
4th May 2011

LION ENERGY LIMITED OPERATIONS UPDATE AND CRUDE OIL LIFTING

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 in Indonesia. The major shareholder and Operator of the Joint Venture is CITIC Seram Energy Limited (51%). Other partners include KUFPEC (Indonesia) Limited (30%) and Gulf Petroleum Investment (16.5%).

The block contains the Oseil oilfield which has since initial field start-up in December 2002, produced cumulative crude oil production of 9,584,501 barrels as at 31 March 2011 and 4.927 BCF of natural gas. Most of the natural gas is utilized to generate electricity on site for the operations.

The next crude oil lifting from the Oseil oilfield is tentatively scheduled for early June 2011 and expected to be approximately 350,000 barrels. Funds from the sale will be due 30 days after the lifting.

Based on current Mean of Platts Singapore HSFO 180 cst prices, sales revenue net to LII is anticipated to be approximately US\$870,000.

Final actual sales revenue will vary according to the actual 30 days average price before the date of lifting.

Enquiries:

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Competent Person’s Statement:

Information in this report that relates to Hydrocarbon Reserves and or Resources is based on information compiled by Mr Russell Brimage, Director of Lion Energy Limited who has consented to the inclusion of that information in the form and context in which it appears.

Mr Brimage has over 30 years experience in the application of engineering to the petroleum industry in oil and gas exploration and production, both in Australia and internationally, as either an employee or consultant to oil companies operating in the upstream petroleum industry. Mr Brimage reviews the Company’s operations with the help of various professional consultants, appropriately qualified and experienced in their respective fields within the upstream petroleum industry. He is also an Associate Member of the Society of Petroleum Engineers.