

A **New** Approach to Asian Energy



Lion Investor Presentation

November 2014



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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 ³	0.2	0.6	2.1	0.1	0.5	1.5	Probabilistic
Prospective Resources-South Block A ⁴	69.8	150.3	315.2	6.5	16.4	41.3	Probabilistic
Total Prospective Resources ⁴	70.0	150.9	317.3	6.6	16.9	42.8	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. Seram prospective resources updated 6 November 2014 (Lion estimate on Lofin structure).
4. 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

 **Lion Update**

 **Why Indonesia?**

 **Our Team**

 **Strategy**

 **Assets**

 **Milestones**



COMPANY SNAPSHOT

Linked conventional/unconventional Indonesian strategy



Restructuring complete

- Shares on issue: 95m
- Market cap @20c: A\$19 million
- Cash: A\$5.6mil (14/11/2014)
- Revenue: ~A\$2.5 million pa

Major shareholders:

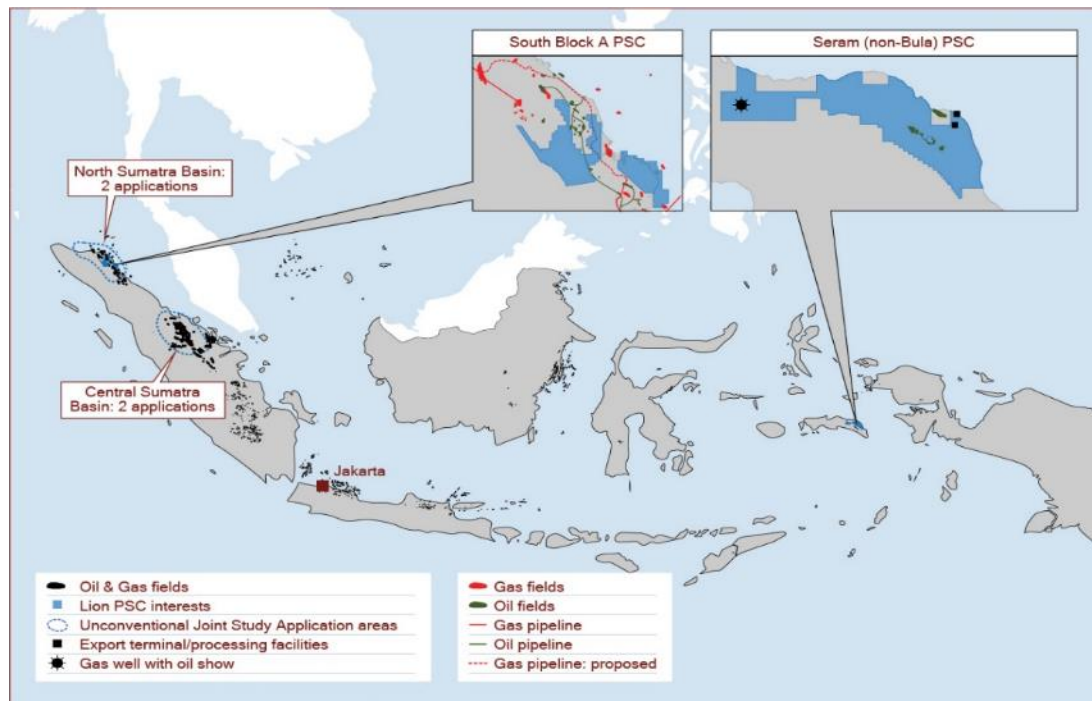
- Risco Energy Investments (55.3%)
- Tower Energy (6.1%)
- Management (13.3%)

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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RECENT LION DEVELOPMENTS



Backdrop of renewed Government efforts to encourage oil & gas sector

Seram (Non Bula) PSC - Lion 2.5%

- Lofin 2 appraisal of 2012 Lofin discovery making good progress, currently at 764m MD with 20" casing set and cemented. Well scheduled to reach objective Manusela Limestone in late Jan 2015.

South Block A PSC - Lion 35%

- Preparation advanced for Amanah Timur -1 well to test the Paya Bili Prospect in South Block A. The planned shallow well (approx. 700m TD) will evaluate reservoirs productive in a pre-1940 oil field, as well as evaluate untested deeper sandstone reservoirs which are known to be well developed in the area. The prospect is located on a productive trend and has near term commercialization potential. Site location selected and rig tenders are being evaluated for planned Q1 2015 drilling.

New Business Activities*

- Signed MOU with company holding conventional oil and gas rights, to jointly submit unconventional Joint Study (JS) application over prospective Central Sumatran acreage.
- Advanced negotiation on joint unconventional participation in JS with the conventional PSC holders within the prolific part of North Sumatra Basin. If concluded, this includes an option for Lion participate in the prospective conventional PSC.
- Good progress with advancing second Central Sumatra unconventional JS application.
- Active negotiation on several deals involving near-mid term exploration and production in Sumatra.

* Note certain aspects of ongoing negotiations are commercially sensitive and remain subject to contract

POSITIVE CHANGES IN INDONESIA

President Joko Widodo: “Indonesia is open for business”

- New President opening economy and encouraging investment

In just a few weeks many major decisions have been made:

- Replaced the Director General of Oil & Gas
- Appointed new Chairman of SKK MIGAS
- Approved several new Joint Study applications
- Extended the terms of four PSC's
- Established oil & gas governance reform team lead by respected academic
- Established a new unit within the ministry to review policies and procedures to reduce red tape
- Lifted fuel prices by 25-30%

