



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

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Company Announcements
Australian Stock Exchange Limited

LION ENERGY LIMITED (“LION”) DRILLING UPDATE NEIF UTARA A-1 WELL

The Company advises that exploration well Neif Utara A-1 which spudded on February 28th in the Seram (Non Bula) Block Production Sharing Contract on the island of Seram in eastern Indonesia is at 6,661 feet at 6 AM 24th April 2008.

Progress to date includes:

- 20 inch casing set at 204 feet.
- 13 3/8 inch casing set at 1,508 feet
- 9 5/8 inch casing set at 4,494 feet.
- 7 inch casing set above the objective Manusela formation at 6,705 feet.

Planned TD is 7,309 feet.

Current Status

Drilling ahead with directional bottom hole assembly at 6,661 feet after tagging top of cement (from the setting of the 7 inch casing) at 6,608 feet.

Forecast

Continue drilling 6 1/8” hole to objective Manusela formation.

Overview

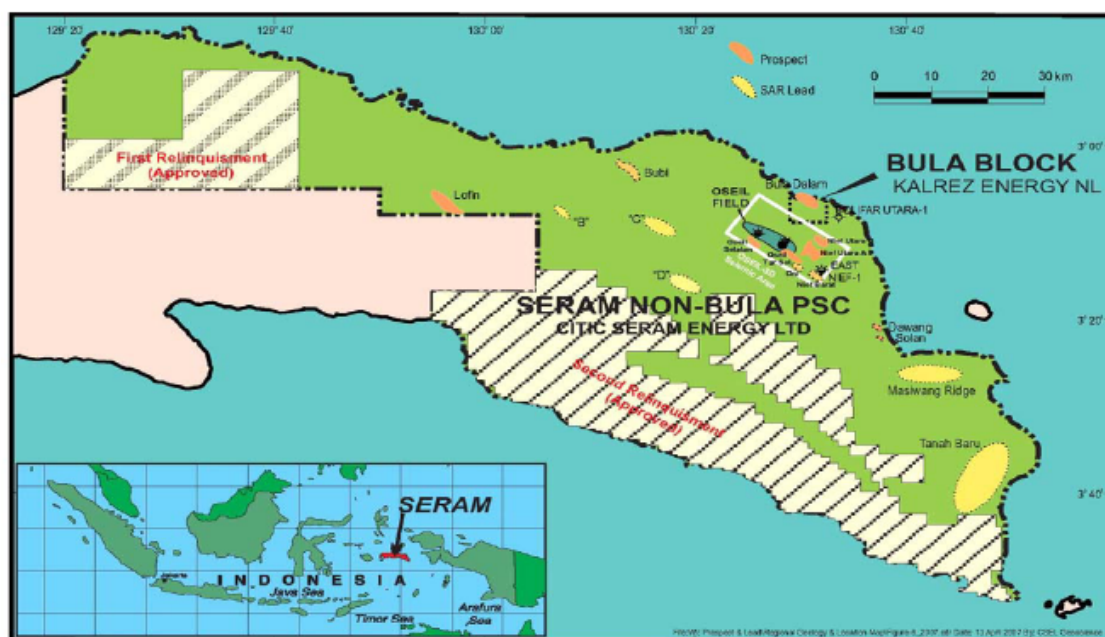
The Neif Utara A prospect is an elongate thrust and reverse-fault controlled four way dip closed anticline, situated at the southeast end of the Oseil high trend, along the Oseil – East Neif anticlinorium.

The primary target is the Manusela Carbonate, interpreted to be similar in reservoir characteristics to the nearby Oseil oilfield, which is currently producing at approximately 4,000 BOPD, with cumulative production to 31st December 2007 of 6,533,631 BO.

For the Neif Utara A prospect, deterministic STOOIP has been estimated at 34 MMSTBO, and reserves of 10.2 MMSTBO using a 30% recovery factor.

SERAM (NON-BULA) PSC

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



The block contains the Oseil oilfield which has produced 6,533,631 barrels (to 31st Dec 2007) of crude oil since initial field start-up in January 2003.

NOMENCLATURE:

bbls	barrels
BO	barrels of oil
BOPD	barrels of oil per day
MMSTBO	million standard barrels of oil
STOOIP	stock tank original oil in place
TD	total depth

All depths quoted are RKB (relative to Kelly bushing)

ENQUIRIES:

Russell E Brimage
Telephone: +61 8 9213 4300
Email: info@lionenergy.com.au