ASX/Media Release

For Immediate release 10 September 2018

Emerging world-class prospect and lead portfolio in Lion's new East Seram PSC

Highlights

- **14 prospect & leads with combined P50 prospective resource[1] of 770 mmboe (estimated 60% oil/condensate)**
- **High ranked MA-7 lead with oil prospective resource[1] P10 40 mmbbl to P90 880 mmbbl**
- **Lofin Field extension prospective resource P10 70 to P90 290 bcf**

Lion Energy Limited ("Lion" or "Company") is pleased to report that completion of initial technical work on our recently acquired East Seram PSC has resulted in an impressive prospect and lead portfolio. Most notably, three leads, MA-7, Tanah Baru South and Lofin NW, have combined P50 potential of approximately 500 mmboe. Significantly, the PSC also contains the south-easterly extension of the 2 TCF Lofin field and an offshore extension of the 20 mmbbl Bula oil field.

The East Seram PSC covers much of the eastern part of Seram Island in Eastern Indonesia. Lion has a 100% interest in the 6510 km^2 PSC which was signed on July 17, 2018. The firm commitment consists of 500km seismic (to be acquired either onshore or offshore) and geological/geophysical studies. No commitment wells are included in the primary 3-year term.

The East Seram contract is awarded under Indonesia's new Gross Split PSC system which significantly reduces the bureaucratic burden on companies while providing internationally competitive fiscal terms with company profit share of at least 75% before income tax.

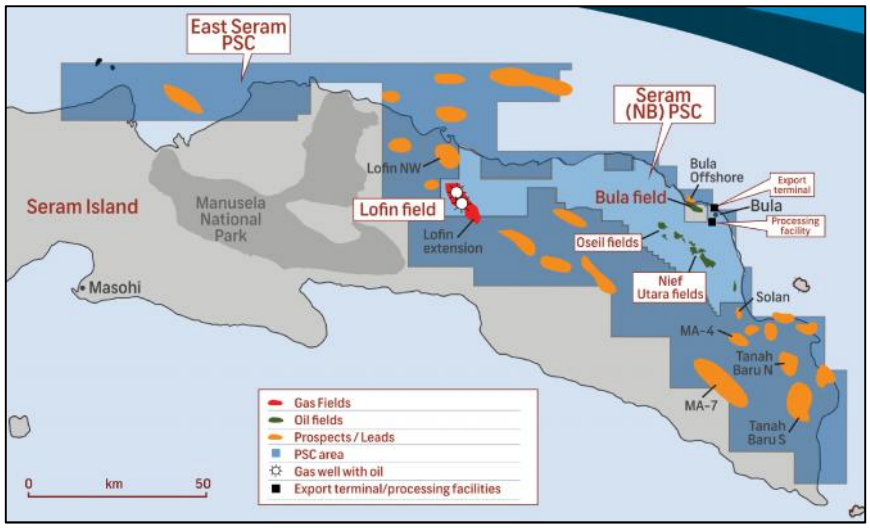

Figure 1. Map of East Seram PSC showing existing fields and key prospect and leads

Tom Soulsby Lion's Executive Chairman noted "Lion is excited by the world-class potential recognised in our new PSC. We have acquired a dominant position in a proven, yet underexplored, fold belt, a globally significant play. In addition, we have highly attractive prospects in a low risk, low cost, proven shallow oil play. Our efforts going forward are focused on continuing to derisk the portfolio leading up to planned seismic survey which will high grade a number of drilling targets."

Lion at a glance

- ASX listed oil and gas E&P company focused on Indonesia; two conventional PSC's.
- Net production of around 50bopd from the Seram PSC which also contains the Lofin gas/condensate discovery.
- New focus on production opportunities in Southeast Asia, initial focus on Seram Island.
- Executive team and strategic investors with impressive track records for value creation in Indonesia.

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[1]Prospective resources refer to estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) related 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 significant quantities of potentially moveable hydrocarbons.

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Technical Overview

The East Seram PSC encompasses a significant part of the Eastern Indonesian Seram Basin. The PSC has geological affinities to nearby provinces that host major oil and gas reserves, this includes the prolific Papuan fold belt in PNG as well as the Salawati and Bintuni basins in Irian Jaya.

