



LION ENERGY CORP.

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TSX.V - LEO

LION ENERGY ANNOUNCES IRON ORE UPDATE

February 25, 2010, Vancouver, BC – Lion Energy Corp. (the “**Company**” or “**Lion Energy**”) (TSX.V – LEO) is pleased to announce that it has entered into an Assignment Agreement with Northern Iron Corp. (“NIC”), and an Amendment Agreement with NIC and Skyridge Consulting Inc., Jason Gigliotti, Negar Towfigh, Minegate Resources Capital Group Inc. and 1544230 Ontario Inc., the initial optionors (the “Optionors”) under an option agreement dated November 21, 2007, pursuant to which the Company was granted the right to acquire a 100% interest in the El Sol property, subject to a 2% net smelter return (the “Option Agreement”).

All parties have agreed that the Company will transfer and assign all of its rights, obligations and interests in the Option Agreement to NIC, subject to the 2% NSR. Consideration to Lion Energy will be the issuance of a total of 8.5 million common shares of NIC (the “Shares”). The Optionors have also agreed to accept an aggregate of 500,000 common shares of NIC as compensation for the assignment, and as consideration for agreeing to waive the requirement for either the Company or NIC to incur remaining exploration expenditures on the El Sol property in an amount of up to \$1,500,000.

The Shares are intended to be converted, on a ratio of not less than 1 to 1, into shares of a company listed on the TSX Venture Exchange as a result of a “Qualifying Transaction”, “RTO” (in each case, as defined by the TSX-V) or other business combination, which TSX-V listed company shares will not be subject to any re-sale restrictions that exceed 4 months and 1 day following the date of conversion or of listing on the TSX-V. It is the Company's intention to distribute the TSX-V listed company shares to shareholders of Lion Energy, and upon such distribution, such shares will be free of any escrow requirements.

The parties have also agreed that if the Shares are not converted on the above terms by January 31, 2011, then at any time thereafter, the Company may exercise a right of reversion to return all rights, obligations and interests in the Option Agreement back to the Company.

The El Sol iron ore property is located in the Red Lake Mining District of Northern Ontario. The property is situated approximately 75 km northeast of Ear Falls, Ontario and is accessible by good quality roads to within a few kilometers of the iron zones. In December 2008, the Company conducted a Phase 1 program of property wide ground magnetic surveying, followed by helicopter supported diamond drilling.

No finder's fees are payable in connection with the transaction, and all parties involved in the transaction are at arm's length to the Company.

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 a 27.6% interest in Encanto Potash Corp., and an approximate 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

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE

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, except as required by applicable law or regulatory policies.