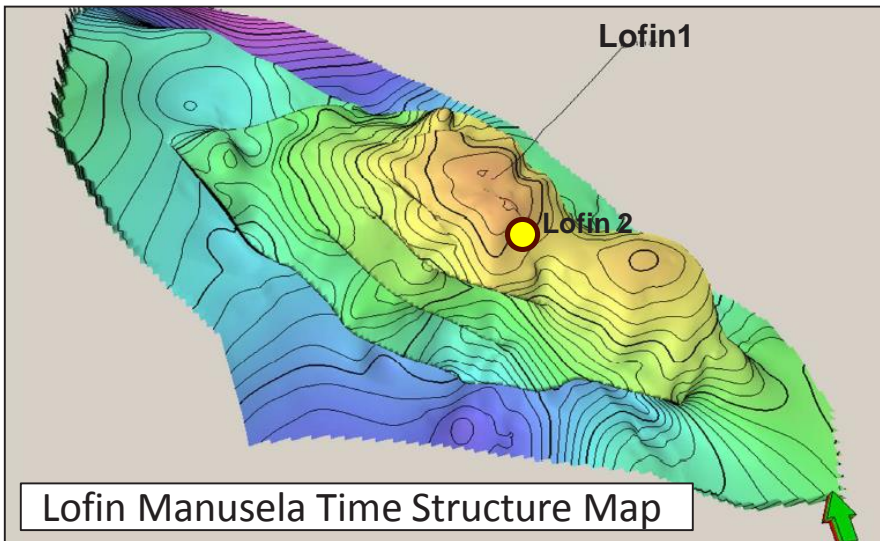
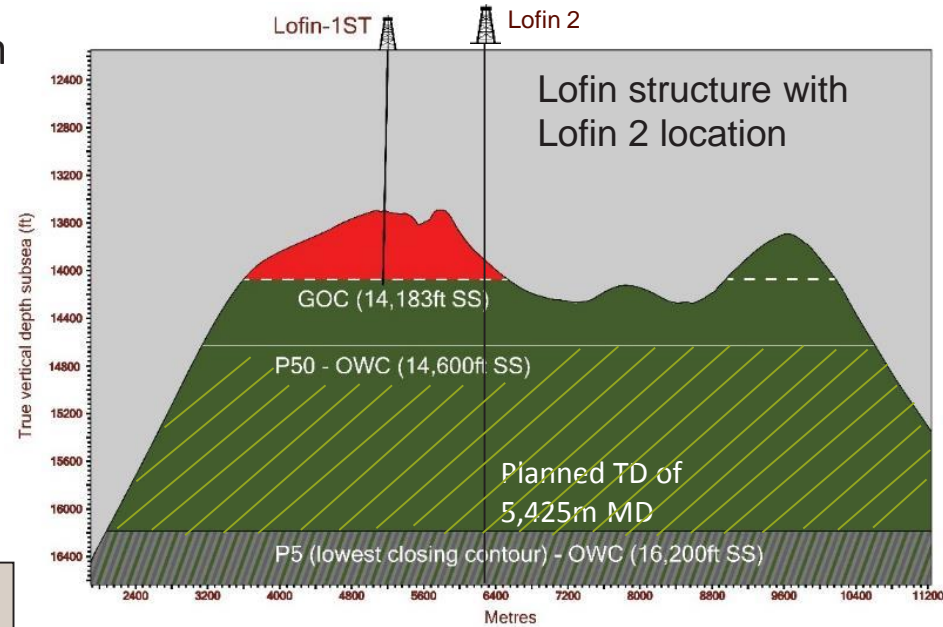


- 3000 bopd (70 bopd net to Lion), revenue A\$2.2 mil pa
- Attractive fiscal terms, large sunk cost pool
- Successful 2014 Oseil field drilling added 1000 bopd+
- Reserve upgrade likely on back of positive results
- Lofin-2 appraisal of 2012 discovery set for mid October spud
- CITIC (operator), Kufpec and Gulf Petroleum co-venturers