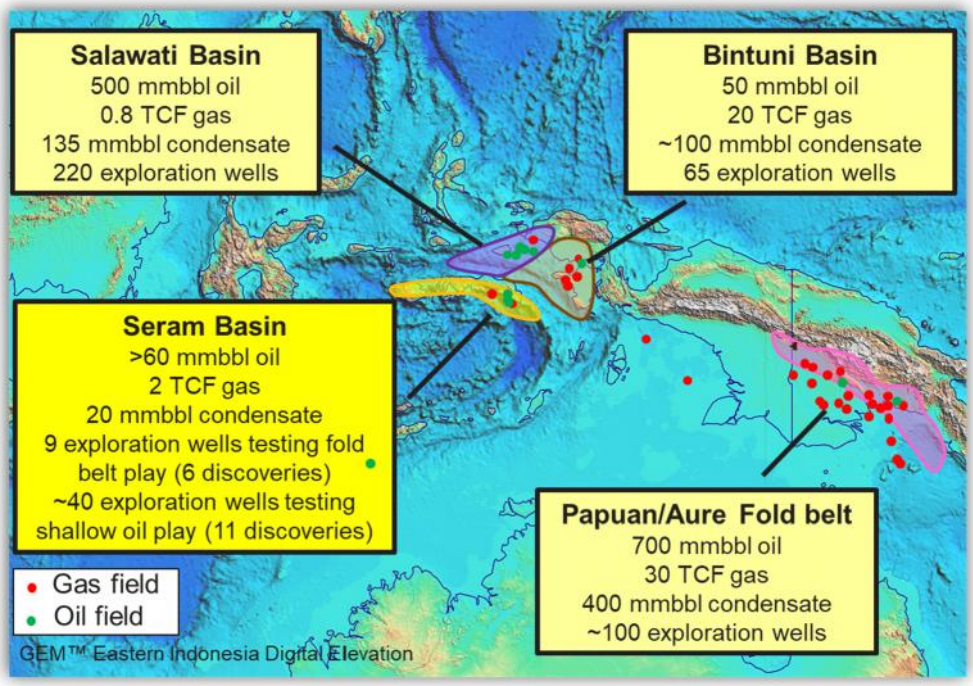
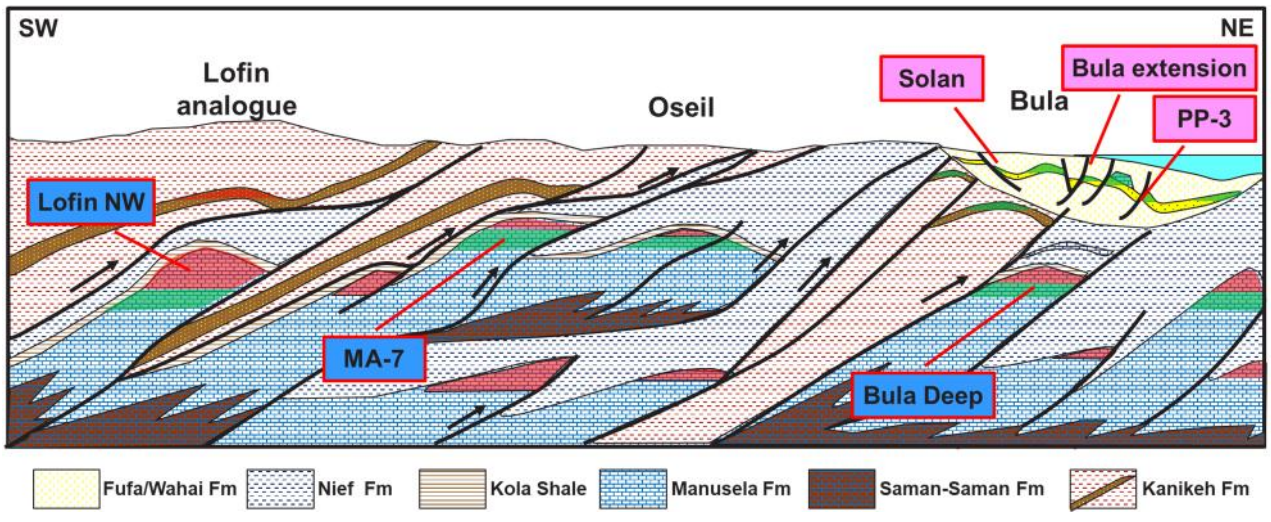


Figure 2 Key exploration statistics for provinces in vicinity of the Seram Basin

The East Seram block contains two main proven plays:

- The Triassic to Early Jurassic Manusela limestone oil and gas play is the primary objective with over 430mmboe discovered to date in the basin including the producing Oseil field and the Lofin gas field. **All 6 wells that have intersected the Manusela limestone to date in the area have been discoveries.**
- A shallow Plio-Pleistocene oil play with sandstone & carbonate objectives in the Fufa Formation. The play includes the 20 mmbbl Bula Oil field. The East Seram PSC contain the potential offshore extension of this field, as well as a number of additional on and offshore leads.

