

ASX Announcement

February 25, 2026



Bula Karang 1 well update #1 – targeted July spud

Highlights

- **Drilling, HSE, procurement and logistics team in place in Jakarta**
- **Majority of regulatory approvals secured with final local authority clearance expected shortly**
- **SKK Migas is assisting with facilities sharing arrangements to optimise logistics**
- **Competitive drilling rig tender in progress, with award expected in March**
- **Key service tenders (directional drilling, cementing, drilling fluids) issued**
- **Targeted spud date: early July 2026 (subject to regulatory and contractual completion)**

Lion Energy Limited (ASX: LIO) (“Lion” or the “Company”) is pleased to provide an update on progress at its **Bula Karang-1** drilling project.

Regulatory and other approvals

The majority of the required regulatory approvals have now been secured, with the final outstanding documentation from local authorities expected imminently.

The onshore well location benefits from proximity to established infrastructure, including existing cargo jetties. The Indonesian oil and gas regulator, SKK Migas, is actively assisting Lion in finalising a facilities sharing agreement with relevant operators, supporting efficient logistics and execution planning.

Contracting

Lion is currently undertaking a competitive tender and negotiation process for the primary drilling rig. The process has attracted interest from multiple qualified contractors and negotiations are progressing. A rig inspection will be conducted prior to contract award, which is anticipated in March 2026 upon completion of negotiations and receipt of final regulatory clearance. Securing the right rig at the right price is a key schedule risk.

Lion at a glance

- ASX listed oil and gas E&P company with a conventional PSC on Seram Island, Indonesia.
- Drilling an oil exploration well in Q2, 2026
- Working on Southeast Queensland’s first commercial scale green hydrogen production and distribution hub

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In parallel, tenders for directional drilling, cementing and drilling fluids have been issued, with pre-bid meetings completed. The wireline services tender will be released shortly.

The contract for survey and soil boring works has already been executed.

Execution

Kick-off meetings with the survey contractor and site familiarisation visits are scheduled for the coming week along with commencement of the geomechanics study.

Schedule

The Company continues to advance the project in line with its planned schedule. Lion remains focused on maintaining project momentum and cost discipline, with a targeted spud date mid year, subject to timely completion of regulatory and contractual milestones. The Company will continue to update shareholders as material milestones are achieved.

About East Seram PSC and the Bula Karang prospect

Since acquiring the PSC in 2018, Lion has conducted an active exploration program. A 664 km offshore 2D survey targeting the Plio-Pleistocene foreland basin play in 2020 delineated an attractive shallow oil portfolio. Of significance, a well-defined reefal carbonate build-up, the Bula Karang prospect (previously named PP9), emerged from this seismic data.

The highly attractive prospect has a Mid Case (P50) unrisks prospective resource¹ of 12 mmbbl oil in the primary objective target with significant follow up in event of success. The chance of success is estimated at 38%. Additional secondary objective potential exists with possible oil in overlying sandstone reservoirs. The well plan consists of drilling a deviated well from an onshore location targeting the offshore crest of the Bula Karang structure. This will allow rapid commercialisation in the event of success leveraging existing oil infrastructure on Seram Island.

Carbonate reef potential also exists with the nearby PP3 and PP10 prospects and combined P50 Prospective Resource¹ of over 30 mmbbl recoverable (unrisks) is calculated for the play.

