

Recapitalised Reskilled Repositioned

Company Overview

May 2014



Important notice and disclaimer



Forward-looking statements

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- should or can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “forecast”, “estimate”, “will”, “could”, “may”, “target”, “plan” and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include earnings guidance and statements of intention about future matters and the outcome and effects of the equity raising. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance are also forward looking statements;
- are based upon a number of assumptions and estimates that, while considered reasonable by Lion, are beyond the control of the Company has they are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and
- may include, among other things, statements regarding targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources and anticipated flow rates and are or may be based on assumptions and estimates related to future technical economic, market, political, social and other conditions.

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Important notice and disclaimer (cont.)



Reserves & Resources, 1 Jan 2014 (Recoverable, net to Lion) ¹	Gas/Associated Gas (BCF)			Oil/Condensate (MMbbl)			Method
Reserves	1P	2P	3P	1P	2P	3P	
Total Reserves (Seram)				0.153	0.234	0.372	Deterministic
Contingent Resources	1C	2C	3C	1C	2C	3C	
Total Contingent Resources (Seram)	0.348	0.645	1.140	0.004	0.007	0.011	Deterministic
Prospective Resources ²	Low	Best	High	Low	Best	High	
Prospective Resources-Seram	0.0	0.2	1.2	0.0	0.1	0.9	Probabilistic
Prospective Resources-South Block A ³	69.8	150.3	315.2	6.5	16.4	41.3	Probabilistic
Total Prospective Resources ³	69.8	150.5	316.4	6.5	16.6	42.2	Probabilistic

Reserves & Resources estimates

1. Hydrocarbon reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, reserves and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may in turn, adversely affect the Company's operations.

2. Prospective resources: the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

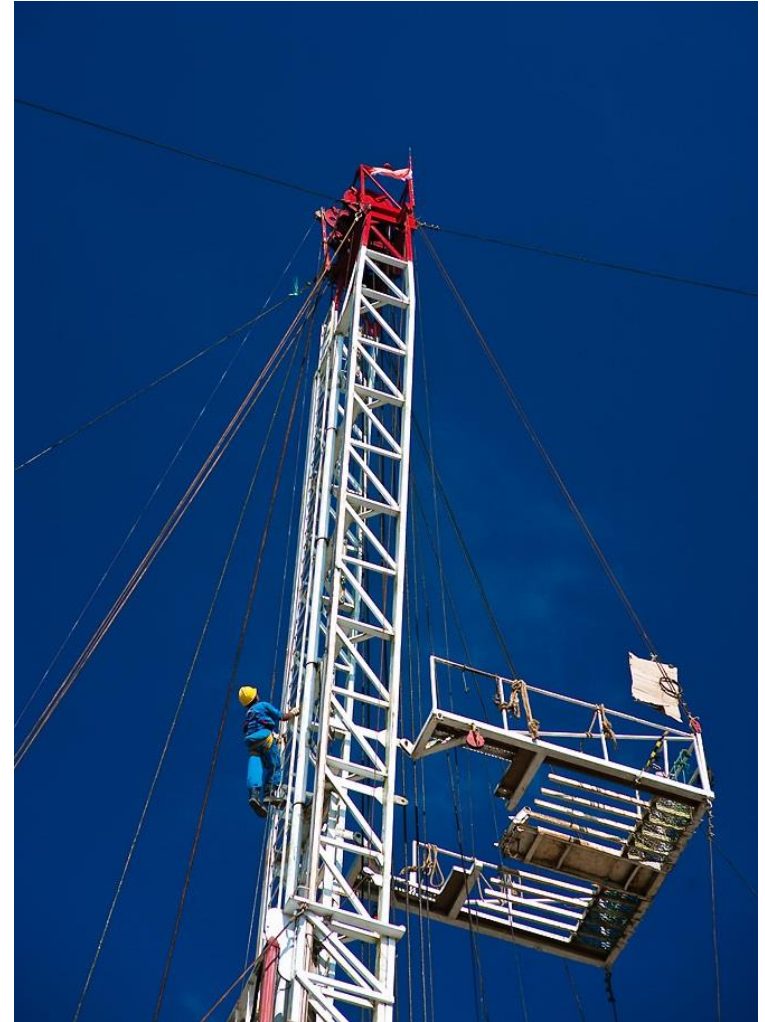
3. Aggregated by arithmetic summation The aggregate Low estimate may be a very conservative estimate and the aggregate High estimate may be a very optimistic estimate due to the portfolio effects of arithmetic summation

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 Limited. Mr Morrison holds a B.Sc. (Hons) in Geology and Geophysics from the University of Sydney and has over 28 years' 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 website. 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 AAPG.

CONTENTS

- Snapshot
- Our team
- Why Indonesia?
- Strategy
- Strengths
- Assets
- Milestones



COMPANY SNAPSHOT

An emerging pioneer in Indonesian unconventional oil and gas

Restructuring Complete

- Shares on issue: 95m
- Market cap @20c: A\$19 million
- Cash: A\$7.55mil (31/3/2014)
- Revenue: ~A\$2.2 million

Major shareholders:

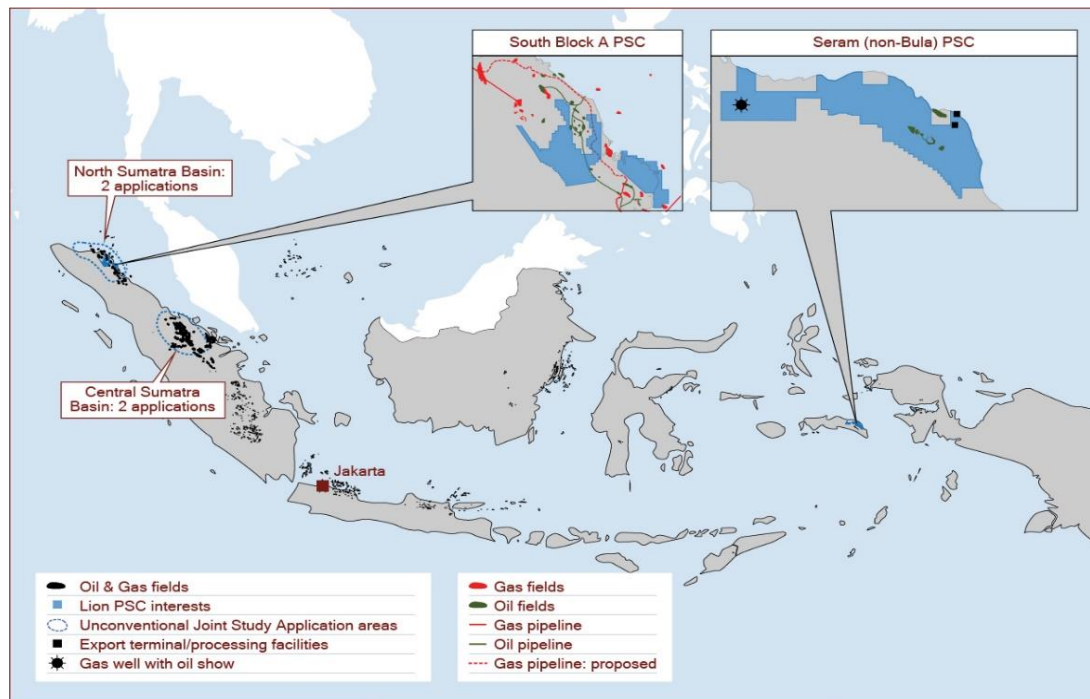
- Risco Energy Investments (47%)
- Tower Energy (14.4%)
- Management (13.3%)