LOFIN DISCOVERY

Potentially large gas/oil accumulation in Manusela Limestone

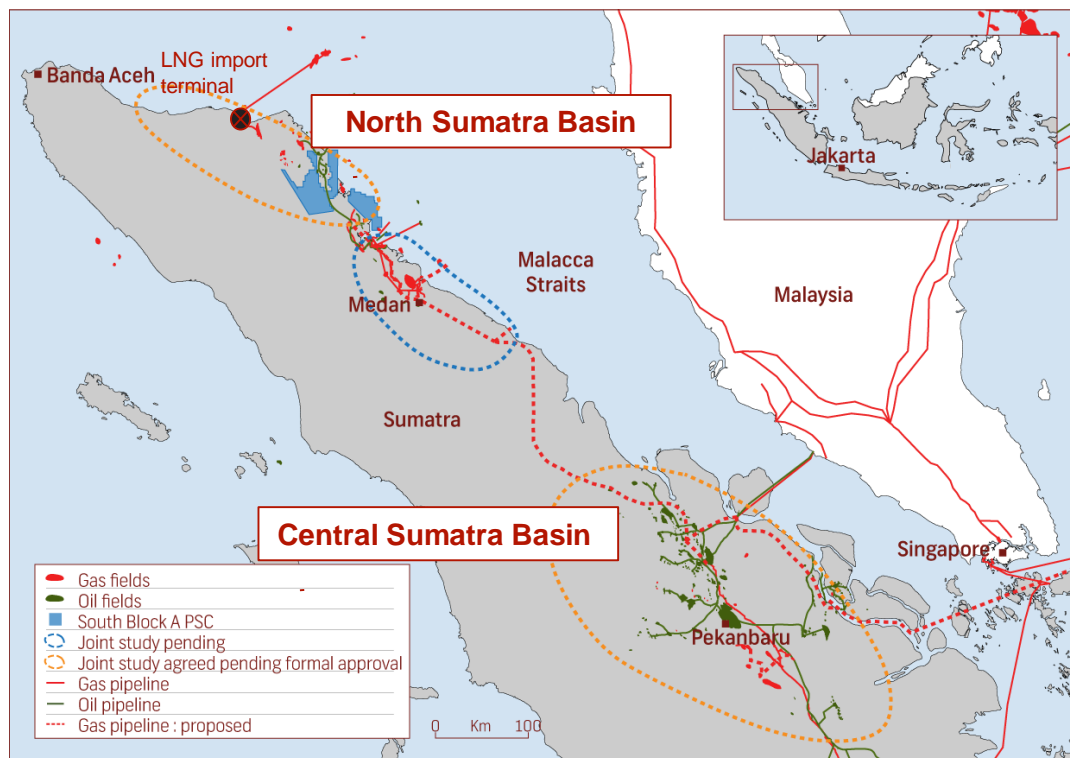
- Lofin-1 reached total depth (TD) of 4,427m MD, 160m hydrocarbon (HC) column
- Tested 15.7 mmscfpd gas and 171 bpd of 36.1 API oil/cond, fractured carbonate
- Pressure data indicates potential for ~700m+ HC column
- Lofin 2 due to spud mid-October 2014, cost covered by production cash flow



LION UNCONVENTIONAL CLAIMS “STAKED”

Four Joint Study Applications (JSAs) submitted, >17,000 km²

- 2 in North Sumatra, 2 in Central Sumatra
- Potential world-class shale and tight gas/oil opportunities
- North & Central Sumatran basins have 10's of TCF gas and multi-billion barrel oil unconventional resource potential (USGS & KESDM estimates)
- Ready access to infrastructure (including pipelines to Singapore, Java)
- Conventional/unconventional exploration synergies, critical component of Lion strategy



