

17 January 2014

Ms Jenny Cutri
Assistant Manager, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

FOR RELEASE TO MARKET

Dear Ms Cutri

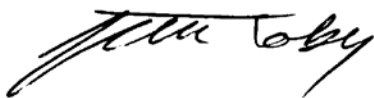
Lion Energy Limited (Company)

1. We refer to the conditional approval letter dated 19 December 2013 for reinstatement of the Company's securities to official quotation following completion of its change in activities.
2. The Company confirms completion of the following agreements (each as defined in the replacement prospectus dated 6 November 2013):
 - KRX Share Purchase Agreement.
 - Risco AMI Withdrawal Agreement.
 - Tower Share Purchase Agreement.
 - Placement Agreements with Tower and REU.
3. The Company confirms that each of the conditions precedent in relation to the above agreements were satisfied, except for the following condition under the KRX Share Purchase Agreement which was waived by the parties to that agreement:

The KRX Vendors obtaining all consents or approvals under the South Block A PSC and the South Block A JOA in relation to the transactions contemplated by the KRX Share Purchase Agreement.

Pending receipt of all necessary consents or approvals under the South Block A PSC and the South Block A JOA, the KRX Vendors will hold their shares in KRX Energy Pte Ltd on trust for the Company.

Regards

A handwritten signature in black ink, appearing to read "Jack Toby".

Jack Toby
Company Secretary