Figure 3 Schematic play diagram showing the two main plays and the structural/stratigraphic setting for key leads.



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East Seram PSC Portfolio

A total of 14 prospect and leads are currently characterised and this portfolio is anticipated to expand with ongoing work..

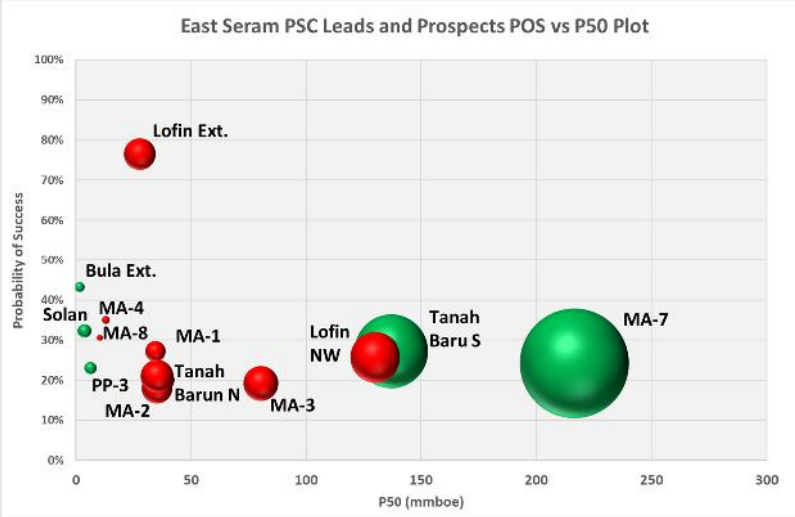

Figure 4 Probability of success versus P50 mmboe prospective resource. Green coloured bubble refers to leads which are dominantly expected to be oil filled by volume whereas red is dominantly expected gas filled.

Table 1 East Seram PSC Prospective Resource Summary

East Seram PSC Prospective Resource [1,2,3]		Lion Working Interest (100%)									
		HC Gas Recoverable			Oil/Cond Recoverable			Combined[4] mmboe			POS[5]
Lead/Prospect	Target	Low P90	Best P50	High P10	Low P90	Best P50	High P10	Low P90	Best P50	High P10	%
Fold belt Play											
MA 7	Manusela Lmst	**33.7**	**160.6**	**748.3**	39.4	189.8	881.4	45.2	216.6	1006.1	**24%**
Tanah Baru S	Manusela Lmst	**77.4**	**281.9**	**911.1**	22.7	90.0	339.1	35.6	137.0	490.9	**24%**
Lofin NW (MA 10)	Manusela Lmst	**147.6**	**485.6**	**1623.5**	13.9	49.0	146.7	38.5	129.9	417.3	**20%**
MA 3	Manusela Lmst	**62.5**	**236.3**	**860.1**	10.7	40.9	143.5	21.1	80.3	286.8	**19%**
Tanah Baru N	Manusela Lmst	**36.1**	**123.7**	**424.6**	4.6	17.5	61.1	10.6	38.1	131.9	**20%**
MA 2	Manusela Lmst	**23.8**	**96.4**	**349.6**	4.8	19.2	75.0	8.8	35.2	133.3	**18%**
MA 8	Manusela Lmst	**23.8**	**96.4**	**349.6**	4.8	19.2	75.0	8.8	35.2	133.3	**21%**
MA 1	Manusela Lmst	**32.1**	**100.4**	**294.6**	5.4	17.8	53.3	10.8	34.5	102.4	**27%**
Lofin Extension[6]	Manusela Lmst	**69.2**	**154.4**	**291.7**	0.9	2.0	3.9	**12.4**	**27.7**	**52.5**	**75%**
MA 4	Manusela Lmst	**18.2**	**58.8**	**176.0**	0.9	3.3	9.7	3.9	13.0	39.0	**35%**
MA 4 NE	Manusela Lmst	**14.5**	**41.5**	**122.6**	**1.1**	**3.5**	**11.0**	**3.5**	**10.4**	**31.4**	**31%**
Shallow play											
PP3	Fufa carbonate				**3.1**	**6.4**	**13.1**	**3.1**	**6.4**	**13.1**	**23%**
Solan	Fufa sst	**0.7**	**1.5**	**3.6**	**1.5**	**3.6**	**8.7**	**1.6**	**3.8**	**9.3**	**32%**
Offshore Bula	Fufa sst/carbonate				**0.5**	**1.6**	**4.8**	**0.5**	**1.6**	**4.8**	**43%**
Combined		**539.5**	**1837.4**	**6155.0**	**114.3**	**463.7**	**1826.3**	**204.4**	**769.9**	**2852.1**	**24%**