Assets

- Seram PSC (2.5%) - production
- South Block A (35%) - exploration
- Four unconventional applications

High-calibre board:

- Russell Brimage, Chairman
- Kim Morrison, MD and CEO
- Chris Newton, Non-Exec Director
- Tom Soulsby, Non-Exec Director



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Total Prospective Resources	69.8	150.5	316.4	6.5	16.6	42.2

BOARD & MANAGEMENT

High calibre team with successful track records



Russell Brimage
Chairman

- 30 years experience in the upstream oil & gas industry
- Founding Director of Oilserv Australia Ltd, a company providing drilling, well testing and production services
- Former CEO of Western Resources NL, Entek Ltd and GM of a WA gas field operator



Kim Morrison
Managing Director and CEO

- Exploration geologist with 28 years of international experience including a strong SE Asian focus.
- Former roles include: Onshore Exploration Manager, Woodside, Libya; SEA New Ventures Team Lead Shell, The Hague; and Portfolio Manager, Shell Malaysia
- Senior executive/geological roles with Mid Caps in Australia, Brunei, Gulf of Mexico and Indonesia



Tom Soulsby
Non Executive Director

- Founding Director of Risco and former Director at PT Energi Mega Persada ("EMP"), responsible for adding over 500mmboe 2P reserves through M&A
- Investment banking background with UBS and ANZ in Melbourne, Singapore & Jakarta
- Qualified Accountant by training having worked in KPMG and Western Mining Corporation



Chris Newton
Non Executive Director

- Founding Director of Risco and former: CEO of EMP, President of Santos Indonesia; MD, Fletcher / Shell in Brunei and President of Indonesian Petroleum Ass'n
- 35 years industry experience, 14 in Indonesia in leadership, technical and commercial roles
- Geologist by background with post graduate qualifications in Applied Finance and Investment



Stuart Smith
CFO Designate

- Chartered Accountant with over 20 years experience in the Energy Industry.
- Held various leadership roles with private E&P companies, including CFO of leading Indonesian CBM company Ephindo Energy.
- Formerly Head of Oil & Gas Research for Asia Pacific with Merrill Lynch.



Zane Lewis
Company Secretary

- Principal and joint-founder of corporate advisory firm SmallCap Corporate, which specialises in corporate advice and compliance administration to public companies.
- Wealth of knowledge obtained from diverse financial and corporate experience in previous appointments
- Member of Chartered Secretaries Australia.

ADVISORY BOARD

Pre-eminent panel of industry advisors



Dr Roger Whyte
Principal Advisor

- Geophysicist with proven management experience and extensive SE Asia exposure. Co-founder of KRX.
- Key roles: Indonesia Country Manager, Oilex; MD/CEO, GulfX Limited; Exploration Manager, Kalrez Petroleum Indonesia; Chief Geophysicist, Trend Energy Kalimantan; Chief Geophysicist, Union Texas Tomori PSC, Indonesia



Sammy Hamzah
Principal Advisor

- Founder of Tower Energy; Founder and CEO of Ephindo, Indonesia's leading CBM company
- Senior management positions at: Unocal and Chevron Indonesia; Siemens; and Lafarge
- Excellent Government/Industry relations; Board Member of Indonesian Petroleum Association



Dr Andrew Cullen
Technical Advisor

- Petroleum geoscientist with deep and diverse skill; holder of a BSc, MSc and PhD in Geology
- Involved in international and Nth American discoveries and reserves additions of over 700 million barrels of oil
- Senior Advisor to Chesapeake Energy in Oklahoma City, working on major unconventional projects
- Adjunct appointment teaching Petroleum Geology at the University of Oklahoma
- Nearly 20 years working for Shell International in: Nigeria, Malaysia, the Netherlands and the US



Dr Harold Williams
Technical Advisor

- Geochemist with strong unconventional expertise, currently working on shale gas studies in the Western Canada Sedimentary Basin (WCSB), Australia (NT) and in Europe, and on CBM in the in WCSB.
- Held senior technical positions with Caltex in Indonesia and published widely-cited papers on Sumatran petroleum systems. Developed and taught courses on applied geochemistry and seismic stratigraphy
- Strong operations experience with geological supervision of unconventional wells
- Holder of a BSc, MSc and a PhD in Geology

STRENGTHS

The right mix of skills and expertise



Technical

- Best-in-class team
- Leveraging big company expertise with small company agility
- Advisory panel (tapping US/international unconventional knowledge)

Commercial

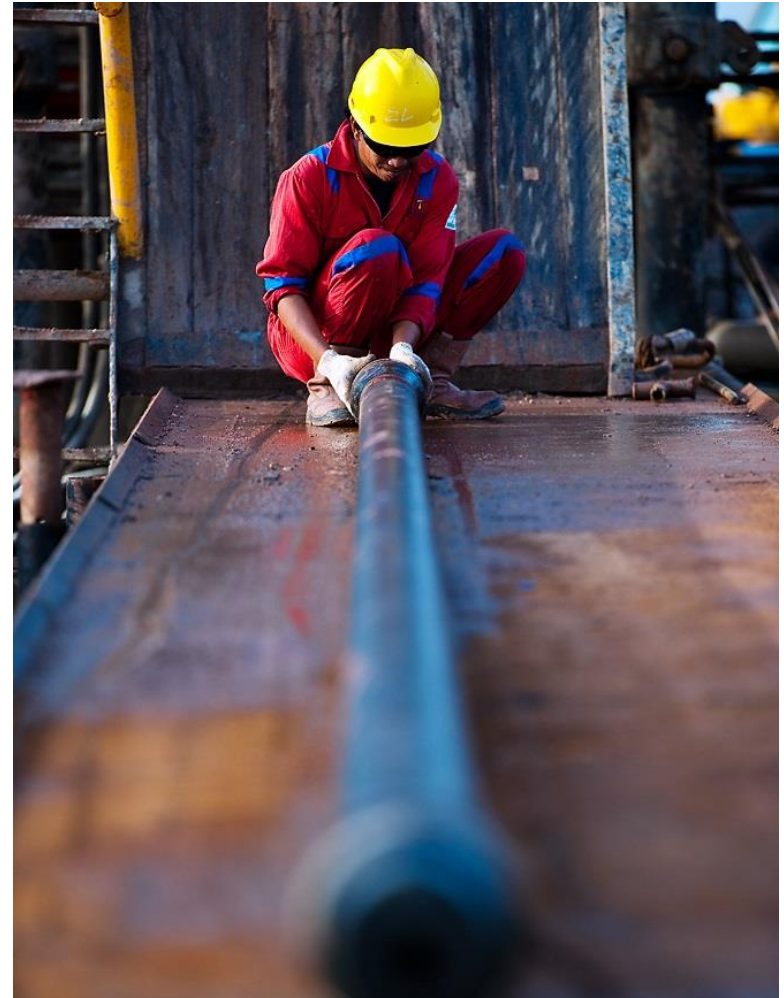
- Risco team involved in deals >\$1billion in past 10 yrs
- Entrepreneurial management, proven track records of creating value

Finance

- Strong balance sheet - \$7.55m cash
- Focus on governance

Indonesian expertise

- Senior management with more than 50 years combined working and living in Indonesia
- Backing of major Indonesian-based investors



