

ASX/Media Release

For Immediate Release – 9 December 2016



Cleansing Statement

Lion Energy Limited (ASX: LIO – the “Company” or “Lion”) has today issued and allotted 9,800,000 ordinary shares as part of a placement to sophisticated investors. In addition, 615,385 ordinary shares have been issued and allotted in lieu of cash payments to the consultant 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 light blue horizontal line.

Zane Lewis
Company Secretary

ENDS.