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Notes:

1. Prospective resources refer to estimated quantities of petroleum that may potentially be recovered by the application of future development project (s) related 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 significant quantities of potentially moveable hydrocarbons.
2. Prospective resources in this Table have been estimated probabilistically at lead level but combined arithmetically to provide the portfolio number. The aggregate P90 may be a very conservative estimate and the aggregate P10 may be a very optimistic estimate due to the portfolio effects of arithmetic summation.
3. Details of key parameters used to calculate prospective resource outlined in Table 2
4. Conversion for gas factor of 6mcf=1boe used to convert gas to barrels of oil equivalent
5. Probability of success. The chance of flowing a measurable quantity of oil or gas on test of an exploration well.
6. Lofin Field Extension potential in East Seram PC potential currently assigned as prospective resource rather than contingent resource pending further analysis.

Table 2 East Seram PSC Summary of key paramaters used in volumetric analysis for prospective resource

East Seram PSC	Key parameters for calculating prospective resource																				
Lead/Prospect	Depth to crest ss	P10 depth ss	Area sq km			Average Net Pay m			Porosity %			Hydro %			Oil %	Oil Recovery %	Oil FVF	Solution Gas Yield	Gas Recovery %	Gas Expansion Factor	Cond Yield (bbl/ mmscf)
	mss	mss	P90	P50	P10	P90	P50	P10	P90	P50	P10	P90	P50	P10	P50	P50	P50	P50	P50	P50	P50
Fold belt Play																					
MA 7	1200	2200	8.5	24.4	70.0	57.9	138.4	314.8	3.5	6.5	9.5	60	70	80	85	30	1.15	450	75	153	14.1
Tanah Baru S	2400	3300	8.5	19.1	42.9	65.0	138.5	277.6	3.5	6	8.5	60	70	80	60	27.5	1.15	450	75	230	14.1
Lofin NW (MA 10)	3500	5000	9.0	19.0	40.0	75.8	161.6	323.9	3	5	7	60	70	80	40	25	1.15	450	75	280	12.2
MA 3	3200	3900	9.0	20.1	45.0	38.4	86.6	186.5	3	5.5	8	60	70	80	45	25	1.15	450	75	265	12.2
Tanah Baru N	3200	4100	5.0	9.2	17.0	39.0	97.5	235.5	3	5	7	60	70	80	40	25	1.15	450	75	270	14.1
MA 2	3200	4000	3.4	7.4	16.0	44.1	105.5	239.8	3	5.5	8	60	70	80	50	25	1.15	450	75	260	14.1
MA 8	3000	3700	3.4	7.4	16.0	44.1	105.5	239.8	3	5.5	8	60	70	80	50	25	1.15	450	75	260	14.1
MA 1	3300	3950	3.5	6.7	13.0	55.9	111.9	206.4	3	5.5	8	60	70	80	45	25	1.15	450	75	265	12.2
Lofin Extension	4900	5468	5.0	6.7	9.0	66.2	116.9	166.8	2.5	4	5.5	65	70	75					0.7	320	12
MA 4	4000	4600	2.0	4.2	9.0	37.9	80.8	161.9	3	4.5	6	60	70	80	20	20	1.15	450	70	300	14.7
MA 4 NE	3700	4500	2.0	3.5	6.0	36.9	80.2	175.7	3.25	4.75	6.25	60	70	80	30	20	1.15	450	70	290	14.7
Shallow play																					
PP3	350	500	0.50	0.77	1.20	16.28	23.45	34.35	20	24.49	30	60	70	80	100	36	1.06				
Solan	230	270	1.00	1.73	3.00	5.94	10.46	18.47	25	27.39	30	60	70	80	50	35	1.05		0.75	35	14.7
Offshore Bula	150	400	0.26	0.88	1.50	5.18	8.30	13.42	19	23.47	29	56	64	72	100	35	1.06				

Glossary

bcf: billion cubic feet
FVF: formation volume factor
mmbbl: million barrels
mmboe: million barrels oil equivalent
PSC: production sharing contract
ss: subsea
tcf: trillion cubic feet

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, previous 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 30 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 release of this report and to the inclusion of the matters based on the information in the form and context in which it appears. Mr Morrison is a member of AAPG.

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