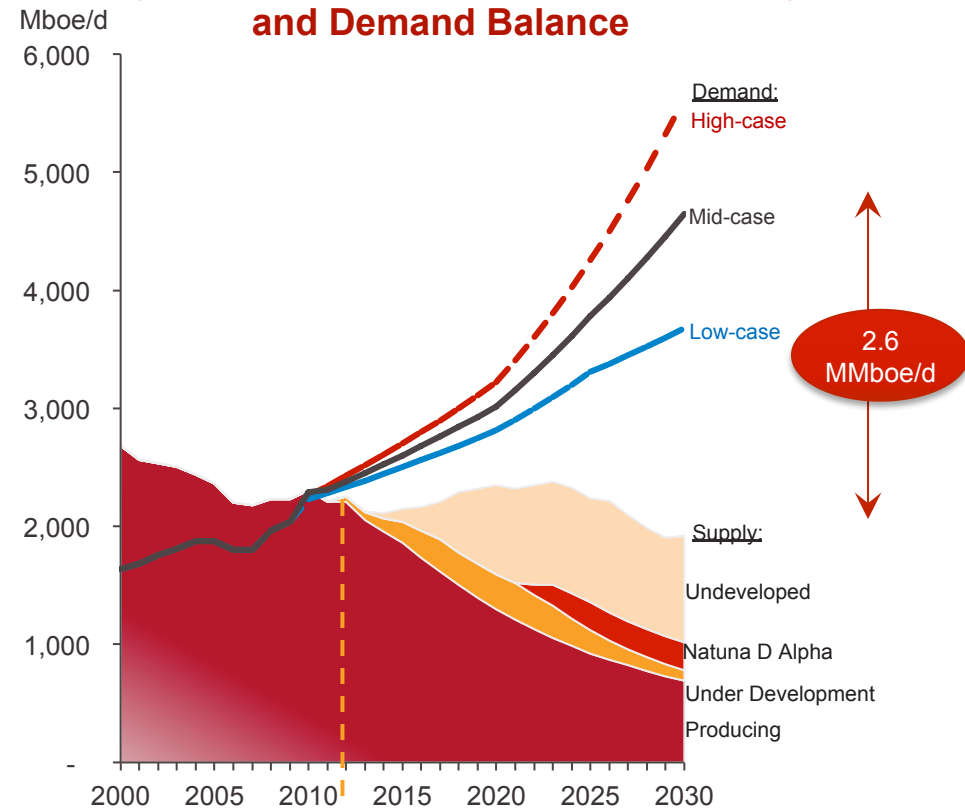


WHY INVEST IN INDONESIA?

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 oil and gas 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

BOARD & MANAGEMENT



Well rounded team, 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 and KADIN

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, Oillex; 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

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

Finance

- Funded through Q1 2015 (\$5.6m cash), committed major shareholder
- Focus on governance

Indonesian expertise

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



CLEAR STRATEGY

Linked conventional/unconventional approach

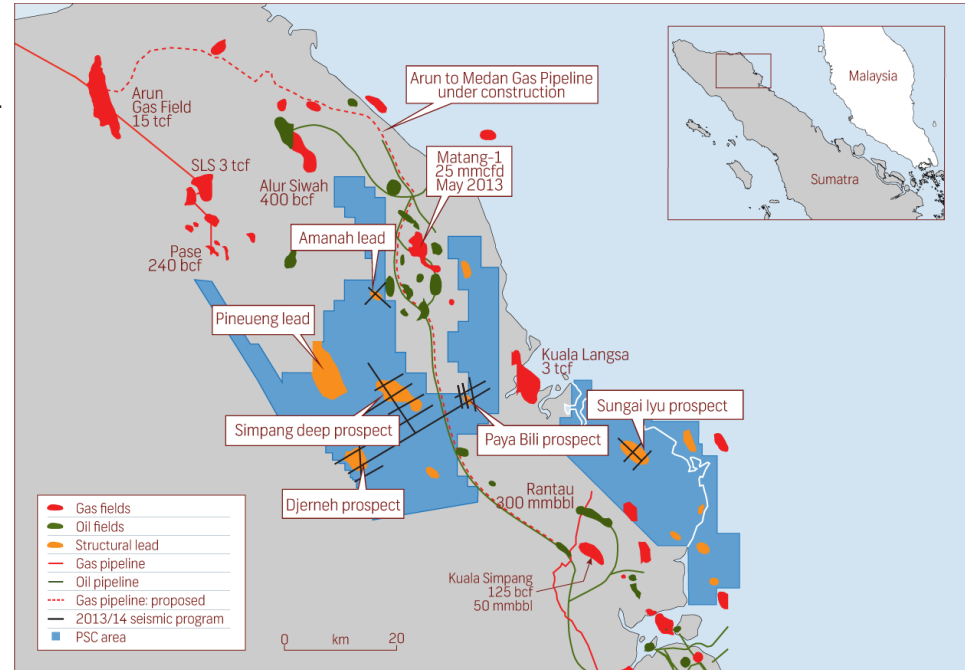
- Focus on Sumatra: prospective geology, infrastructure and markets
- Using synergies in conventional exploration to understand our unconventional potential
 - Cost efficiencies
 - Near/mid term cash flow potential
- Adopt best practices from the US
- Apply best in-class technical, commercial, operational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



SOUTH BLOCK A PSC (35%)

