

ASX/Media Release

For Immediate Release – 12 December 2016



Minor delay to spud date of Amanah Timur-1

Lion Energy Limited (“Lion” or “Company”, ASX: LIO), has been informed by the Operator of South Block A PSC that the anticipated spud date for Amanah Timur-1 has been delayed as a precautionary measure due to the combined impact of weather conditions and the recent earthquake in the region.

The rig contractor, Pertamina Drilling Services Indonesia (PDSI) was in the process of rigging up when the recent earthquake struck. The impact at the drill location, which is approximately 200km from the epicentre to the northwest, was no more than a tremble. However, over the weekend PDSI, supported by the joint venture, have decided to rig down and add additional fill material and further compaction, as a precautionary measure to ensure the rig is on a stable base in the event of further geological activity.

The decision was taken in conjunction with assessment of the heavy rain that has impacted road and location conditions leading up to the earthquake.

It is anticipated the spud date will be deferred 7 – 10 days.

While we are clearly keen to see the well drilled, Lion fully supports the operator in aligning with PDSI in this precautionary delay.

There will be a minimal cost impact anticipated to the joint venture in the costs associated with the further site works.

Lion has a 40.7% interest in the well.

Kim Morrison, Lion’s CEO commented: “Whilst a further delay is disappointing, this is a common sense approach by all involved in the drilling program. At minimal cost, it is a precautionary step in light of compounding issues of weather and an earthquake, to ensure the site is adequate for the safe drilling of this exciting well. “

Amanah Timur-1– location photo



END

Lion at a glance

- ASX listed oil and gas E&P company focused on Indonesia; two conventional PSC’s.
- Net production of around 90bopd from the Seram PSC which also contains the Lofin gas/condensate field.
- An early mover in Indonesia’s fledgling unconventional oil & gas industry.
- 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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