

ASX/Media Release

For Immediate Release – 4 May 2018

Lion awarded East Seram Block

Lion Energy Limited (“Lion” or “Company”; ASX: LIO) is pleased to advise that the Indonesian Minister for Energy and Mineral Resources, Mr Ignasius Jonan, announced that Lion Energy Ltd has been awarded the East Seram Block. He announced this in the opening session of the Indonesian Petroleum Association’s Annual Convention.

Mr Jonan advised that the East Seram Block was awarded to the Company under a Gross Split Production Sharing Contract (GS PSC), the commercial terms of which are to be finalized prior to execution of the contract between the Company and the Indonesian government.

Lion has been awarded a 100% participating interest in the block.

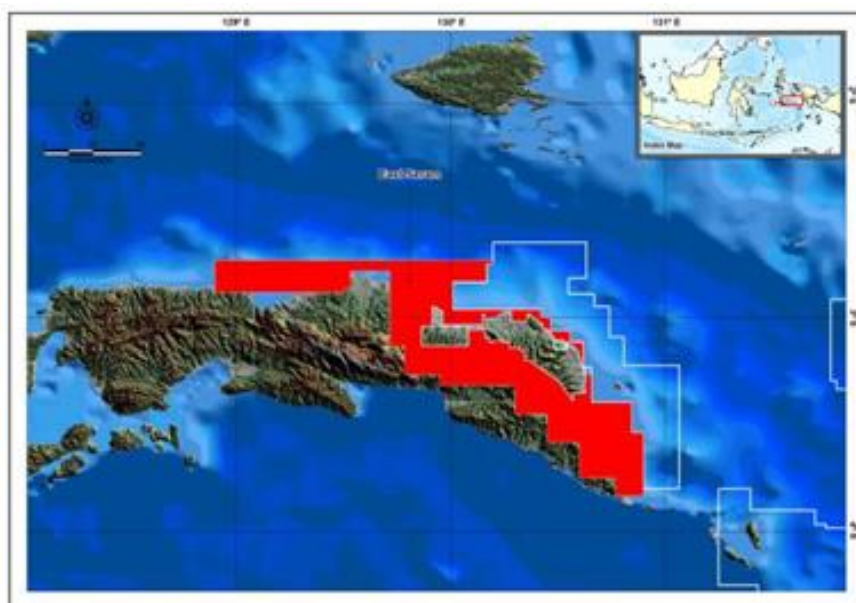
The East Seram Block was offered under Indonesia’s Direct Proposal First Bidding Round of 2018.

Lion will provide updates through to completion of the award of the working area.

Lion’s CEO Tom Soulsby noted “This working area provides synergy with Lion’s interest in the revenue generating Seram (Non Bula) Block PSC (SNBB), with the area having delivered significant discoveries and current production. The significant infrastructure established in the SNBB to serve the current production can likely be harnessed to fast track new discoveries in the East Seram Block to production. This is a major development for the Company in its future planning and growth.”

East Seram Gross Split PSC

The East Seram GS PSC (East Seram) is located in the northern part of Seram area, both offshore and onshore of Seram Island, in Eastern Indonesia. The block has an area of approximately 6,500 square kilometers. The area is predominately onshore as the following location map illustrates.



Lion at a glance

- ASX listed oil and gas company with conventional PSC in Indonesia.
- Focus on conventional oil and gas production and development, appraisal and step out exploration risk opportunities
- Net production of around 50bopd from the Seram PSC which also contains the Lofin gas/condensate discovery.
- Leveraging synergies in conventional assets and access to both infrastructure and markets.
- Executive team and strategic investors with impressive track records for value creation in Indonesia.