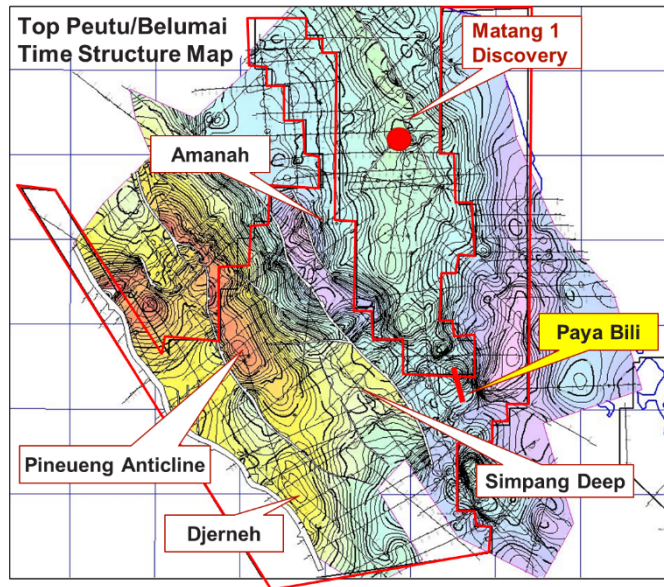
Heartland position in prolific basin

- Exciting, underexplored block (1894km²)
- Recent new play success including Matang 1 discovery in adjacent PSC, estimated by participant Premier Oil to be 100-400 bcf.
- 183 km seismic program complete:
 - Targeting leads with prospective resources of 150bcf of gas and 16mmbbl of oil/cond (Net, recoverable, probabilistic best estimate, unrisks)
- Planning for Amanah Timur well on shallow Paya Bili oil and gas prospect advanced
- Ready gas market with existing infrastructure:
 - New Arun-Medan gas pipeline through block
 - Priority rights for unconventional JSA/PSC
 - Operated by Renco, a subsidiary of ASX listed Peak Oil & Gas

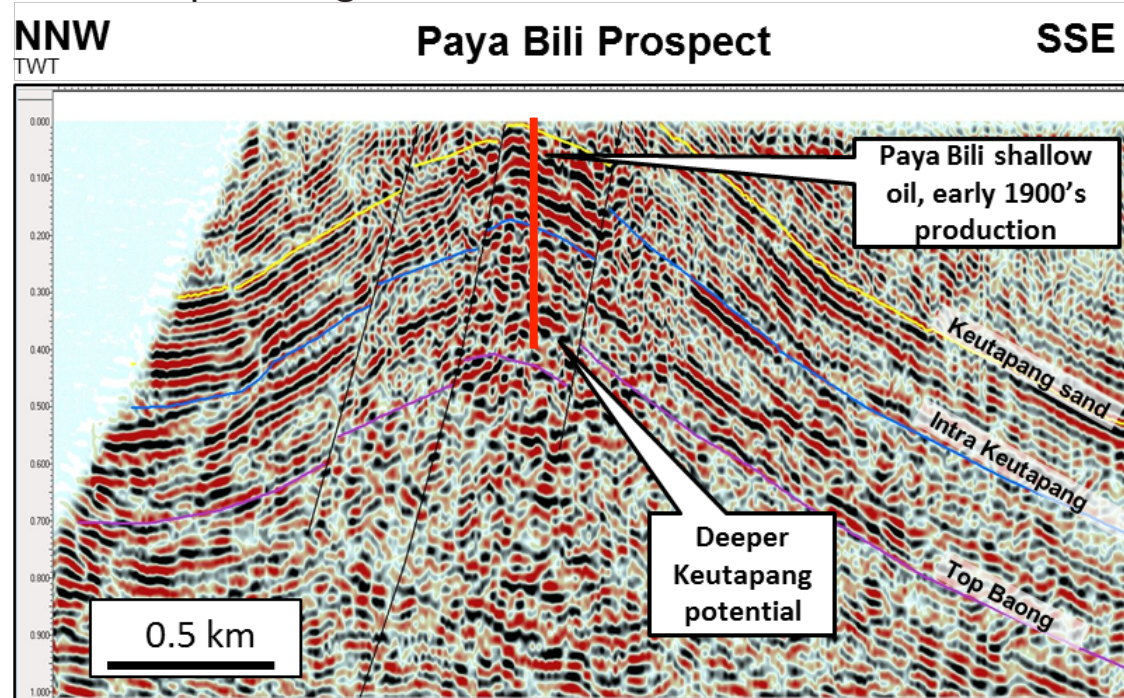


PAYA BILI PROSPECT (AMANAH TIMUR WELL)

New seismic promising, location selected, Q1 2015 well plan

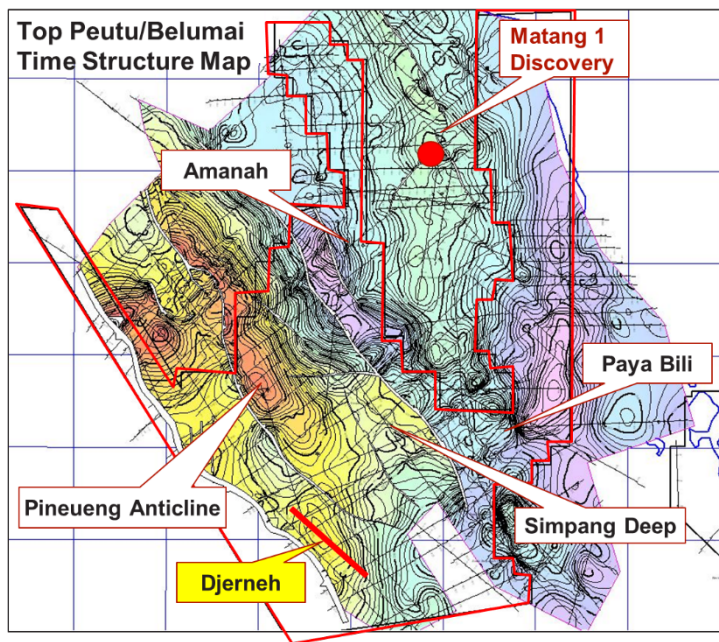


- Shallow, pre-war oil field with unswept potential and untested deeper sands
- On productive oil trend
- ~700m TD well on crest
- Oil with some gas likely
- Well planning advanced

