

ASX/Media Release

For Immediate Release – 19 August 2014



Lion bolsters advisory panel with drilling and operations expert

Highlights

- **Well respected drilling and operation manager, Mr Michael Ellis, joins Lion’s advisory panel.**
- **Over 30 years experience (ARCO, Hess, BP, Samson, Maxus-YPF Repsol) including around 20 years in Indonesia and US unconventional experience.**
- **Mr Ellis joins Mr Roger Whyte, Mr Sammy Hamzah, Dr Andrew Cullen and Dr Harold Williams to complete our advisory panel.**
- **Lion is issuing 214,096 shares to key advisors and consultants to align interest and as a cash conserving form of remuneration.**

Lion Energy Ltd (ASX Code: LIO) has strengthened its advisory panel by appointing a highly experienced drilling engineer to provide advice to the board on drilling and operation issues and help oversee upcoming Lion drilling projects.

Mr Ellis has wide-ranging Indonesian experience and has proven his flexibility in managing deep, complex high pressure wells and also relatively shallow, onshore oil development programs in a cost effective and safe manner. He has experience working unconventional plays in the US, which will be vital in assisting Lion with our shale gas and oil exploration programs. Mr Ellis has strong business acumen, with an MBA from Monash University (Melbourne).

Mr Ellis joins Mr Sammy Hamzah, Mr Roger Whyte, Dr Andrew Cullen and Dr Harold Williams on Lion’s advisory panel. As with other panel experts, Mr Ellis receives a modest monthly retainer that includes part compensation in Lion shares. Lion has issued 214,096 ordinary shares to members of the advisory panel per the terms of their engagement, and also to some key consultants under separate agreements. Apart from conserving cash, Lion believes that including a share component builds a greater level of alignment with shareholders than usually seen with advisors/consultants.

Lion’s CEO Kim Morrison commenting on the appointment noted “Lion is delighted to have Mike join the Lion advisory panel. Project execution is key to success of small companies and Mike brings a wealth of Indonesian experience to help us successfully tackle our projects. He has already undertaken an important review of Lofin-2 drilling plans, providing key recommendations to the operator, and will also be closely involved with planned drilling in our North Sumatran South Block A PSC.

Mike’s appointment rounds off Lion’s impressive advisory panel which is already working well, providing sound, insightful and unbiased advice and assistance to the company.”

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.

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Advisory panel biographies

Mr Michael Ellis

Mr Ellis holds a BSc in Petroleum Engineering from Montana College of Mineral Science and Technology, and MBA in Management from Monash University. He is a Registered Petroleum Engineer in the State of Alaska. Mr Ellis has an intimate knowledge of the challenges and success factors of working in Indonesia and has proven track record in successfully running drilling operations in wide variety of geographical environments in a safe, cost effective and efficient manner.

Mr Ellis has recently completed an assignment with Pexco in Jakarta where he managed drilling projects in Aceh, Sulawesi and onshore South Sumatra. In this latter case he played a key role in successfully bringing an onshore oil field through development to production. In 2003-2005 Mr Ellis was a VP of Exploitation for Maxus-YPF Repsol, where he was responsible for all operation activities, including financial performance, of 150,000 bopd production from 71 offshore structure with in excess of 400 wells and two FPSO's. From 2005-2006 he was based in Oklahoma working for Samson Oil and Gas on US onshore unconventional projects.

Dr Andrew Cullen

Dr Cullen, holder of a BSc, MSc and PhD in Geology, is a petroleum geoscientist with deep and diverse skills and has been involved in international and North American discoveries and reserves additions totalling more than 700 million barrels of oil.

He is currently a Senior Advisor with Chesapeake Energy in Oklahoma City, working on major unconventional projects, as well as assessing unconventional plays throughout the US. He also has an adjunct appointment teaching Petroleum Geology at the University of Oklahoma. Dr Cullen spent nearly 20 years working for Shell International in Nigeria, Malaysia, the Netherlands and the US, and, prior to joining Chesapeake in 2010, he was responsible for a team evaluating unconventional plays throughout the Western Hemisphere.

Dr Harold Williams

Dr Williams, also a holder of a BSc, MSc and a PhD in Geology, is a 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 Coal Bed Methane also in the WCSB.

He has impressive international experience and has held senior technical positions with Caltex in Indonesia and published widely-cited papers on Sumatran petroleum systems. Dr Williams has developed and taught courses on applied geochemistry and seismic stratigraphy and also brings to Lion strong operations experience with geological supervision of unconventional wells.

Mr Roger Whyte

Mr Whyte was Managing Director of KRX Energy, prior to its acquisition by Lion, and brings over 30 years of wide-ranging experience in the oil industry encompassing senior managerial and technical roles.

He has a BSc degree in geology from the Australian National University and a BSc Honours degree from the University of Tasmania. His early career was spent with Shell, primarily involved with running offshore seismic operations. He later held positions with Union Texas Corporation in Singapore, London and Jakarta, where he rose to the position of Chief Geophysicist with responsibility for offshore seismic acquisition, processing and interpretation in the Tomori Block, Indonesia.

After returning to Australia in 1988, Mr Whyte operated an exploration consultancy business. In 2005 he was appointed Managing Director of GulfX Ltd with responsibility for the company's offshore interests in the Gulf of Mexico. Prior to co-founding KRX in 2010 Mr Whyte was Indonesian Country Manager for Oilex Ltd.

Mr Sammy Hamzah

Mr Hamzah is CEO of Tower Energy and a pioneering authority in Indonesian unconventional oil and gas.

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He formed Tower in 2012 to pursue early entry into unconventional exploration (non-CBM) opportunities in Indonesia. He is also the founding shareholder and CEO of Ephindo Energy Private Limited, Indonesia's leading first mover CBM company. Mr Hamzah was formerly Unocal Indonesia's (now Chevron Indonesia) Senior Vice President in Indonesia and has over 20 years of executive experience.

He is currently a board member of the Indonesian Petroleum Association, Chairman of the Permanent Committee of Coordination of Energy Association at KADIN (Indonesian Chambers of Commerce) and a founder of the CBM Advisory Board, as well as a non-executive director of Rio Tinto Indonesia.

Issue of shares

Lion Energy is pleased to announce that it has issued 214,096 ordinary shares comprising 87,234 to members of the Technical Advisory Panel per the terms of their engagement and 126,862 to some key consultants. These shares are subject to selling restrictions as per advisor agreements, and are also subject to clawback if the advisor's contract is terminated early. Apart from conserving cash, Lion believes that including a share component builds a greater level of alignment with shareholders than usually seen with advisors/consultants.

The Appendix 3B and cleansing statement for the share issue will be separately lodged with the ASX.

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.