CLEAR STRATEGY

The leading unconventional player in Indonesia



- Focus on Sumatra in areas with prospective geology, infrastructure and markets
- The right mix of technical, commercial, operational and market skills
- Indonesia's attractive macro and industry environment
- Build significant unconventional position and exploit synergies of conventional exploration
- Portfolio attractive to investors with capital, capability and strategic intent but no early mover position

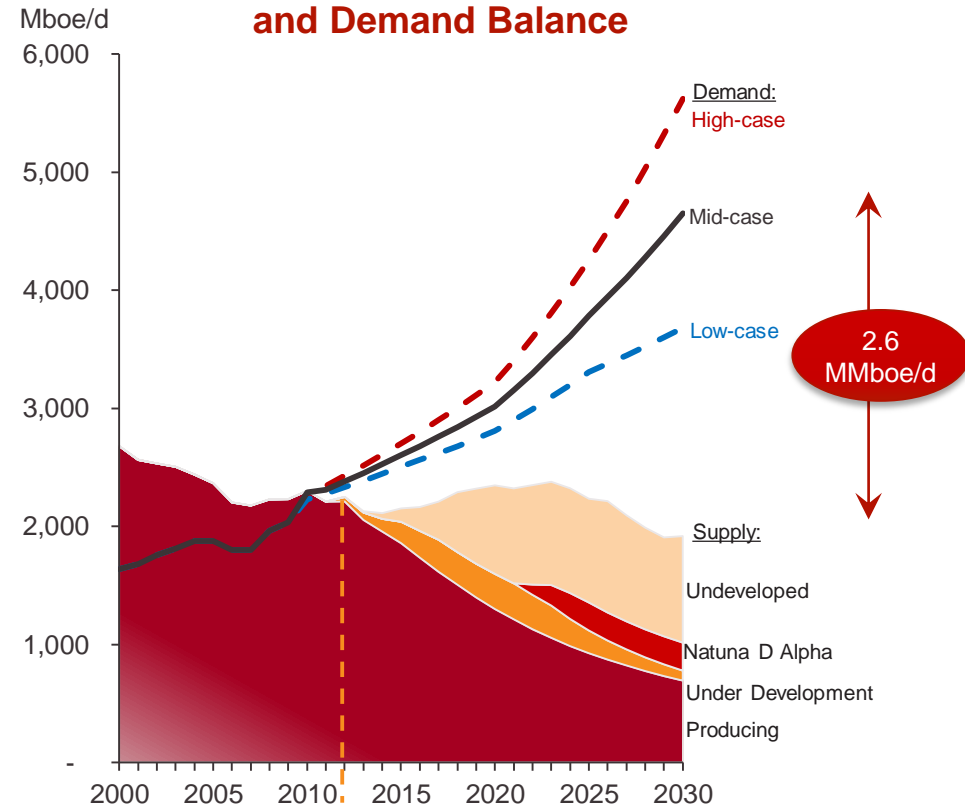


WHY INVEST IN INDONESIA?

A unique opportunity in SE Asia

- World's fourth-largest population (~250mm)
- Fast-growing economy (GDP ~ 6%pa) with oil and gas demand growing at > 5%pa
- Declining conventional oil/gas supply, Indonesia approaching net BOE imports
- Rising domestic gas prices (LNG pricing link), US\$8+/mmbtu
- Regulatory changes promoting unconventional investment to fill supply demand gap
- Competitive fiscal terms, contrary to popular perception

Projected Indonesian Oil and Gas Supply and Demand Balance

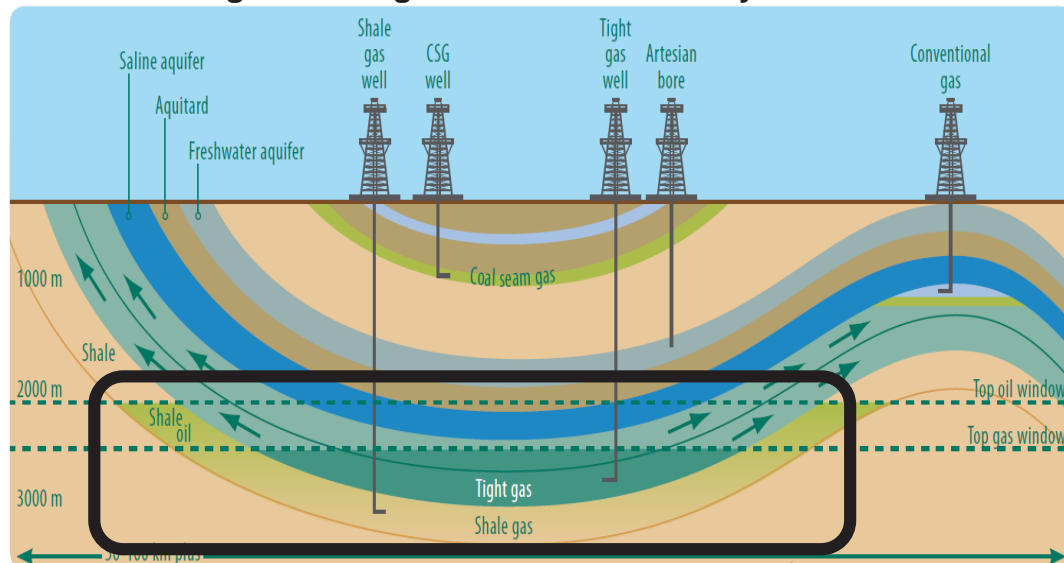


Source: Rystad U-Cube, MEMR (2011), ASEAN Energy Outlook (2011), DEN (2011), BCG analysis

UNCONVENTIONAL OIL AND GAS

US shale gas/tight gas now >60% total production. Oil > 15% of total production. Emerging interest in Indonesia.

Geological setting for unconventional hydrocarbons



Source: US Energy Information Administration 2010.

Lion is targeting shale gas/oil and tight gas/oil plays at 2,000-4,000m

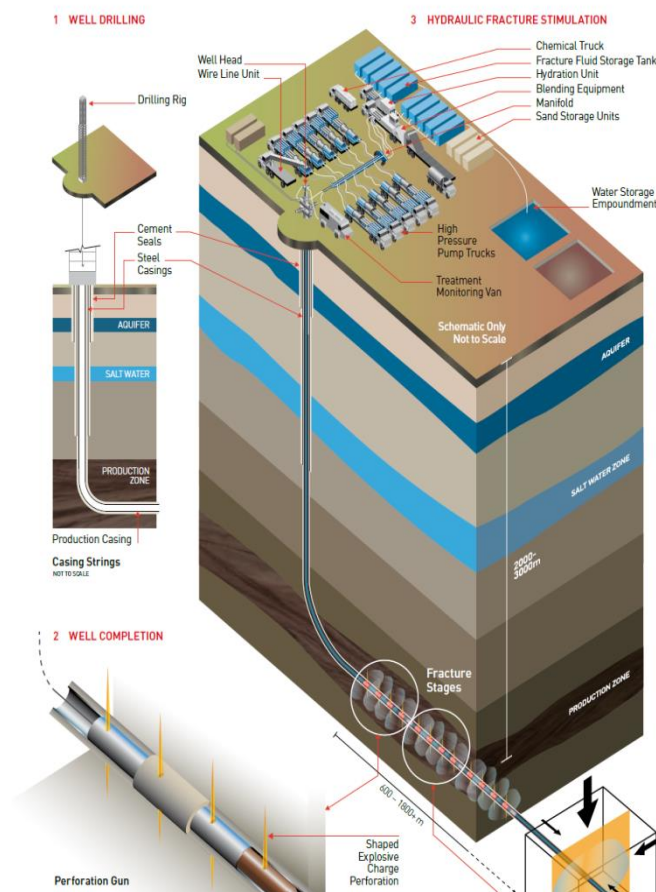
Shale gas/Shale oil

- Very fine grained low permeability organic rich sediments – both source and reservoir
- Requires fracture stimulation to flow at commercial quantities

