



45 VENTNOR AVE
WEST PERTH
WESTERN AUSTRALIA 6005
TELEPHONE: +618 9429 8874
FACSIMILE: +618 9389 4462
ABN 51 000 753 640

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Company Announcements
Australian Stock Exchange Ltd

CLOSURE OF PUBLIC OFFER

On 8 September 2006, Lion Energy Limited issued a prospectus for a pro-rata non-renounceable rights issue of 3,046,124,356 fully paid ordinary shares (each a "**Share**", together the "**New Shares**") on the basis of one (1) New Share for every one (1) Share held on the Record Date of 19 September 2006 at an issue price of \$0.0035 per New Share, to raise approximately \$10,661,435.

Lion Energy Ltd has now closed the offer having raised \$1,729,526 by the issue of 494,150,166 Shares.

The offer is fully underwritten and the shortfall of 2,551,974,190 Shares will now be taken up by the underwriter or its sub-underwriters.

Jack Toby
Company Secretary