



LION ENERGY CORP.

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TSX.V - LEO

LION ENERGY TERMINATES PROPOSED BUSINESS COMBINATION NEGOTIATIONS

January 12, 2010, Vancouver, BC – Further to the Company's November 6, 2009 joint news release with Southern Star Energy Inc. ("Southern Star") and Gold Star Resource Corp. ("Gold Star"), the Company announces the termination of negotiations in respect of the proposed business combination involving it and Southern Star and Gold Star.

In accordance with the terms of the October 30, 2009 non-binding letter of intent amongst the parties, due diligence reviews of the businesses and affairs of Southern Star and Gold Star were undertaken by the Company. Certain impediments to the transaction were identified by the Company and its professional advisors. As a result of these impediments, Company management has therefore concluded that to proceed with the proposed merger transaction in the circumstances would not be in the best interests of Company shareholders.

In light of the above, the special general meeting scheduled for Friday, January 29, 2010, has been cancelled.

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. 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.