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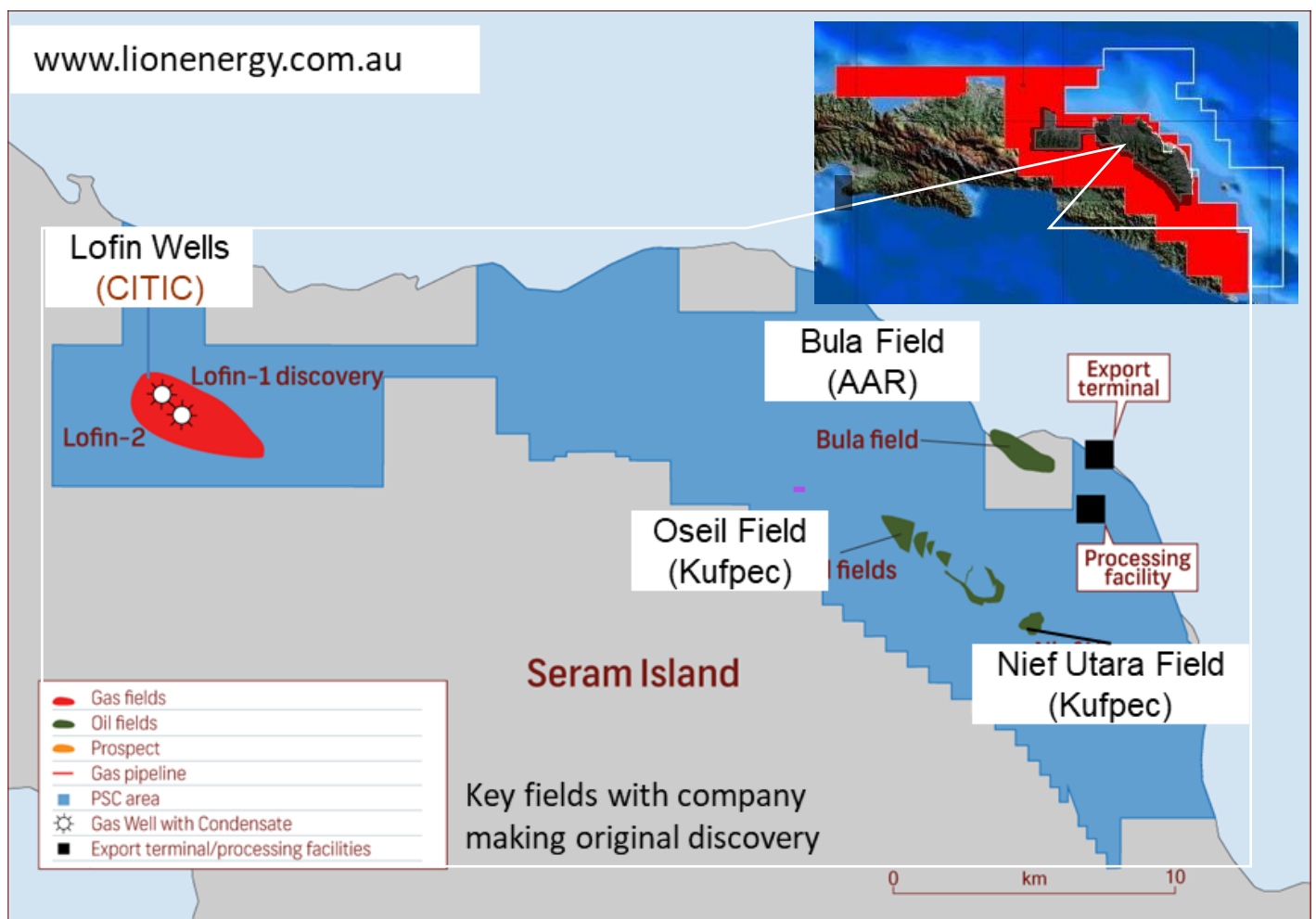


East Seram lies within the North Seram Basin which has a total area of approximately 50,000 square kilometers of which approximately 12,000 square kilometers is onshore. The basin remains underexplored despite activity in the Bula, Oseil and Lofin areas. Approximately 43 exploration wells mainly drilled onshore, have resulted in 10 discoveries, including the Bula oilfield, Oseil and Nief Utara oil fields, and the recently discovered Lofin gas field.

Lion has a long history of involvement in the area through previous operatorship of the Bula oilfield (1999-2005) and the Company's continuing involvement as a joint venture participant (interest 2.5%) in the Seram (Non-Bula) Block PSC. The East Seram Block is adjacent to the Oseil oilfield currently producing approximately 2,000 BOPD from the Manusela limestone reservoir. The Lofin field was discovered with the drilling of the Lofin-1 exploration well (drilled in 2012) and confirmed with the appraisal well Lofin-2 (drilled in 2015).

The East Seram Block surrounds the hydrocarbon productive Seram (Non Bula) Block PSC.

SERAM (NON BULA) BLOCK PSC LOCATION



The award of the East Seram Block is the result of a Joint Study application by the Company and the completion of the Joint Study in March 2017.

The Company looks forward to finalising the commercial terms of the Production Sharing Contract with the government of Indonesia and providing an update to market in due course.

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