



MARKET RELEASE

8 December 2004

LION ENERGY LIMITED

TRADING HALT

The securities of Lion Energy Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Friday, 10 December 2004 or when the announcement is released to the market.

Security Code: LIO

A handwritten signature in black ink, appearing to read 'Matthew Fraser'.

Matthew Fraser
Companies Adviser

LION ENERGY Ltd



Matthew Fraser
Companies Adviser
Australian Stock Exchange Limited
Level 19
81 King William Street
Adelaide SA 5000

8th December 2004

By Facsimile: 8216 5099

Dear Matthew,

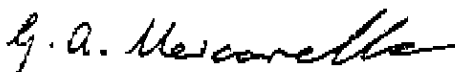
Re: Trading Halt

In accordance with ASX Listing Rule 17.1, the Directors of Lion Energy Limited (LIO) request the ASX place a trading halt on the securities of the company. Pursuant to the Listing Rules the company provides the following information:

- o The trading halt has been requested pending an announcement,
- o The halt is expected to remain until no later than market open Friday 10 December 2004 by which time an announcement is expected to be released; and
- o The company is not aware of any reason why the trading halt should not be granted.

If you have any queries please contact the writer on 8239 2666.

Yours faithfully,



G A Mercorella
Executive Chairman