

FOR IMMEDIATE RELEASE

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LION ANNOUNCES RESULTS FOR FIRST QUARTER 2002

Seattle, WA – April 30, 2002—LION, Inc. (OTC Bulletin Board: LINN), a leader in online services for connecting mortgage brokers with consumers and lenders, today announced its financial results for the first quarter ended March 31, 2002.

For the first quarter of 2002, revenues were \$1,511,000, up from \$1,463,000 for the fourth quarter of 2001 and up from \$1,491,000 for the first quarter of 2001. The revenue increase reflects improvements made to infrastructure and core business processes, including improved customer service, sales retention and data center performance.

For the first quarter of 2002, the net loss was \$41,000, as compared to a net loss of \$28,000 for both the fourth quarter and the first quarter of 2001. These results include legal expenses related to a lawsuit initiated against LION by Billy Anders, Sr., formerly LION's Chairman, as discussed in the Company's SEC Form 10-KSB for the year ended December 31, 2001.

Excluding these legal expenses, LION would have reported net income of approximately \$86,000 for the first quarter of 2002, net income of \$28,000 in the prior quarter and a loss of \$22,000 in the first quarter of 2001. Until the litigation is settled, the Company anticipates that additional legal expenses will adversely affect its operating results in 2002, much as it did during the first quarter of 2002.

“We're beginning to see improved performance in different segments of our business as we continue to execute our new growth strategy,” said David Stedman, President. “In the first quarter, we maintained a consistent level of subscription revenue, and saw modest increases in technology and marketing sales. We also completed the restructuring of our lender services group and expect gradual growth in revenue from the introduction of new lender initiatives.”

“We continue to focus on improving our core business and supporting the continued execution of our growth strategy. We are encouraged by our progress in the first quarter and the positive reaction from both brokers and lenders to our new service offerings. In coming periods, we anticipate increased adoption of our services by mortgage brokers, lenders and consumers, and gradual improvements in our operating performance.”

The Company continues to progress with its three major initiatives announced in the first quarter of 2002:

Launch new online management tools for lenders. LION developed technology for three lender web sites under the LoanCAT brand in 2001. This technology allows lenders to electronically submit rate pricing and receive rate lock requests and 1003 files. A new online management interface was recently introduced to over 80 lenders in the LION marketplace. To facilitate the brokers' ability to connect with the lender, the Company also plans to introduce a new loan submission tool during 2002. The Company is also currently negotiating with a key alliance partner that will provide technology to further improve connectivity between the lender and the broker.

Enhance the core online services for brokers. The Company has begun to offer its broker productivity tools through a multi-user agreement with a private database that incorporates the brokers' lenders, new loan program search parameters and other management tools. Several mortgage companies have signed multi-user agreements in 2002, which could bring over 1,000 new broker members and over 60 new wholesale lenders into the LION marketplace. To enable brokers to receive loan decisions from their private databases, the Company is also in the process of interfacing with various online decision engines connected to the lending source.

The conversion of consumer traffic into high-value business generation. LION saw an increase in consumer leads and originator advertising revenue in the first quarter of 2002. This is due to increased realtor traffic generated through 1,500 new affiliate realtor sites (for a total of 11,000 realtor sites in the LION marketplace), as well as improvements made to Mortgage101.com, LION's consumer mortgage portal.

In addition, LION's Board of Directors announced that it expects to hold the Company's annual shareholder meeting in the fourth quarter of 2002. A specific date will be set once the Anders litigation is resolved so that the annual meeting can focus on the Company's progress with its growth strategy and expectations for the coming year.

About LION, Inc.

LION, Inc. is a leader in online services that connect mortgage brokers with lenders and consumers more efficiently. The Company serves over 6,400 originators with online broker loan productivity tools and websites powered by a database of over 17,000 loan programs. LION also provides the foundational architecture and database for co-branded and private label web sites that connect consumers to leading companies in the over \$1.3 trillion mortgage industry. LION, Inc. has offices in two locations: Seattle, at 4700-42nd Ave. SW, Seattle, WA 98116, and Denver, at 2000 S Colorado Blvd, Denver, CO, 80222. For more information, please visit www.lioninc.com.

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This press release contains forward-looking statements that involve risks and uncertainties concerning our expected performance (as described without limitation in the quotations from current management in this release). Actual results may differ materially from the results predicted and reported results should not be considered as an indication of our future performance. We believe that these potential risks and uncertainties include, without limitation: our substantial dependence on mortgage brokers and the mortgage broker industry; mortgage market trends; interest rate changes; housing and consumer trends effecting home purchases; the management of our potential growth; risks of new business areas and new Internet technology; joint-marketing and sales agreements; our need for additional financing; our ability to attract and retain high quality employees; changes in the overall economy and in technology; and the number and size of our Internet competitors. Statements in this release should be evaluated in light of these important factors. All information set forth in this release is as of April 30, 2002, and LION undertakes no duty to update this information. More information about these and other important factors that could affect our business and financial results is included in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2001, including (without limitation) under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", which is on file with the Securities and Exchange Commission. Additional information may also be set forth in those sections in our quarterly reports on Form 10-QSB previously filed with the Securities and Exchange Commission.

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LION, Inc.

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

	<u>Q1 2002</u>	<u>Q4 2001</u>	<u>Q1 2001</u>
Revenues	\$ 1,510,963	\$ 1,463,445	\$ 1,491,135
Expenses			
Direct costs	219,350	251,206	260,178
Selling and marketing	482,024	419,670	470,325
General and administrative	638,637	576,876	610,456
Research and development	89,805	112,839	58,126
Depreciation and amortization	119,682	130,923	124,730
	<u>1,549,498</u>	<u>1,491,514</u>	<u>1,523,815</u>
Operating loss	(38,535)	(28,069)	(32,680)
Other income (expense) – net	<u>(2,361)</u>	<u>(228)</u>	<u>4,520</u>
NET LOSS	<u>\$ (40,896)</u>	<u>\$ (28,297)</u>	<u>\$ (28,160)</u>
Loss per common share, basic and diluted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(MORE)

LION, Inc.

CONDENSED BALANCE SHEETS

ASSETS

	March 31, 2002 (Unaudited)	December 31, 2001
CURRENT ASSETS		
Cash and cash equivalents	\$ 499,858	\$ 480,910
Accounts receivable - net	360,540	363,168
Prepaid expenses and other	115,195	72,579
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Total current assets	975,593	916,657
PROPERTY AND EQUIPMENT, net	906,612	875,807
OTHER ASSETS		
Goodwill – net	273,955	273,955
Other assets	33,022	33,022
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	<u>\$ 2,189,182</u>	<u>\$ 2,099,441</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	\$ 176,786	\$ 129,240
Accrued liabilities	394,974	327,616
Deferred revenue	289,894	277,449
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Total current liabilities	861,654	734,305
LONG-TERM OBLIGATIONS, less current maturities	45,518	51,325
STOCKHOLDERS' EQUITY	1,282,010	1,313,811
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	<u>\$ 2,189,182</u>	<u>\$ 2,099,441</u>