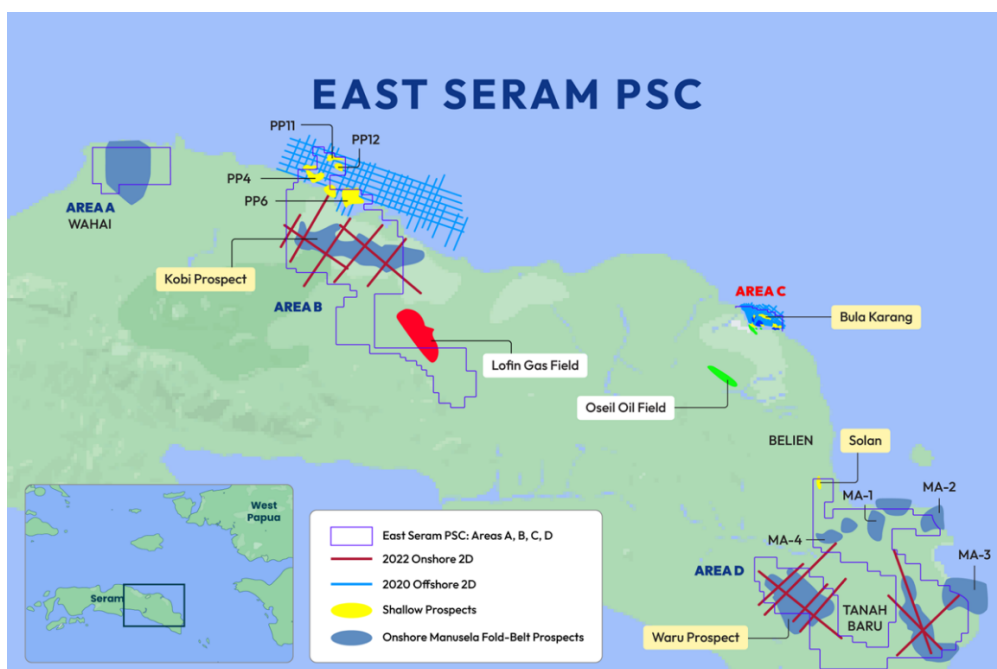


Figure 1: East Seram PSC with key prospects highlighted

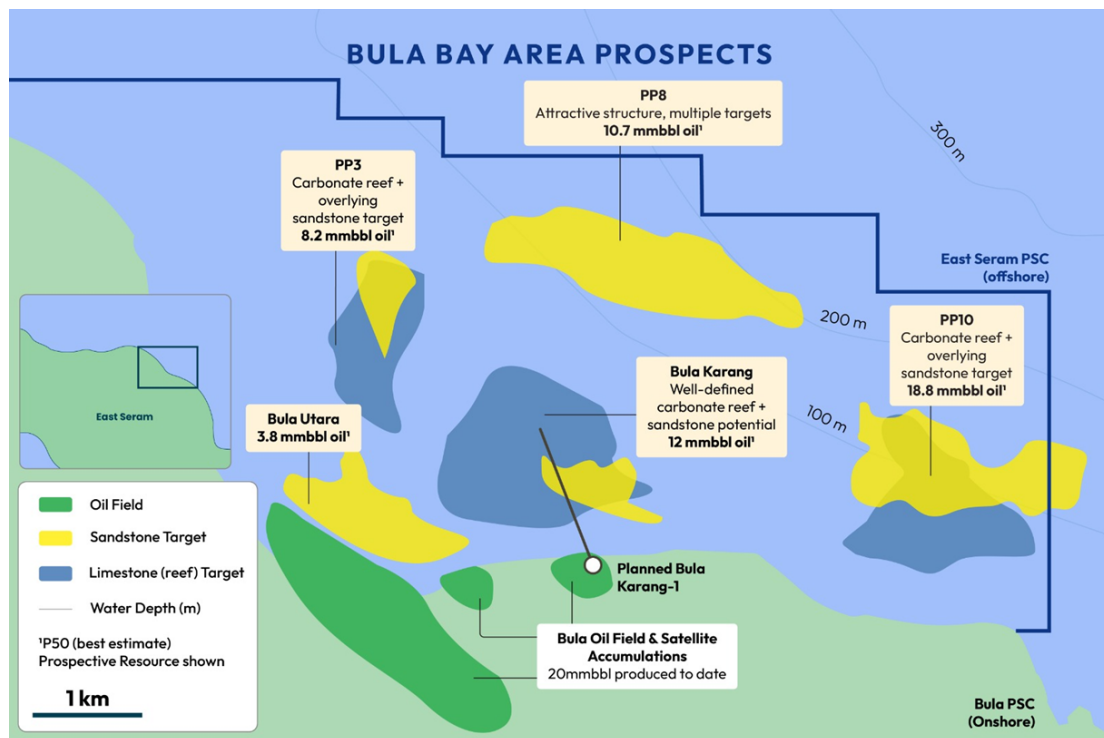


Figure 2: Bula Bay area existing oil fields and location of Bula Karang prospects and follow up prospects in the event of success.