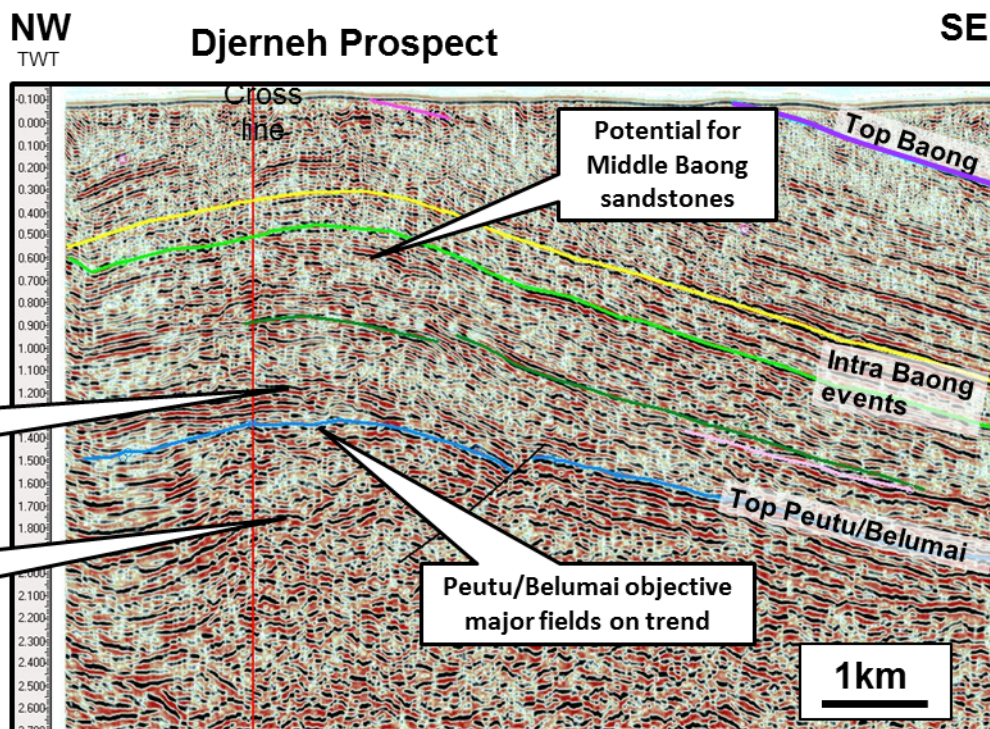


DJERNEH PROSPECT

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



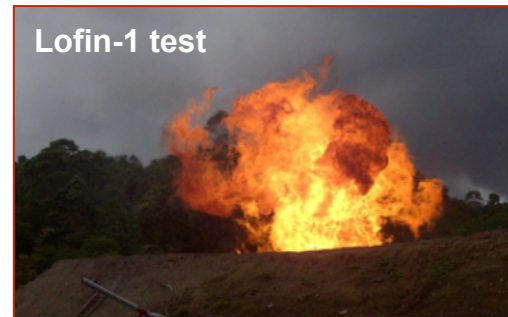
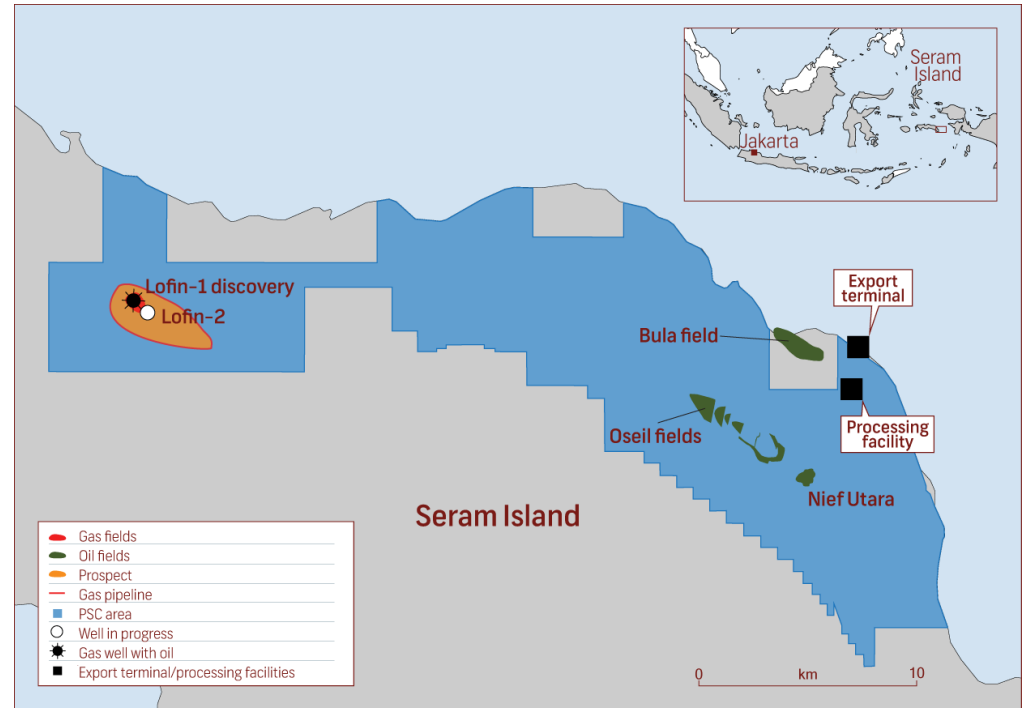
- Prominent anticline, four way dip (7 km²) with large sub-thrust closure (up to 40 km²)
- 2014 seismic positive
- Upgrade to prospective resources likely



SERAM (NON-BULA) PSC (2.5%)

Continued good news through 2014

- 2.5% interest - CITIC is operator, Kufpec and Gulf Petroleum as co-venturers
- Annual net revenue of circa A\$2.5 mil
- Attractive fiscal terms and large sunk cost pool
- Production with exploration and exploitation upside
- Oseil Field:
 - Gross production over 3000 bopd (2500 bopd in budget)
 - 2014 Oseil 21 and 26 development wells currently producing ~1200 bopd combined
 - Reserve upgrade likely on back of positive results
- Appraisal of potentially significant Lofin discovery currently underway

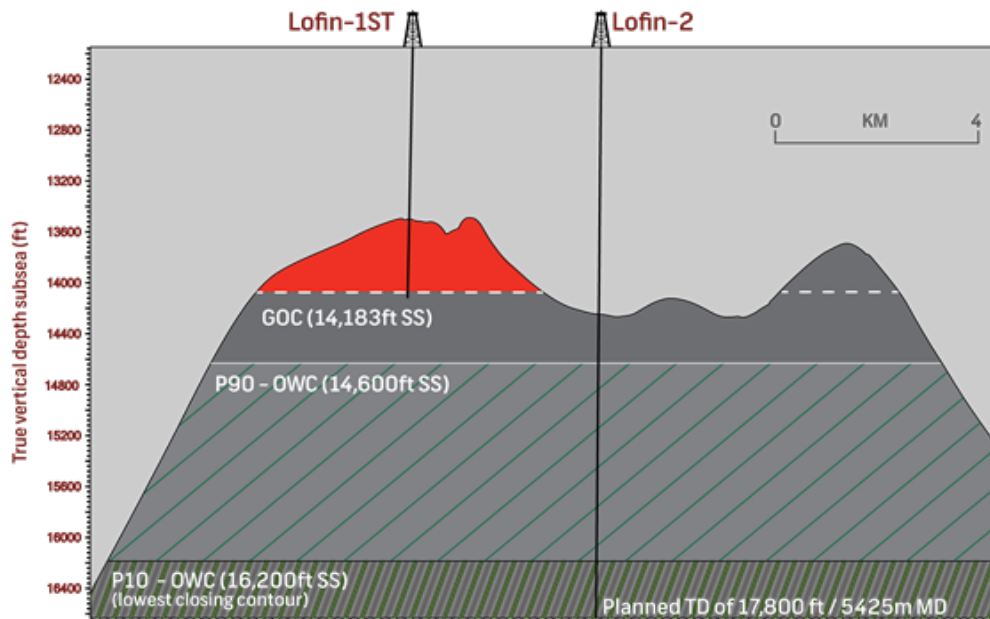


Source: CITIC 2013

LOFIN DISCOVERY

Potentially major gas/oil accumulation

- Lofin-1 was total depth of 4,427m MD and intersected a gross hydrocarbon column of 160m/525ft.
- Tested 15.7 mmscfd gas and 171 bpd of 36.1 API oil/condensate, with a flowing wellhead pressure 4,750 psi on 24/64 inch choke.
- Pressure data indicates potential for a significant hydrocarbon column below the total depth of the Lofin well. (Upside HC column ~770m/2525ft)
- Prospective Resource¹ (100%):
6.8 mmboe (low case), 22.9 mmboe (best est), 74.7mmboe (high case)
- Lofin 2 currently drilling
 - Planned TD of 5,425m/17,698ft MD
 - Manusela Formation objective at 4,509m/14,795ft MD

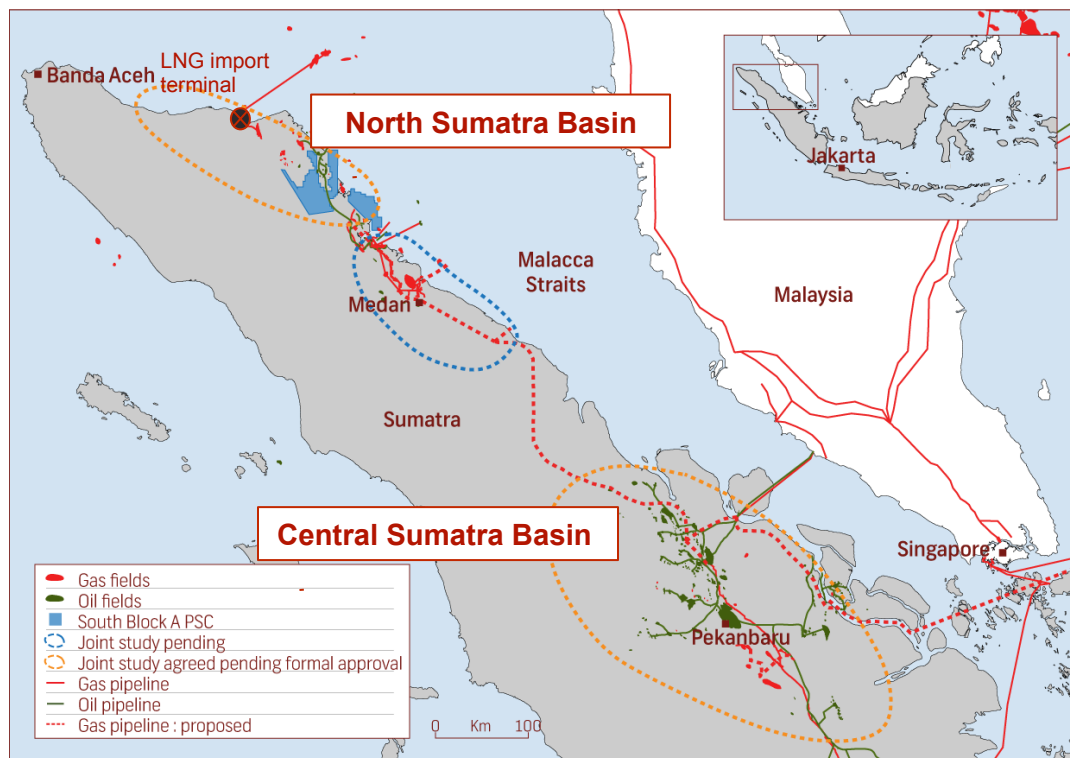


¹Prospective resources: the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

LION UNCONVENTIONAL CLAIMS “STAKED”

