

ASX/Media Release

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Sale of South Block A Interest

Highlights

- South Block A interest sold to Blue Sky Resources Ltd
- Lion retains production royalty
- Sale process of non core assets now largely complete

Lion Energy Limited ("Lion" or "Company"; ASX: LIO) is pleased to advise it has executed an agreement to sell the Company's holding in South Block A ("SBA") to Blue Sky Resources Ltd ("BSRL") for a nominal amount of \$10. Lion retains a right to a production royalty with a maximum value of US\$4,500,000.

Under the terms of an existing royalty agreement, Lion is entitled to a royalty equal to 0.8% of the revenue derived from the SBA PSC up to a maximum of US\$4,500,000. The royalty will accrue and become payable once 50% of the SBA PSC cost recovery pool at first oil has been recovered.

Completion of the sale is subject to approval of the Government of Indonesia.

Lion's Executive Chairman, Tom Soulsby, said that the *"the sale of Lion's interest in SBA largely completes Lion's non core asset sale process, and will allow the Company to move forward and focus on building a portfolio of production and development assets in SE Asia with an initial focus on the exciting Seram Island interests. Lion retains an exposure to the AMT2 well via its royalty, but has no further obligations to the SBA JV"*

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Lion at a glance

- ASX listed oil and gas company with conventional PSC's 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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Directors & Officers

Tom Soulsby	Executive Chairman
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Chris Newton	Non-Executive Director
Zane Lewis	Non-Executive Director and Company Secretary

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