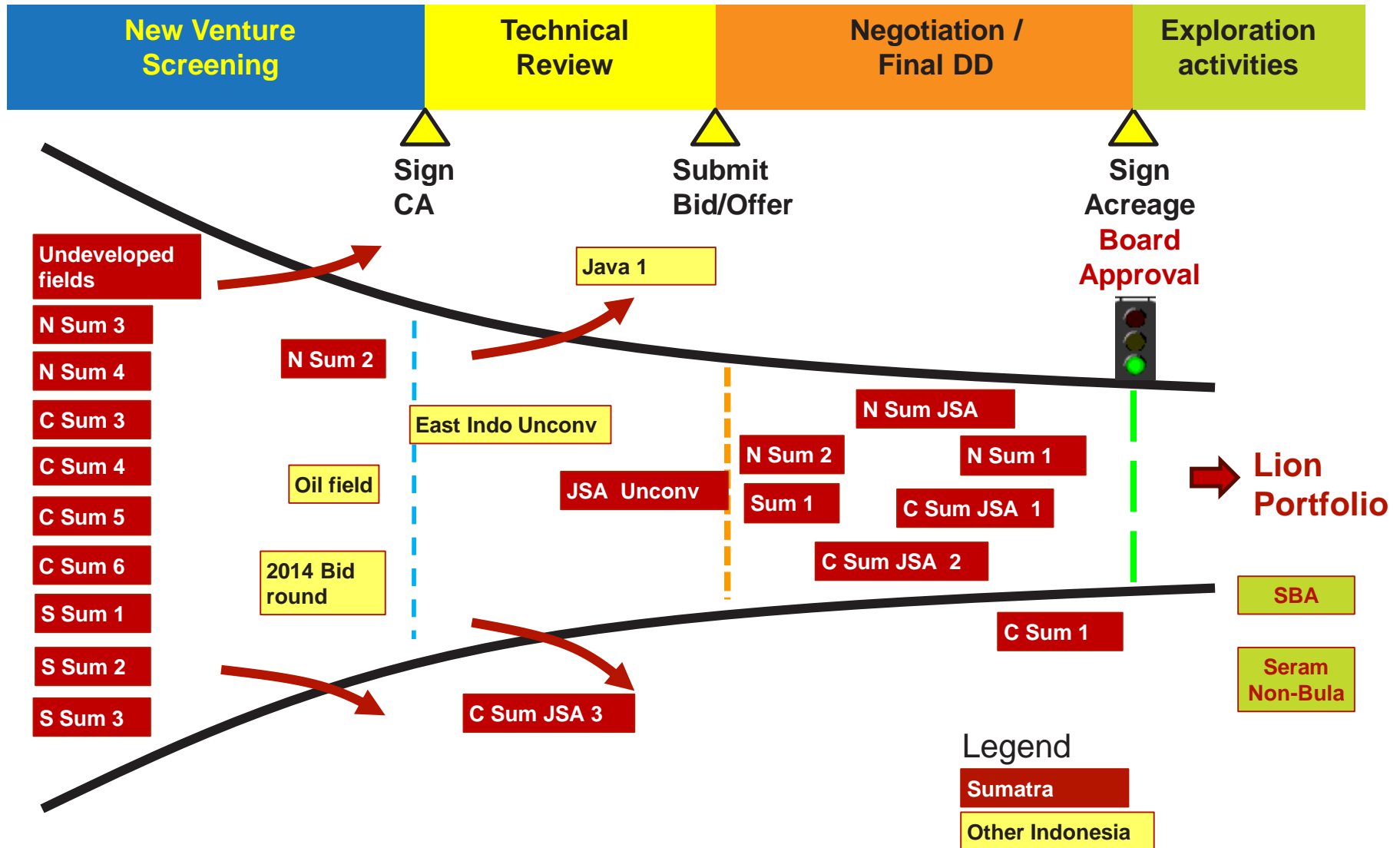
Resource Estimate	Conventional EUR (Discovered) ¹		Unconventional In-Place (Undiscovered)	
	Oil/Cond (bil bbl)	Gas (tcf)	Oil/Cond (bil bbl)	Gas (tcf)
North Sumatra Basin	1.6	25.6	Multi-bil ⁴	65 ²
Central Sumatra Basin	13.2	3.9	69 ³	42 ³

¹USGS 2000, ²Badan Geologi KESDM 2013, ³EIA 2013, ⁴Lion internal

LION OPPORTUNITY FUNNEL – NEW BUSINESS



Lion well placed to access Indonesia's exciting deal flow



MILESTONES

Active program - good news flow, funded through Q1 2015

Lion Interests/Activities	2013		2014			Remaining 2014 net cost forecast A\$m
	Q4	Q1	Q2	Q3	Q4	
Corporate	Transaction approved					0.7
Build Team/Processes, Manage Assets	22 Jan 2014 relisting					
South Block A	2014 prospect selection					0.5
Seismic Acquisition	Q1 2015 well					
Well Planning/Drilling						
Evaluate Unconventional Play						
Seram (Non Bula) PSC	Oseil 26					0.0
Production Operations	Oseil 21					
Development Drilling	Lofin 2 spud					
Lofin well planning	Partners approve Lofin 2					
Lofin 2 Appraisal						
Unconventional Joint Study Applications	JSA's awarded					0.9
Develop New Opportunities						
Secure Approvals						
Implement Studies						
Bid for PSC's						
Synergistic Conventional Opportunities	Notional new conventional /unconventional PSC farmin					0.2
Evaluate and Negotiate						
Capture						
						2.3