BULA KARANG PROSPECT

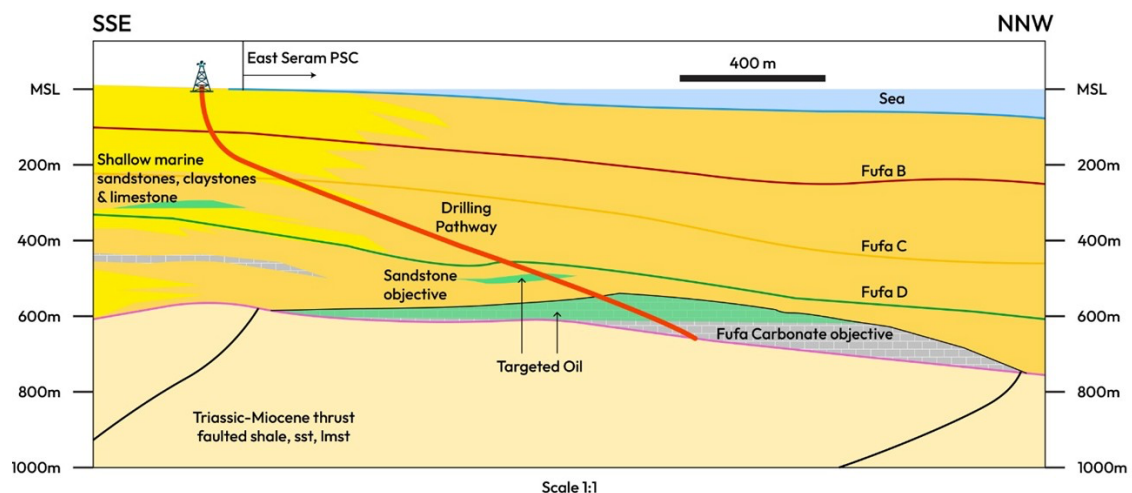


Figure 3: Section showing well plan to drill the attractive Bula Karang Reef Prospect with the well spudding onshore and deviated to test the offshore target

This announcement has been authorised for release by the Board of Lion Energy Limited.

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Glossary

bbbl: barrels	JV: joint venture	PSC: Production Sharing Contract
bcf: billion cubic feet	KB: Kelly bushing	psi: pounds per square inch
bopd: barrels oil per day	mmscfd: million standard cubic feet of gas / day	tcf: trillion cubic feet
BOP: blow out preventer	mmbbl: million barrels	Sq.km: square kilometres
ESP: Electric submersible pump	mmboe: million barrels oil equivalent	ss TVD: sub-sea true vertical depth
FTP: first tranche petroleum	mss: metres subsea	TD: total depth

Qualified petroleum reserves and resources evaluator requirements

In accordance with ASX Listing Rule 5.43 the Company confirms that references to petroleum reserves, contingent resources and prospective resources have previously been announced (7/9/2018, 10/9/2018, 04/03/2019, 13/04/2021 and 16/06/2021). The Company confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all the material assumptions and technical parameters underpinning the estimates in this announcement continue to apply and have not materially changed.

¹Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery (geological chance of success or GCOS) and a chance of development (economic, regulatory, market and facility, corporate commitment, or political risks). The chance of commerciality is the product of these two risk components. There is no certainty that any portion of the prospective resources will be discovered and, if discovered, there is no certainty that it will be developed or, if it is developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources.