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Company Announcements
ASX Limited

ACTIVITY UPDATE

Seram (Non Bula) Block Renewal Production Sharing Agreement:

As announced in the Quarterly Activities Report to 31st March 2009, a lifting (for export) of 337,438 barrels of HSFO was completed on March 19th 2009. Revenue entitlement to LION from this sale amounting to US\$320,172 has now been received.

LION ENERGY LIMITED, through its wholly owned subsidiary Lion International Investment Limited (LII), holds a 2.5% shareholding in the Seram (Non Bula) Block Renewal Production Sharing Contract. The major shareholder and Operator of the Joint Venture is CITIC Seram Energy Limited (51%), KUFPEC (Indonesia) Limited with 30% and Gulf Petroleum Investment (16.5%). CITIC is the Operator for the Joint Venture.

Effective 31 January 2009, the 2.5% shareholding in the Seram (Non Bula) Block Renewal Production Sharing Contract was transferred from Lion Petroleum Seram Limited (LPSL), to its parent, Lion International Investment Limited. This corporate restructure was approved by the Indonesian Regulatory body BP MIGAS and the joint venture, in accordance with the Joint Venture Agreement.

The transfer of interest (from LPSL to LII) was effected as a restructure to reduce corporate overhead associated with the cost of the maintaining the LPSL subsidiary.

The Seram (Non Bula) Block contains the Oseil oilfield which has since initial field start-up in January 2003, produced cumulative crude oil production of 8,065,458 barrels as at April 30th 2009.

Production for April 2009 was:

- Crude Oil 72,765 barrels
- HSFO 72,547 barrels
- Naphtha 4,486 barrels

Futures Trading

Lion International Investment Limited (“LII”), a wholly owned subsidiary of Lion Energy Limited, has decided to terminate its futures trading activities. Losses on futures trading positions amount to US\$666,119 since inception. The losses relate primarily to oil futures and arose due to a higher crude oil price than expected. LII continues to produce oil as part of its Seram (Non-Bula) Joint Venture, and while the price of oil may continue to fluctuate, in general a higher oil price will enhance the value of this investment. LII has closed all futures positions and will close its futures trading account.

Enquiries:

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