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

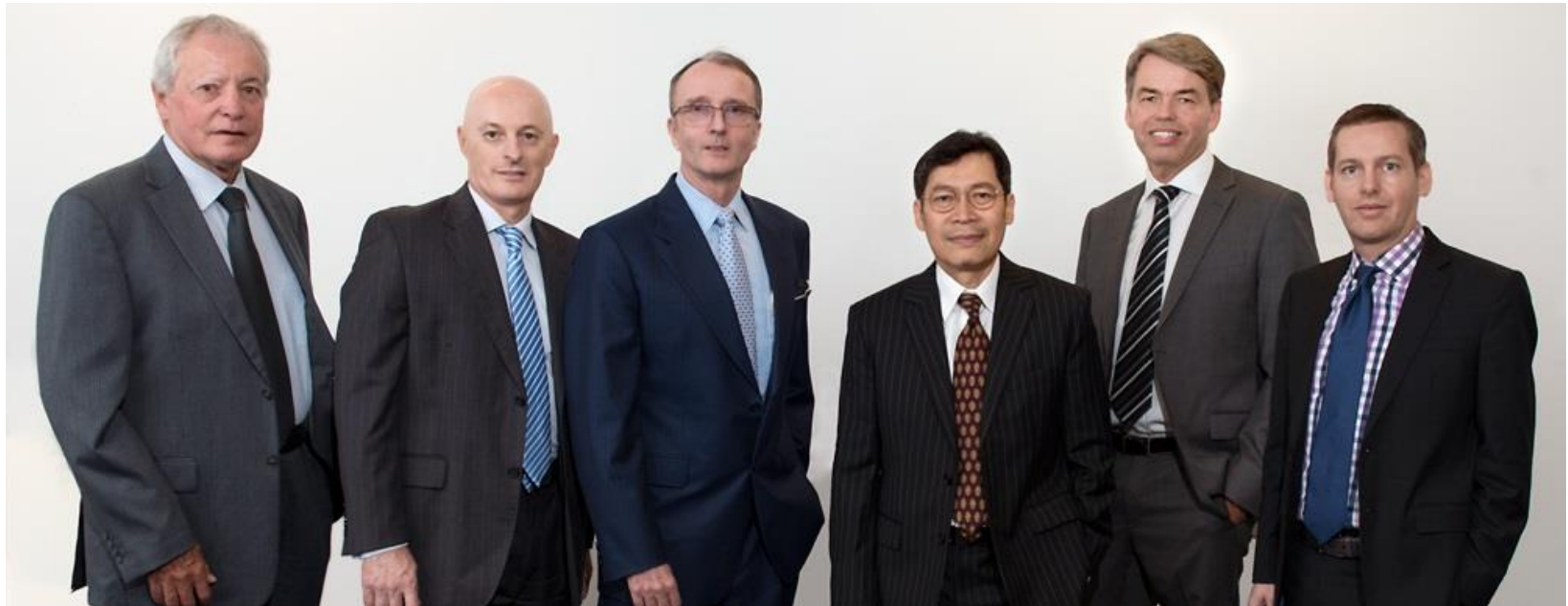
(Note: There is no guarantee that activities shown will occur. In addition, the timing of anticipated activities is indicative only. They are dependant on factors such as Government of Indonesia and Joint Venture approval, rig availability and unforeseen delays)

As of August 15 2014

WHY INVEST IN LION?

Early mover with linked conventional/unconventional strategy

- Management
- Existing attractive conventional assets in proven areas, near term drilling
- Unconventional Joint Study Applications (World-class potential)
- Attractive operating and commercial environment



Russell Brimage
Chairman

Tom Soulsby
Non-Exec Director

Chris Newton
Non-Exec Director

Sammy Hamzah
Principal Advisor

Kim Morrison
CEO

Stuart Smith
Executive Director

Thank you

**For more information
please contact:**

Kim Morrison

Chief Executive Officer

kmorrison@lionenergy.com.au

Office: +61 8 9211 1500

Mobile: +61 404 490 964

Twitter @LionEnergyASX