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

- Targeting basinal areas in North and Central Sumatra Basins
- Potential world-class shale and tight gas/oil opportunities
- North & Central Sumatran basins have 10’s of TCF gas and multi-bill barrel oil unconventional resource potential (USGS & KESDM estimates)
- Ready access to infrastructure (pipelines to Singapore, Java)
- Delays in early-mid 2014 with negotiations and government approvals, recent good progress on Lion applications
- Lion’s strategy to be in both conventional & unconventional exploration due to operational synergies



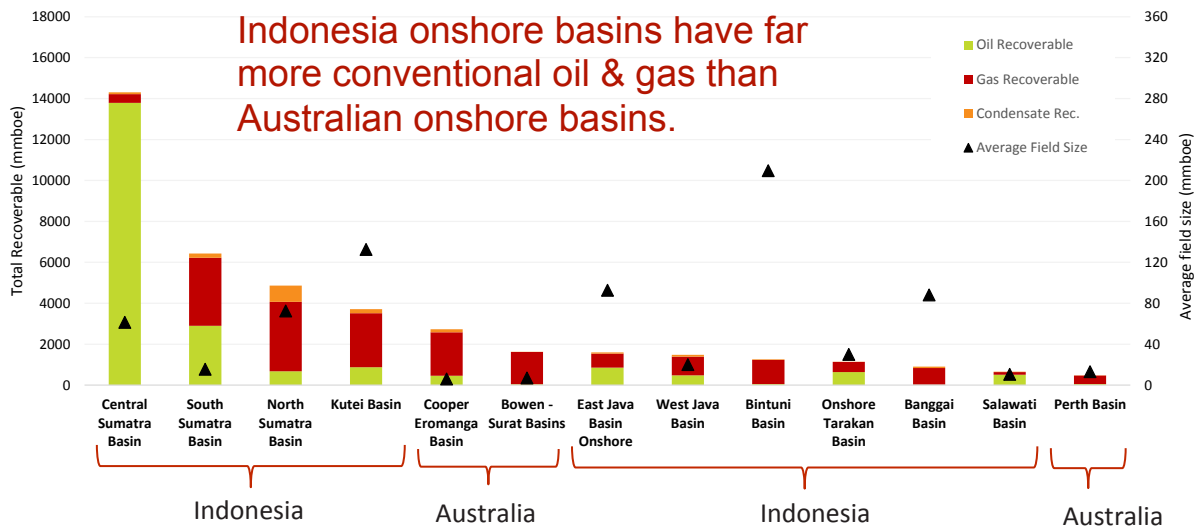
Resource Estimate	Conventional EUR (Discovered) ¹		Unconventional In-Place (Undiscovered)	
	Oil/Cond (bil bbl)	Gas (tcf)	Oil/Cond (bil bbl)	Gas (tcf)
North Sumatra Basin	1.6	25.6	Multi-bil ⁴	65 ²
Central Sumatra Basin	13.2	3.9	69 ³	42 ³

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

INDONESIAN, AUSTRALIAN COMPARISON

Indonesia has 9x the onshore discovered reserves of Australia despite only a 1/4 of the land mass

Indonesian and Australian Onshore Productive Basins



Source: IHSE

Over \$1.5bill committed to Australian shale/ tight gas oil exploration since 2010

Attention is now focussing on Indonesia where the prolific conventional basins expected to have significant unconventional potential

Australia Onshore

- 4.2 bboe discovered (conv.)
- ~100 unconventional wells drilled
- Key focus: Cooper, Georgina and Canning
- Issues with infrastructure, land access, distance to markets

Indonesia Onshore

- 37.8 bboe discovered (conv.)
- Some of the most prolific onshore basins in Asia
- No dedicated shale wells as yet
- Lion focussing on Sumatra:
 - Contains ~70% of Indonesia's onshore reserves (25 bboe of which ~67% is oil/condensate)
- Existing infrastructure, land access manageable, proximal to markets

SUMATRAN UNCONVENTIONAL TARGETS



Challenge will be defining “sweet spots” of potential plays

Properties	North Sumatra			Central Sumatra		South Sumatra	
	Lower Baong	Belumai Formation	Bampo Shale	Telisa Formation	Brown Shale/Kelesa	Talang Akar Fm	Lehat/Lemat/Benakat Shale
Rock Description	Marine shale with carbonate lenses	Marine calcareous shale, carbonate and sandstone	Restricted marine black claystone, siltstone and thinly bedded sandstone	Marine shale with sandstone and siltstone	Lacustrine black organic rich algal mudstone with carbonate rich lenses	Lacustrine to marine delta plain shale, quartzose sandstone and siltstone	Lacustrine shales, tuffaceous shale, siltstone, sandstone and coals
Age	Middle Miocene	Early Miocene	Late Oligocene	Middle Miocene	Oligocene	Late Oligocene to middle Miocene	Mid-late Eocene to early Oligocene
Organic Content/TOC							
Recorded TOC	0.5-2.9%	0.5-3.4	0.5-1.0% (limited data)	0.5-3%	2-23% mean of 3.7%	1.5-8%	1.7-8.5%
Maturity							
Maturity window	Mid Oil to Gas window	Late Oil to Gas window	Gas window	Early Oil (biogenic gas possible)	Peak Oil to Gas window	Peak Oil to Gas window	Peak Oil to Gas window
Mineralogy/brittleness							
Pressure	Generally moderately to occasional high overpressure	Normal to moderately overpressured	Normal to moderately overpressured	Normal to moderately overpressured	Normal to moderately overpressured	Normal to minor overpressure	Normal to moderately overpressured