Tight gas/Tight oil

- More like conventional reservoir, sandstone, carbonate but low permeability and also requires fracture stimulation to flow

Significant planning/expertise required for horizontal fracture stimulation

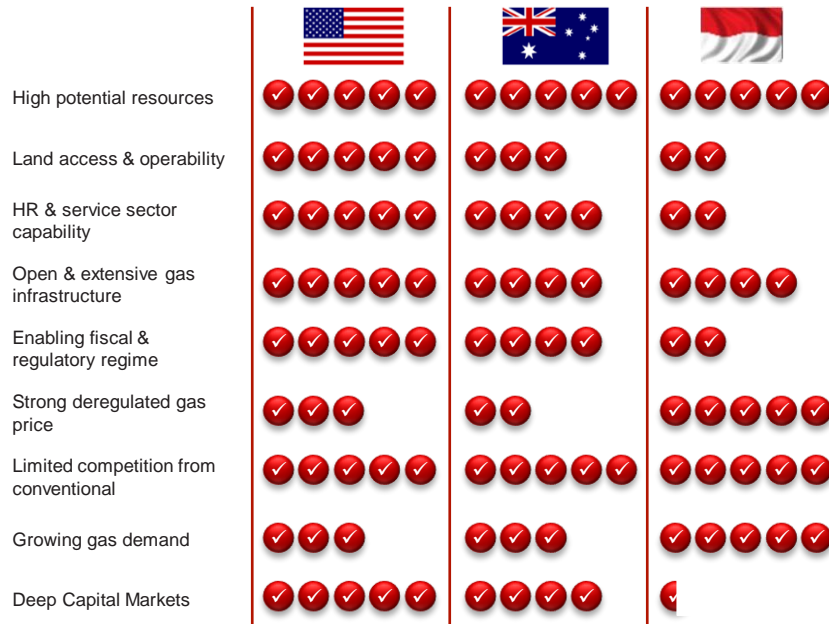


Source: ACOLA 2013 (adapted from US Dept of Energy)

EARLY MOVER ADVANTAGE

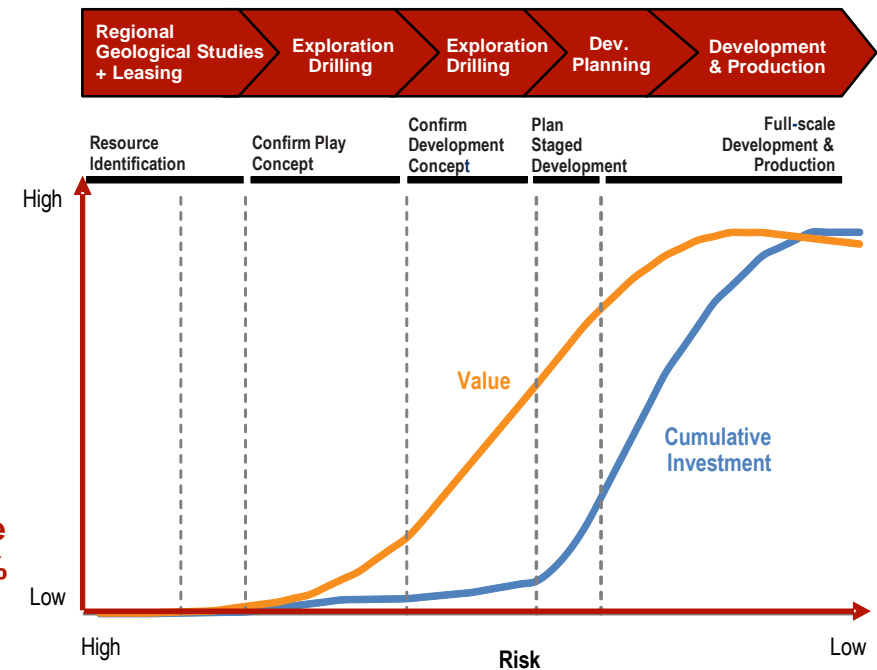
Indonesia poised for growth in unconventional oil & gas

Key Success Factors (KSFs)



- US, and more recently Australia, help define unconventional Key Success Factors
- Indonesia ranks well on many of these KSF's, while others are yet to develop
- Lion's team have a strong track record in creating value through early entry in CBM

Exploiting the first mover advantage

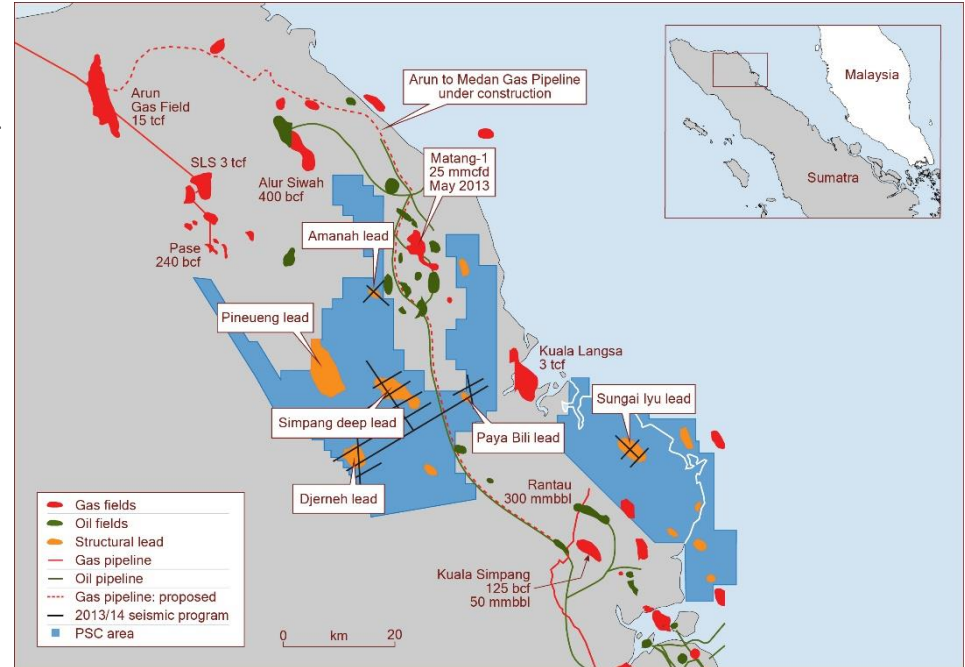


Early movers invest 5% of the lifecycle Capex to secure 15% of the life cycle value

SOUTH BLOCK A PSC (35%)

