



LION ENERGY CORP.

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TSX.V - LEO

LION ENERGY PROVIDES UPDATE ON PUNTLAND

December 23, 2009, Vancouver, BC – Lion Energy Corp. (the “Company” or “Lion Energy”) (TSX.V – LEO) announced today that its partner Africa Oil Corp. (“Africa Oil”) and the Puntland State of Somalia have entered into amending agreements modifying the terms of the existing January 17, 2007 Production Sharing Agreements made in respect of the Dharoor Valley Exploration Area and the Nogal Valley Exploration Area. The amended agreements were signed by the parties on December 8, 2009 and ratified by the parliament of the Puntland State of Somalia on December 21, 2009.

With the conclusion of the negotiations and the execution of the amending agreements, the Production Sharing Agreements now provide for initial exploration periods that have been extended from 36 months to 48 months, with a revised expiry of January 17, 2011. The terms of the exploration programs have also been amended allowing Africa Oil the option to drill one exploratory well in each of the Nogal and Dharoor Valley Exploration Areas, or two exploratory wells in the Dharoor Valley.

In consideration of the extension of the exploration period, Africa Oil agreed to relinquish twenty-five percent of the original agreement area on or before January 17, 2010 and to pay a US\$1,000,000 bonus within 30 days of a commercial discovery in each of the production blocks. Africa Oil also agreed to certain enhanced abandonment and environmental safety measures and to make a one time US\$1,050,000 payment to the Puntland government for development of infrastructure.

The Company is also pleased to announce the addition of John R. Nelson, as Vice-President, Exploration and Catherine Vail as Corporate Secretary.

Mr. Nelson has resided in Canada for 16 years and has been involved with a number of private and public company start-ups in the resource sector. Mr. Nelson was recently Vice President, Exploration of Petrovista Energy Corp., assisting in developing the company’s oil and gas asset base in Brazil and Columbia. He is the former President and director of Winslow Resources Inc, a micro-junior publicly traded oil and gas exploration company in Calgary, which subsequently completed a Plan of Arrangement with Dualex Energy International Ltd. He is currently a director of Liuyang Fireworks Ltd., Resource Hunter Capital, DualEx Energy and was a co-founder of Ceres Capital Corp, now Reliable Energy Inc. Mr. Nelson has over twenty-five years of resource industry experience in geology and geophysics. He served as an exploration geologist and project manager in numerous worldwide frontier areas, including the Central and East

African rift basins for Mobil Oil Corp., before moving to Canada in 1993, where he started out as a consulting geologist. Prior to entering the public sector, Mr. Nelson founded three private companies providing various geophysical services and technology to Canadian based oil and mining companies. He holds B.Sc. and M.Sc. Degree's in geology from Michigan State University and is a member of APEGGA, AAPG and CSPG.

Ms. Vail has over thirty years experience in the securities industry; and her expertise extends to continuous disclosure and corporate governance-related matters, as well as the coordination of all matters necessary to successfully conclude a variety of corporate and securities-related transactions. For the last several years, Ms. Vail has provided office management, administrative and corporate secretarial services to both private and public companies and to the legal community. Previously, Ms. Vail was engaged as a corporate/securities paralegal to provide a diverse range of services to private companies, and to public companies reporting in both Canada and the United States.

The Company has also granted incentive stock options to officers of the Company to purchase up to an aggregate of 350,000 common shares at a price of \$0.30 each until December 18, 2014.

About the Company:

The Company is a well-financed, Canadian exploration company with a vision to develop a significant presence in the developing oil and gas industry. The Company signed an agreement with Africa Oil Corp. that grants the Company the right to earn an interest in five petroleum blocks located in the Republic of Kenya and in Puntland, Somalia. Lion Energy has also announced a non-binding letter of intent in regards to a business combination with Southern Star Energy Inc. (OTCBB:SSEY) and Gold Star Resources Corp. (TSX.V-GXX). The Company further holds 14.76% interest in Encanto Potash Corp., a junior potash exploration company and a 20% interest in Sulphur Solutions Inc., an emerging fertilizer company developing state-of-the-art patented technology for the production of micronized sulphur fertilizer.

To find out more about the Company, please visit our website at www.lionenergycorp.com.

On behalf of the Board,
LION ENERGY CORP.

“Brian Thurston”, President and CEO

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This release includes certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, that address exploration drilling, exploration activities and events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements in this news release include statements regarding the Company’s intentions or plans, whether of a corporate or exploratory nature. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration and exploration successes, and continued availability of capital and financing and general economic, political, market or business conditions. These statements are based on a number of assumptions, including, among others, assumptions regarding general business and economic conditions, the timing and receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company’s proposed transactions and programs on reasonable terms, and the ability of third-party service providers to deliver services in a timely manner. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected on the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.