



GROUND FLOOR, CANUTE HOUSE
15 RHEOLA STREET
WEST PERTH, WESTERN AUSTRALIA 6005
TELEPHONE: +618 9213 4300
FACSIMILE: +618 9213 4311
ABN 51 000 753 640

5 August 2008

Company Announcements
ASX Limited

PAPUA PETROLEUM LIMITED

Lion Energy Limited (“LIO”) is pleased to announce that completion has occurred under farmout agreements between Papua Petroleum Limited (“PPL”), an Australian public company in which LIO’s wholly owned subsidiary, Lion International Investments Limited holds 19.49% of the issued capital, and Sasol Petroleum Papua New Guinea Limited (“SPPNG”) an indirect, wholly owned subsidiary of Sasol Petroleum International (“Farmout Agreements”).

The Farmout Agreements were entered into by PPL and SPPNG on 18 June 2008.

Under the Farmout Agreements SPPNG has agreed to spend US\$11.8 million to earn 51% undivided participating interest in each of PPL’s Papua New Guinean Petroleum Prospecting Licences 285, 286, 287 and 288.

The Farmout Agreements were completed and the transactions closed in Port Moresby today upon receiving the requisite approvals from the Minister for Petroleum and Energy of the Independent State of Papua New Guinea, the Hon. William Duma.

Mr Russell Brimage, LIO’s Managing Director, said that he was very pleased that LIO’s recent investment in PPL has shown such immediate results and that, through PPL, LIO would be participating in the exciting new phase of Papua New Guinea’s oil and gas exploration and development.

Jack Toby
Company Secretary

ENQUIRIES:

Jack Toby
Company Secretary
Telephone: +61 8 9213 4300
Email: info@lionenergy.com.au