Source: Lion in-house, various

Unconventional Potential Assessment for Key Parameters



Positive



Reasonably Positive



Uncertain



Negative Factors

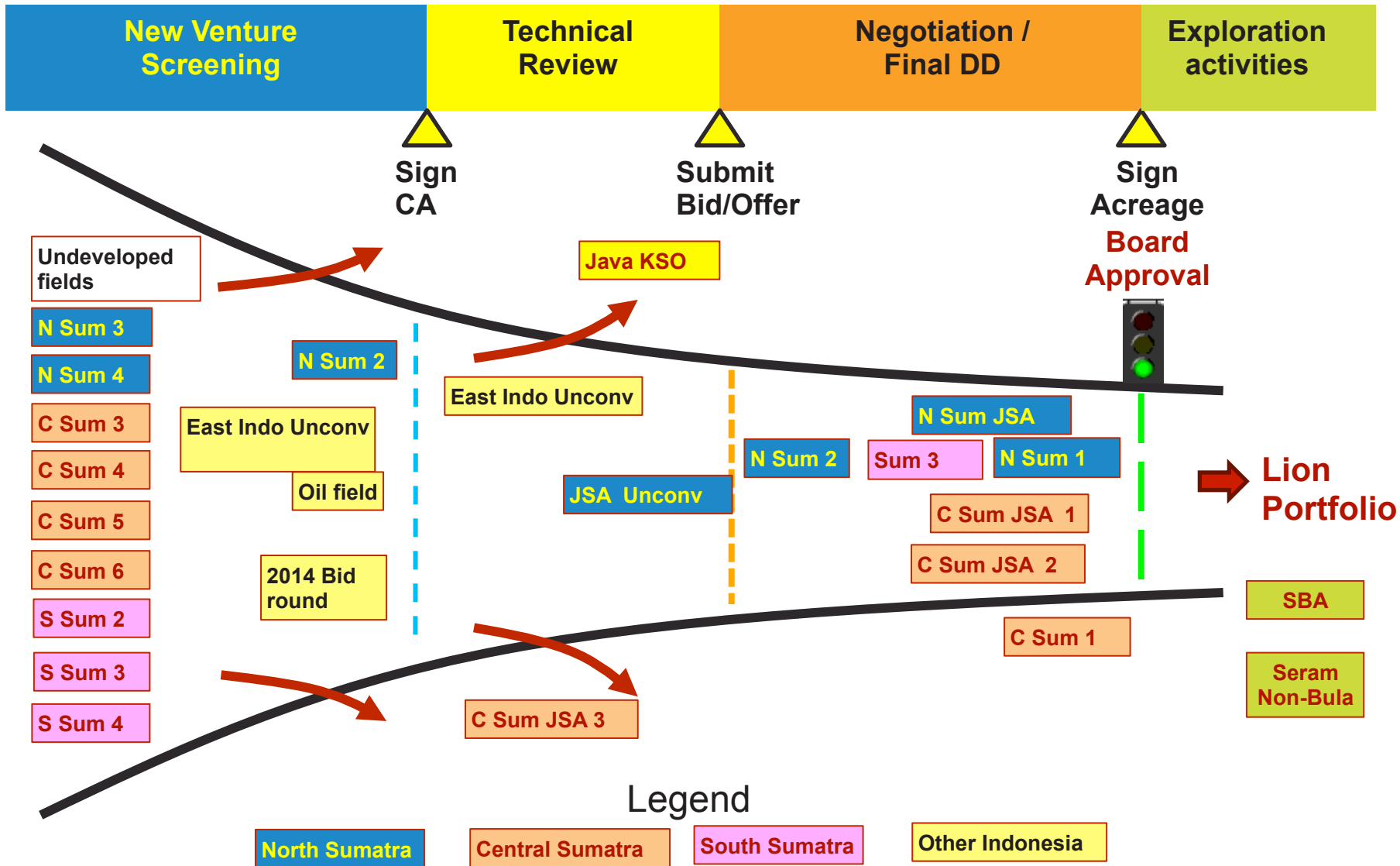


Negative

LION OPPORTUNITY FUNNEL – NEW BUSINESS



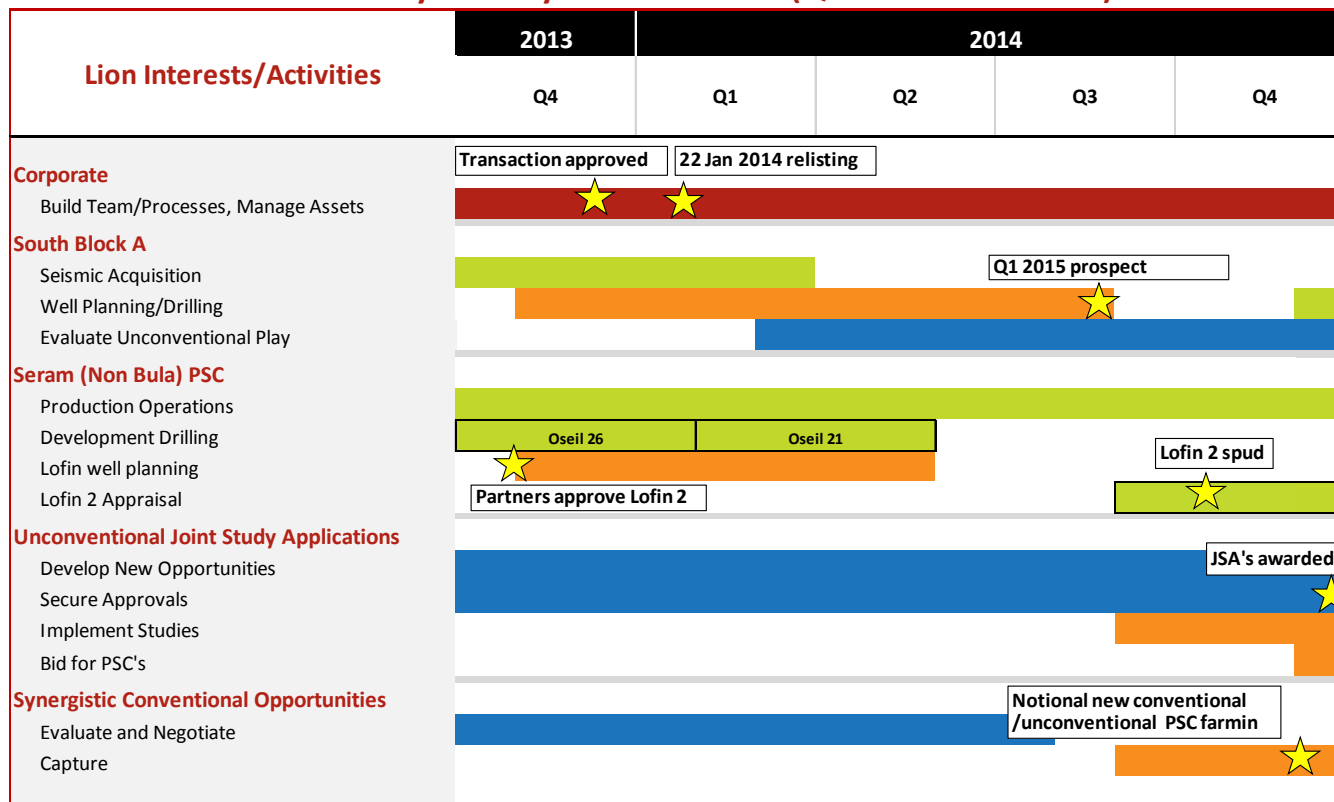
Lion close to finalising deals with linked conventional/unconventional strategy



MILESTONES

Active program - good news flow, funded through Q1 2015

Lion Activity and Key Event Timeline (Q4 2013 to end 2014)



Legend

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



Forecast Key Event /News flow

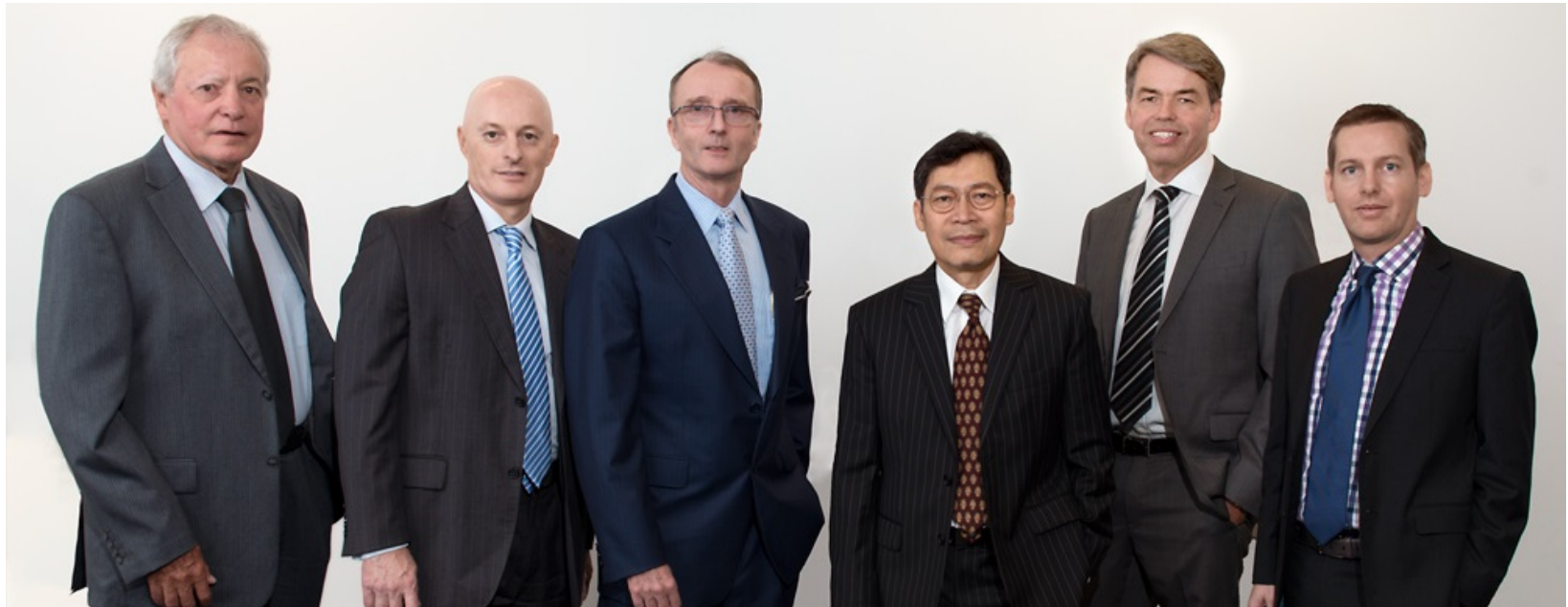
(Note: There is no guarantee that activities shown will occur. In addition, the timing of anticipated activities is indicative only. They are dependant on factors such as Government of Indonesia and Joint Venture approval, rig availability and unforeseen delays) As of Sept 30 2014

WHY INVEST IN LION?



Early mover with linked conventional/unconventional strategy

- Management
- Existing attractive conventional assets in proven areas
- World class potential in unconventional Joint Study Applications
- Indonesia providing 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
Executive Director



Thank you

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