

Intention to Extend Seram (Non Bula) PSC Announced

Lion Energy Limited (“Lion” or “Company”; ASX: LIO) advises that Hong Kong listed company, Citic Resources Holdings Limited (“Citic”), the owner of the operator of the Seram (Non-Bula) PSC (Seram Non Bula), Citic Seram Energy Limited, has recently made an announcement relating to the status of the Seram Non Bula extension. Their announcement is attached to this ASX announcement. Lion has a 2.5% interest in Seram Non Bula.

Lion is pleased to provide a summary of that announcement as follows.

- The Ministry of Mineral Resources of the Republic of Indonesia has announced its intention to offer a renewal of the PSC in favour of the existing participants, **including Lion**.
- The principal terms of the renewal PSC currently include
 - (i) Renewal of the PSC on a gross split basis for a period of 20 years,
 - (2) The payment of a signature bonus of US\$1,000,000 by the PSC Participants and
 - (3) A commitment by the PSC Participants to undertake not less than US\$48,892,000 of specific works in the Seram Island Non-Bula Block during the first five years of the extended PSC (the “Initial MoEMR Terms”).

Citic emphasized that *“it should be noted that the renewal of the PSC is conditional upon agreement of the terms with the MoEMR and the eventual terms of the renewal PSC may differ from the Initial MoEMR Terms.”*

Lion will provide further updates to the market regarding the renewal of the PSC in due course.

Accordingly, shareholders and potential investors should exercise caution when dealing in the shares of the Company.

Mr Soulsby, Lion’s Chairman, commented *“this is an important development for Lion as the extension of the Seram (Non Bula) PSC compliments our 100% position in the newly awarded East Seram PSC. We look forward to a finalisation of the terms of the renewal PSC.”*

ENDS

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.

Contact

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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1205)

UPDATE ON THE RENEWAL OF THE SERAM ISLAND NON-BULA BLOCK PRODUCTION SHARING CONTRACT

This announcement is made by CITIC Resources Holdings Limited (the “**Company**”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors in respect of the current status of the application to renew the Seram Island Non-Bula Block Production Sharing Contract (the “**PSC**”) by CITIC Seram Energy Limited (“**CSEL**”), an indirect wholly-owned subsidiary of the Company.

The Ministry of Energy and Mineral Resources of the Republic of Indonesia (the “**MoEMR**”) has announced details of its intention to offer a renewal of the PSC in favour of the existing participants of the PSC, including CSEL, (the “**PSC Participants**”). The principal terms of the renewal PSC currently include (1) renewal of the PSC on a gross split basis for a period of 20 years, (2) the payment of a signature bonus of US\$1,000,000 by the PSC Participants and (3) a commitment by the PSC Participants to undertake not less than US\$48,892,000 of specific works in the Seram Island Non-Bula Block during the first five years of the extended PSC (the “**Initial MoEMR Terms**”). The renewal of the PSC in favour of the PSC Participants is conditional upon the agreement of the terms for the renewal PSC.

The PSC Participants are currently in discussions with the MoEMR in respect of the renewal PSC. It should be noted that the renewal of the PSC is conditional upon agreement of the terms with the MoEMR and the eventual terms of the renewal PSC may differ from the Initial MoEMR Terms. The Company will issue further announcement(s) regarding the renewal of the PSC as necessary. Accordingly, Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
CITIC Resources Holdings Limited
Kwok Peter Viem
Chairman

Hong Kong, 15 May 2018

As at the date hereof, Mr. Kwok Peter Viem; Mr. Suo Zhengang; Mr. Sun Yang and Ms. Li So Mui are executive directors of the Company, Mr. Chan Kin and Mr. Ma Ting Hung are non-executive directors of the Company, and Mr. Fan Ren Da, Anthony; Mr. Gao Pei Ji and Mr. Look Andrew are independent non-executive directors of the Company.