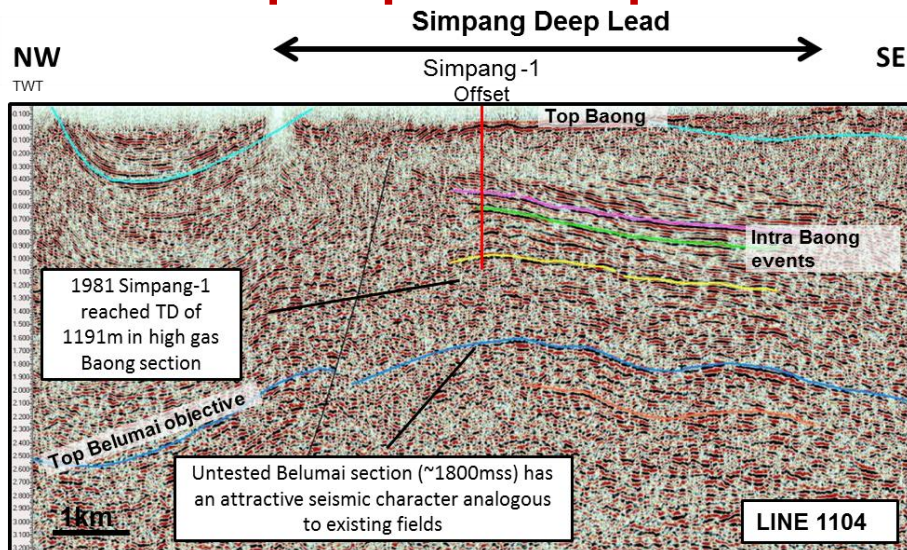
Heartland position in prolific basin

- Exciting, underexplored block (1894km²)
- Recent new play success including Matang 1 discovery in adjacent PSC, estimated by participant Premier Oil to be 100-400 bcf.
- Current 183km seismic program:
 - Targeting leads with prospective resources of 150bcf of gas and 16mmbbl of oil/cond (Net, recoverable, probabilistic best estimate, unrisks)
- Exploration well planned in 2014
- Ready gas market with existing Infrastructure:
 - New Arun-Medan gas pipeline through block
- Priority rights for unconventional JSA/PSC
- Operated by Renco, a subsidiary of ASX listed Peak Oil & Gas



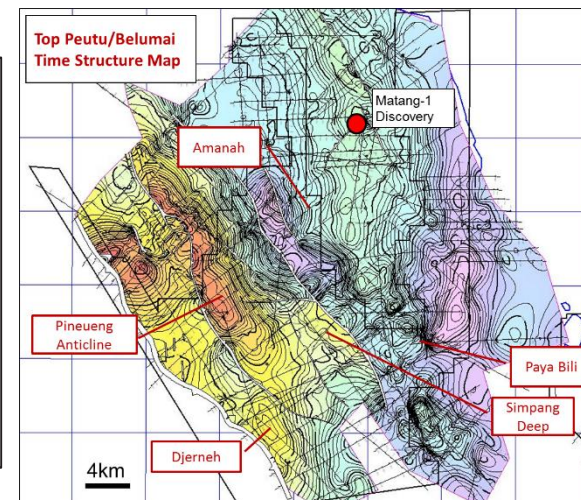
SOUTH BLOCK A PSC

Attractive prospect/lead portfolio in proven province



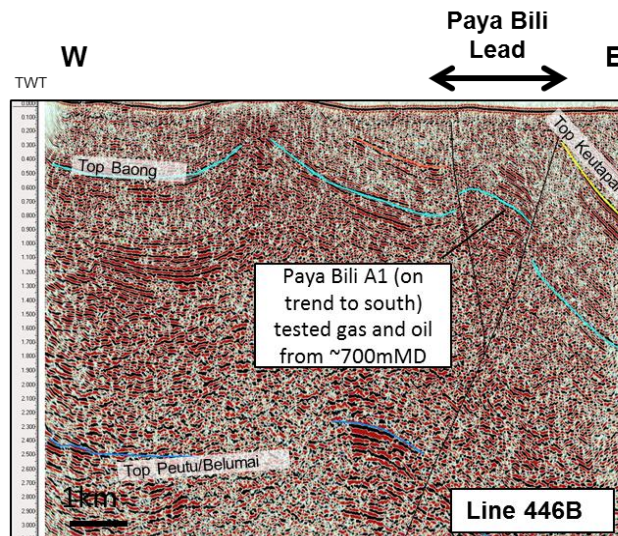
Simbang

- Large (25 km²) closure
- Similar objective to recent new discoveries (Matang)
- Gas/condensate and some oil potential
- ~2000m well 1



Leads	Play	Lion Share					
		Gas/Associated Gas Recoverable (BCF)			Oil/Condensate Recoverable (MMBBL)		
		Low P90	Best P50	High P10	Low P90	Best P50	High P10
		Gas/cond leads targeted by 2013/14 seismic					
Simpang Deep	Peutu/Belumai	48.4	99.9	198.9	2.5	5.6	11.5
Djerneh	Peutu/Belumai	21.4	50.4	116.3	0.5	1.1	3.2
		Oil leads targeted by 2013/14 seismic					
Sungai Iyu	Lower Keutapang	-	-	-	0.8	2.3	6.2
Sungai Iyu - updip	Keutapang updip	-	-	-	0.6	2.1	7.4
Amanah Flank	Lower Keutapang	-	-	-	1.1	2.8	6.8
Amanah Crest	Lower Keutapang	-	-	-	0.5	1.2	2.9
Paya Bili	Lower Keutapang	-	-	-	0.6	1.4	3.2
Total (P50)		150.3 BCF			16.4 MMBBL		

Please refer to Page 3 for explanatory notes



Paya Bili

- Updip to 1976 well (flowed oil and gas)
- On trend with oil fields with good quality reservoirs
- New seismic coverage
- <1000m well

SOUTH BLOCK A PSC

Seismic program

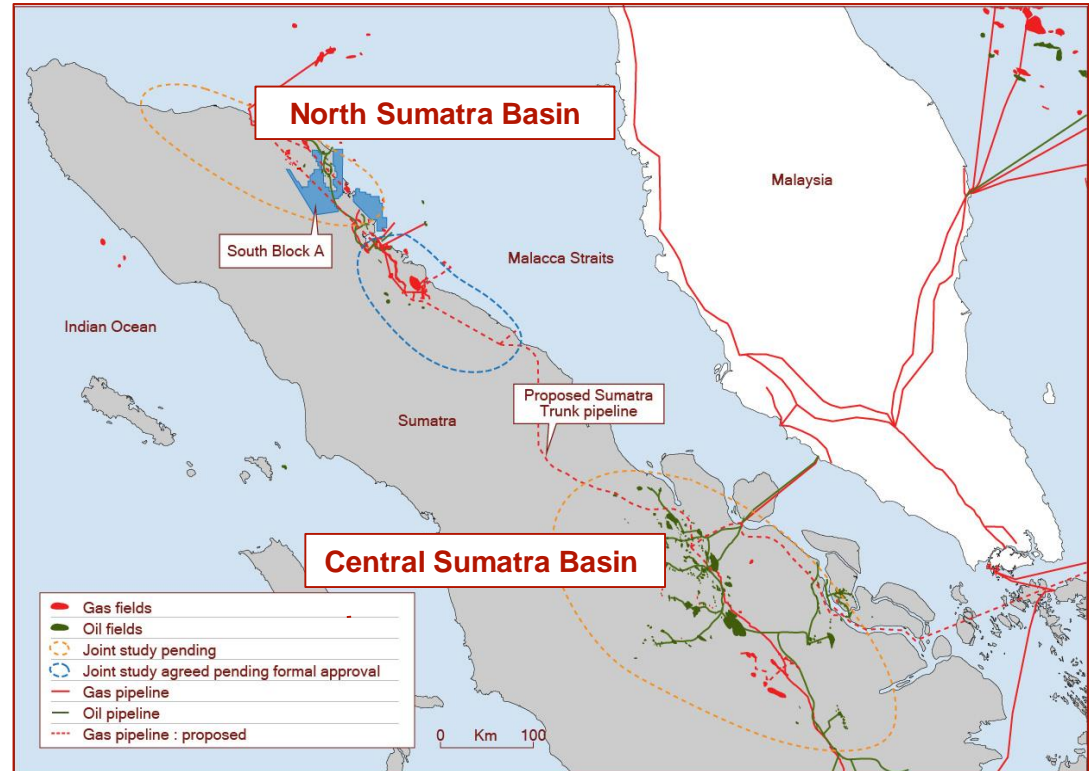
- 183 km seismic survey completed on budget
- Commendable safety record (over one million man-hours with one LTI)
- Data being processed
- Shallow oil lead to be matured for 2014 drilling; deeper gas/condensate target for 2015 campaign



