

# ASX/Media Release

For Immediate Release – 3 June 2014



## Seram production ahead of expectations

### Highlights

- Lifting of 357,786 barrels (8944bbl net to Lion)
- Estimated net revenue to Lion of A\$850,000
- Production is currently around 3100bopd (gross), supported by recent successful development wells
- Lofin-2 appraisal well anticipated to spud in late-July or early-August

The operator of the Seram (Non-Bula) PSC, in which Lion has a 2.5% interest, has completed a crude oil lifting of 357,786bbl (8944bbl net working interest to Lion). Based on the sales price of US\$94.09/bbl, this will generate revenue to Lion of approximately A\$850,000 net of all Indonesian Government taxes and entitlements. With three liftings expected for the year, this places the company in a good position to exceed its revenue forecast of A\$2.2 million.

“We continue to be pleased by the solid production performance from the Seram Project which is exceeding our production forecasts. We now look forward to the drilling of the Lofin-2 appraisal well which has material upside potential for Lion” said Lion’s CEO, Mr Kim Morrison.

The Oseil fields are currently producing over 3100bopd (78bopd net working interest to Lion), versus a full year estimate of 2500bopd. This is supported by the recently completed OS-26 and OS-21 development wells, which are producing 600bopd and 560bopd, respectively.

The block contains the Oseil oilfield and surrounding structures that have produced cumulative crude oil production of 12,439,718 bbl since the initial field start-up in January 2003 through to 26 May 2014.

Lion, via its wholly owned subsidiary, Lion International Investment Ltd, holds a 2.5% participating interest in the Seram (Non-Bula) PSC, located onshore Seram Island in eastern Indonesia. The major equity holder and operator of the joint venture is CITIC Seram Energy Ltd (51%). Other partners are KUFPEC (Indonesia) Ltd (30%) and Gulf Petroleum Investment (16.5%).

### Lion at a glance

- Transforming from a small Indonesian conventional oil and gas player to an Indonesian unconventional oil and gas pioneer.
- Leveraging synergies in conventional assets and access to both infrastructure and markets.
- New executive team and strategic investors with impressive track records for value creation in Indonesia.
- Well-funded to execute the 2014 business plan.

### Contact

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### Directors & Officers

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#### Kim Morrison

Chief Executive Officer

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## 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 Ltd. Mr Morrison holds a B.Sc. (Hons) in Geology and Geophysics from the University of Sydney and has more than 28 years of 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 release. 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 the American Association of Petroleum Geologists (AAPG).

### Glossary

**bbl:** barrels                      **bopd:** barrels oil per day

## About Lion

Lion Energy Ltd is an ASX listed oil & gas exploration & production company focused on Indonesia, where it has been operating for some 15 years. It has two existing conventional Production Sharing Contracts (PSC's) – Seram and South Block A - and an early mover position in the fledgling Indonesian unconventional industry via four Joint Study Applications.

Lion's leadership team has vast experience in the south-east Asian oil and gas industry, particularly Indonesia. In its recent recapitalisation, two Indonesian strategic investors, Risco Energy and Tower Energy, became substantial shareholders of the company.