UNCONVENTIONAL CLAIMS “STAKED”

Four Joint Study Applications (JSAs) submitted

- Applications over 17,000km²:
 - If awarded, right to match bids on PSC
- In prolific Sumatran basins, ready access to infrastructure and markets
- Shales with suitable properties, maturity for shale gas/oil
- Tight gas/oil opportunities
- The Central Sumatra and North Sumatra basins are estimated by USGS and KESDM to contain multi-TCF and multi-billion barrel resource potential.
- Conventional/unconventional exploration synergies


















Resource Estimate	Conventional EUR (Discovered) ¹		Unconventional In-Place (Undiscovered)	
Basin	Oil/Cond (bil bbl)	Gas (tcf)	Oil/Cond (bil bbl)	Gas (tcf)
North Sumatra Basin	1.6	25.6	?	65 ²
Central Sumatra Basin	13.2	3.9	69 ³	42 ³

¹USGS 2000, ²Badan Geologi KESDM 2013, ³EIA 2013

VIABLE UNCONVENTIONAL TARGETS

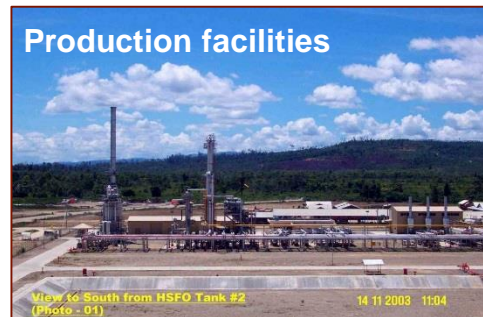
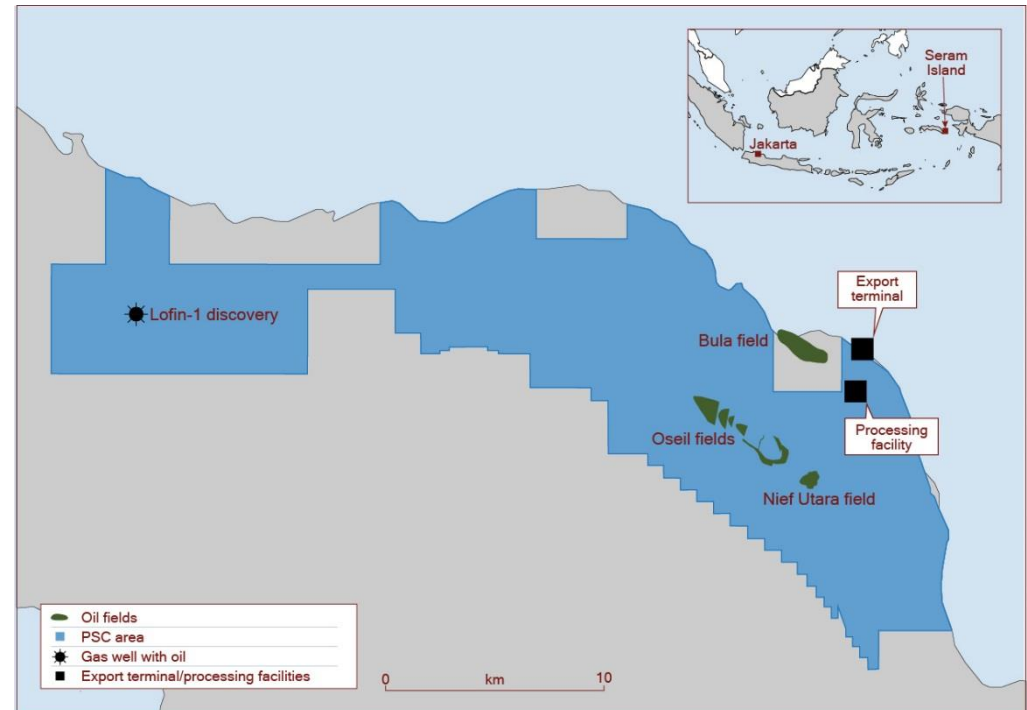
Prospective shales in Lion JSA areas

Properties	North Sumatra			Central Sumatra	
	Lower Baong	Belumai Formation	Bampo Shale	Telisa Formation	Brown Shale/Kelesa
Rock Description	Marine shale with carbonate lenses deposited during global highstand event	Marine calcareous shale, carbonate and sandstone	Restricted marine black claystone, siltstone and thinly bedded sandstone	Marine brown to brownish gray shale and in fine to medium grained sandstone and siltstone.	Lacustrine black organic rich algal mudstone with carbonate rich lenses
Age	Middle Miocene	Early Miocene	Late Oligocene	Middle Miocene	Oligocene
Environment of Deposition	Outer shelf/Deepwater	Shelfal Marine	Restricted marine	Shelfal to deep marine	Lacustrine
Thickness	100-600m	25-600m	20-200m	100-600m	20-600m
Organic Content/TOC (Traffic light)					
Kerogen Type	Type II/III	Type II/III	Type II/III	Type II/III	Type I
Recorded TOC	0.5-2.3%	0.5-3.4	Generally 0.5-1.0	0.5-3%	2-23% mean of 3.7%
Maturity (Traffic light)					
Maturity window	Mid Oil to Gas window	late Oil to Gas window	Gas window	Early Oil	Peak Oil to Gas window
Depth range in Lion areas of interest	500-4000m	600-4500m	600-4500	100-2000m	600-3000m
Mineralogy Comments	Carbonate rich lenses	Calcaroues shale and tight sandstone	High maturity may contribute to fracture stimulation.	Some carbonate lenses	Relatively high clay content with some carbonate lenses and laminated sandstone (silica)
Mineralogy/brittleness (Traffic light)					
Pressure	Generally moderately to occasional highly overpressured	Normal to moderately overpressured	Normal to moderately overpressured	Normal to moderately overpressured	Normal to moderately overpressured
Potential Analogues	US Late Jurassic Haynesville-Bossier, Upper Cretaceous Hilliard/Baxter Formation, Lewis Shale, Uteland Butte	US Uteland Butte, Upper Cretaceous Eagleford	US Late Jurassic Haynesville-Bossier, Upper Cretaceous Hilliard/Baxter Formation, Lewis Shale, Uteland Butte	US Late Jurassic Haynesville-Bossier, Upper Cretaceous Hilliard/Baxter Formation, Cretaceous Lewis Shale	US Uteland Butte, Bakken

SERAM (NON-BULA) PSC (2.5%)

Production with exploration and exploitation upside

- 2.5% interest - CITIC is operator, Kufpec and Gulf Petroleum as co-venturers
- Annual net revenue of circa A\$2.2 mil
- Attractive fiscal terms and large sunk cost pool
- Oseil Field:
 - Gross production ~2400bopd, with one well offline, should rebound to ~2800bopd
 - Recent development well added 500bopd
 - Another development well currently drilling
- Potentially significant Lofin discovery to be appraised in 2014



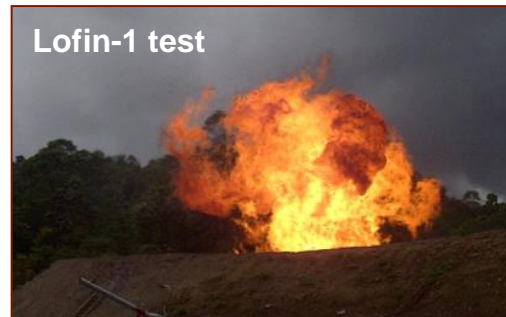
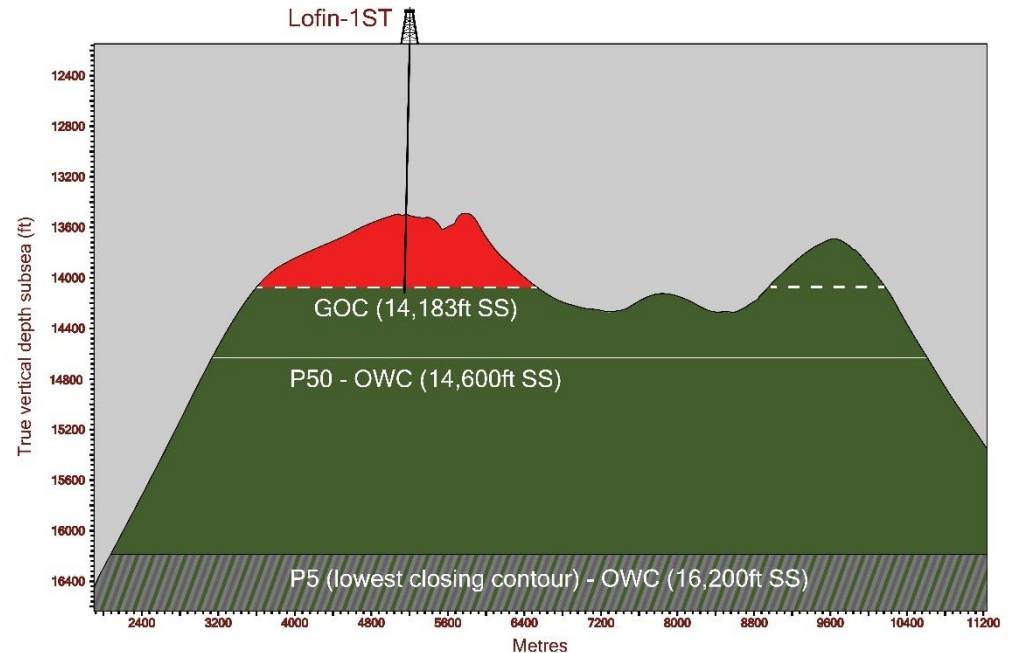
Source: CITIC 2013



LOFIN DISCOVERY

Potentially large gas/oil accumulation to be appraised in 2014

- Lofin-1 was total depth of 4,427m MD and intersected a gross hydrocarbon column of 160+m.
- Tested 15.7 mmscfd gas and 171 bpd of 36.1 API oil/condensate, with a flowing wellhead pressure 4,750 psi on 24/64 inch choke.
- Pressure data indicates potential for a significant hydrocarbon column below the total depth of the Lofin well. (P10 HC column ~ 770m)
- Appraisal well planned for 2H-2014. The well will be drilled to a planned TD of 5,425m TVD, with the primary objective Manusela Formation projected at 4,509m TVD.



Lofin-1 test



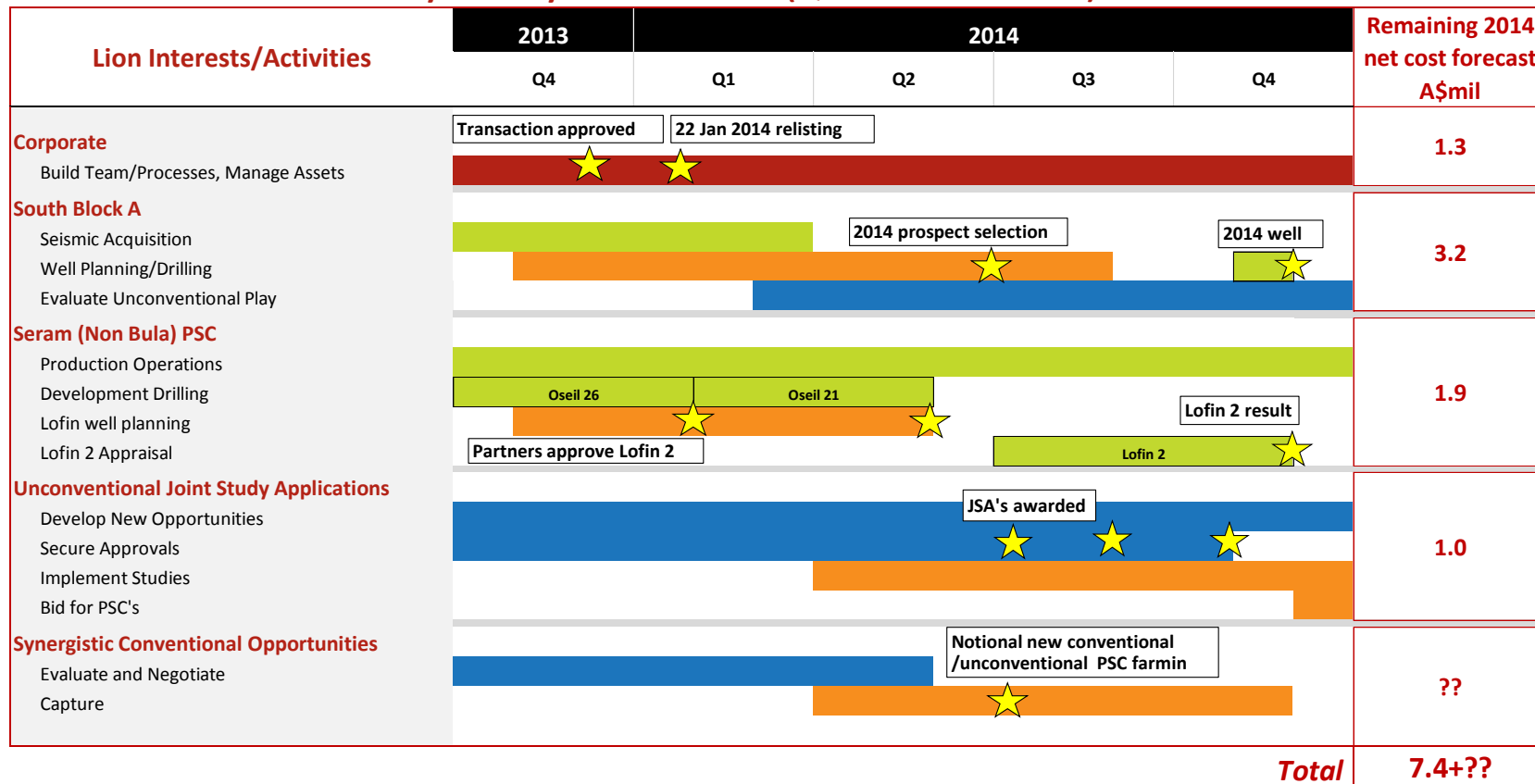
Seram facilities

Source: CITIC 2013

MILESTONES

An active program for 2014 with high impact potential

Lion Activity and Key Event Timeline (Q4 2013 to end 2014)



Legend

Code	Activity type
	Lion Corporate
	Held Assets General Exploration
	Held Asset Field Activities (Drilling/Seismic)
	Lion New Business Activities



Forecast Key Event /News flow

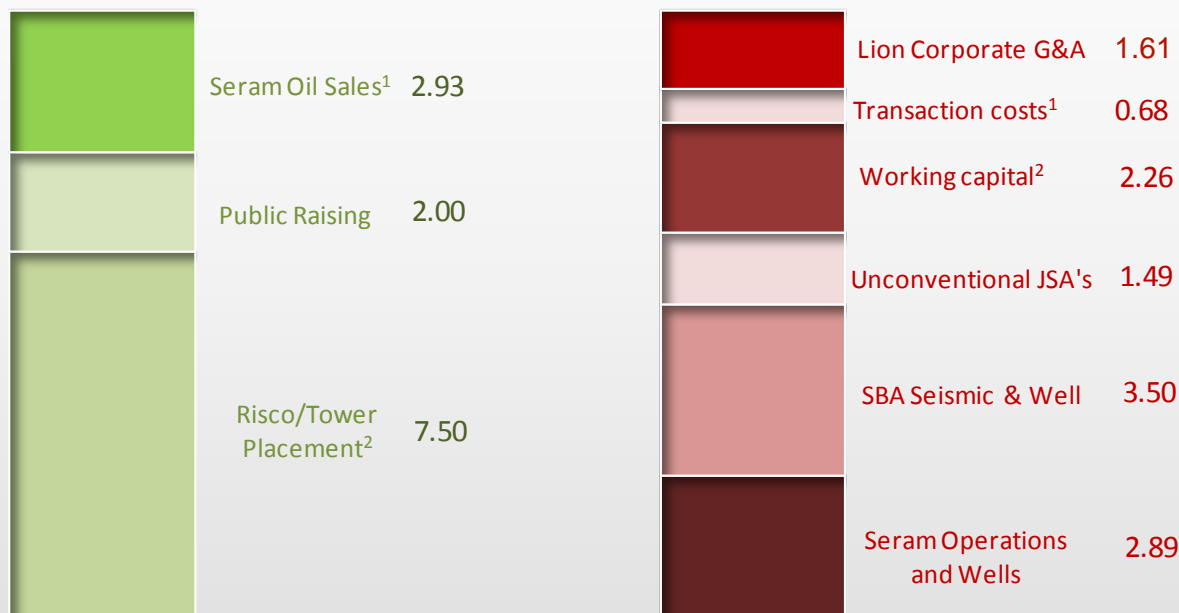
(Note: There is no guarantee that activities shown will occur. In addition, the timing of anticipated activities is indicative only. They are dependant on factors such as Government of Indonesia and Joint Venture approval, rig availability and unforeseen delays)

As of May 2014

FULLY FUNDED FOR 2014



Lion Energy: Sources and Applications of Funds Oct 13 to Dec 14 (in A\$ million)



Source of Funds

\$12.43

¹ Seram has 3 oil liftings a year. 4 liftings anticipated Oct 13 to Dec 14
² Risco taking A\$6 million, Tower A\$1.5 million of placement

Uses of Funds

\$12.43

¹ Unpaid cost as at 1 Oct 2013. Total Transaction cost estimate: \$1.03mm
² Includes Loan repayment \$0.26mm
 A\$1 = US\$0.92 assumed

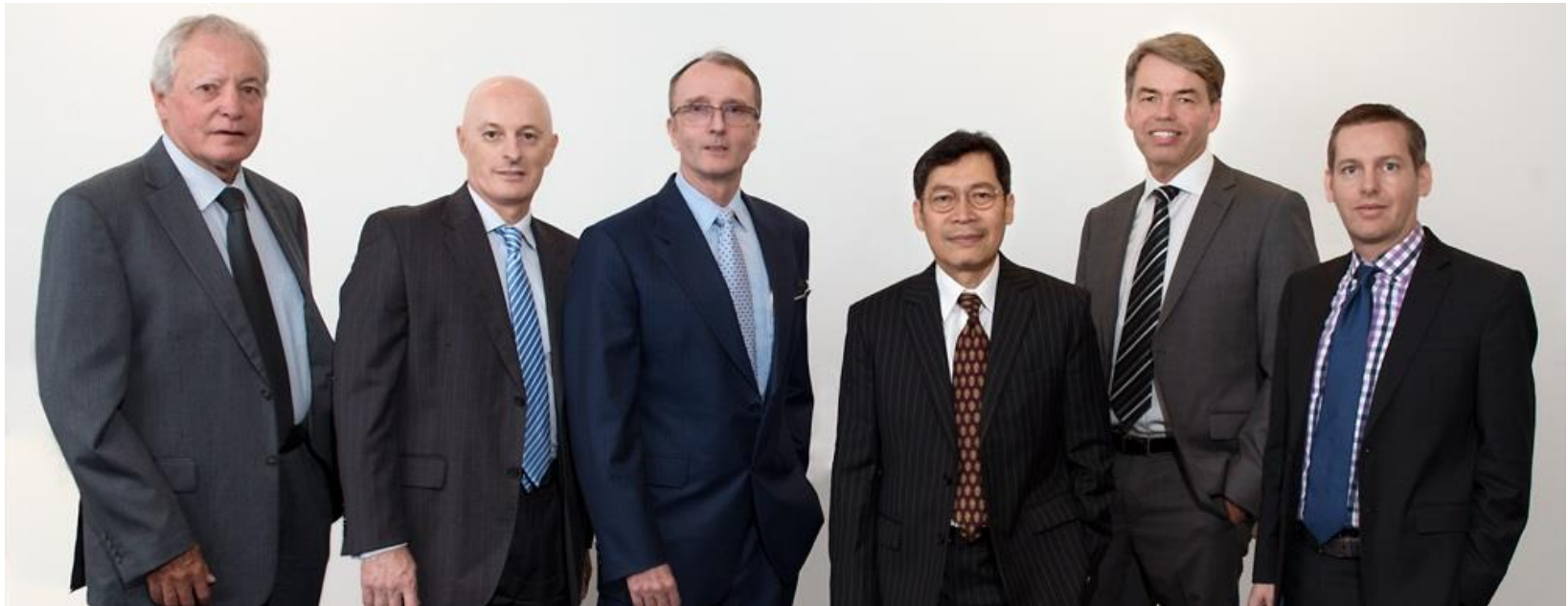
Reflects the proposed use of funds based on plans as of the date of the prospectus and are subject to change.

WHY INVEST IN LION?



Early mover in Indonesia's emerging unconventional business

- Management
- Existing conventional assets
- Priority rights via Joint Study Applications
- Material upside potential
- Attractive operating environment



Russell Brimage
Chairman

Tom Soulsby
Non-Exec Director

Chris Newton
Non-Exec Director

Sammy Hamzah
Principal Advisor

Kim Morrison
CEO

Stuart Smith
CFO (designate)



Thank you

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