

ASX Announcement

June 3, 2026



Bula-Karang-1 update #3 – well pad preparation commences ahead of planned August drilling

Key Highlights

- All major drilling and support service contracts awarded
- Key regulatory approvals secured for construction and drilling operations
- Site preparation and access road construction activities underway
- Drilling scheduled to commence in August with initial testing in September
- Extended well test scheduled for November, subject to encouraging drilling results
- Initial production planned in 1H2027 in success case
- Existing nearby infrastructure provides a potential pathway to accelerated development in the event of a discovery
- Bula-Karang-1 is a 12 million barrel (P50)¹ exploration well in the East Seram PSC and has an estimated 38% probability of success¹

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

Mr Tom Soulsby, Lion’s Chairman said that *“we are happy to report that the construction activities mark another important milestone toward drilling the Bula Karang-1 exploration well. With contracts awarded, approvals secured and field activities underway, the project is progressing broadly in line with schedule. Bula Karang-1 remains one of the most attractive near-term exploration opportunities in Lion’s portfolio, with the potential to unlock a new offshore oil development adjacent to existing infrastructure.”*

Procurement - The procurement phase is now complete. Following the appointment of Silver City Drilling as drilling contractor, Lion awarded all major services contracts, namely directional drilling, cementing, drilling fluids and wireline services to experienced local and international contractors.

Execution - Operations have now started on Seram Island. Following extensive community consultation and stakeholder engagement activities with local contractors, personal have been hired and clearing activities around access roads and at the drill site has commenced.

Regulatory and other approvals - The environmental plan (UKL-UPL) has been approved by the Indonesian authorities, clearing all major approvals for the commencement of construction and drilling activities. Lion has also entered into agreements with neighbouring PSCs to facilitate infrastructure/facility sharing arrangements.

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 3Q26

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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



Figure 1: Road access clearing operations

Schedule - The Company is advancing the project in line with the updated planned schedule shown in Figure 2 below. Rig mobilisation is currently scheduled for mid-July, with drilling across August-September 2026. The revised schedule allows critical road and site preparation works to be completed well in advance of rig mobilisation, reducing execution risk and improving operational readiness.

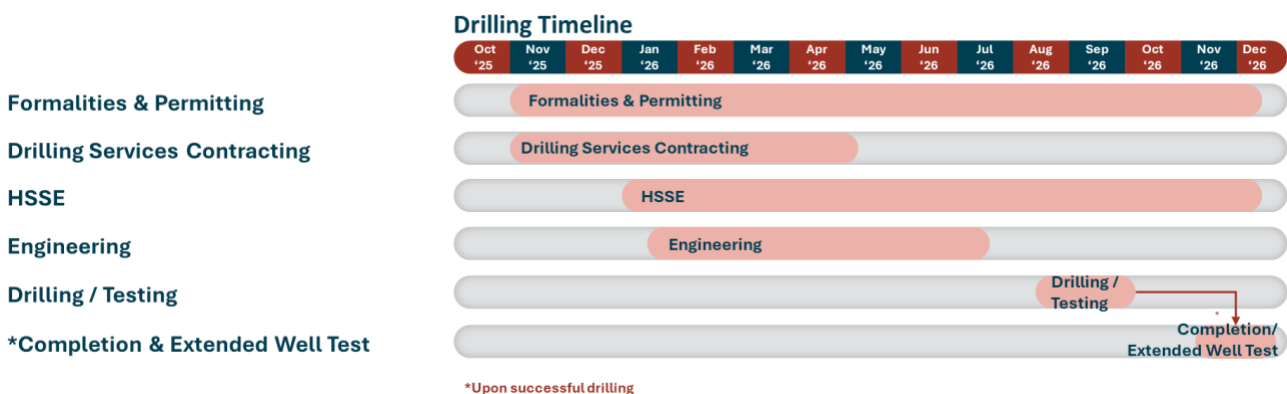


Figure 2: Bula Karang drilling and testing schedule

Testing plan - The schedule contemplates a 2-phase testing strategy. Assuming positive indications, initial testing is planned during drilling operations to determine fluid type and reservoir deliverability. Dependant on these results, Lion will utilise a smaller workover rig (already in the Bula area) to complete the well and carry out an extended well test to provide critical reservoir and productivity data required to assess commercial development options in the event of a discovery.

About East Seram PSC and the Bula Karang prospect

Since acquiring the PSC in 2018, Lion has conducted an active exploration program (Figure 3). 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 (Figure 4).

The highly attractive prospect has a Mid Case (P50) unrisked 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 (Figure 5). The well location has been selected to maximise the potential for rapid commercialisation in the event of success through access to existing oil storage, transportation and export infrastructure in the Bula area.

Carbonate reef potential also exists with the nearby PP3 and PP10 prospects, with combined P50 Prospective Resource¹ of over 30 mmbbl recoverable (unrisked) calculated for the carbonate play. An additional approximately 20 mmbbl unrisked P50 prospective resource¹ is estimated for sandstone targets in the Bula Bay area.

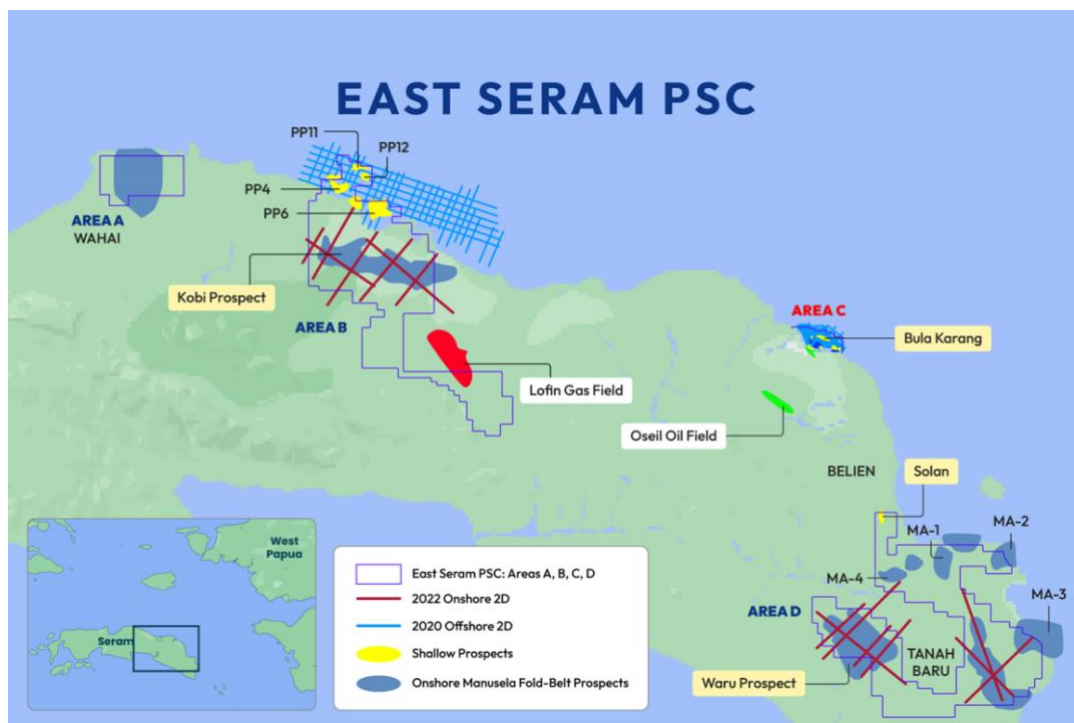


Figure 3: East Seram PSC with key prospects highlighted

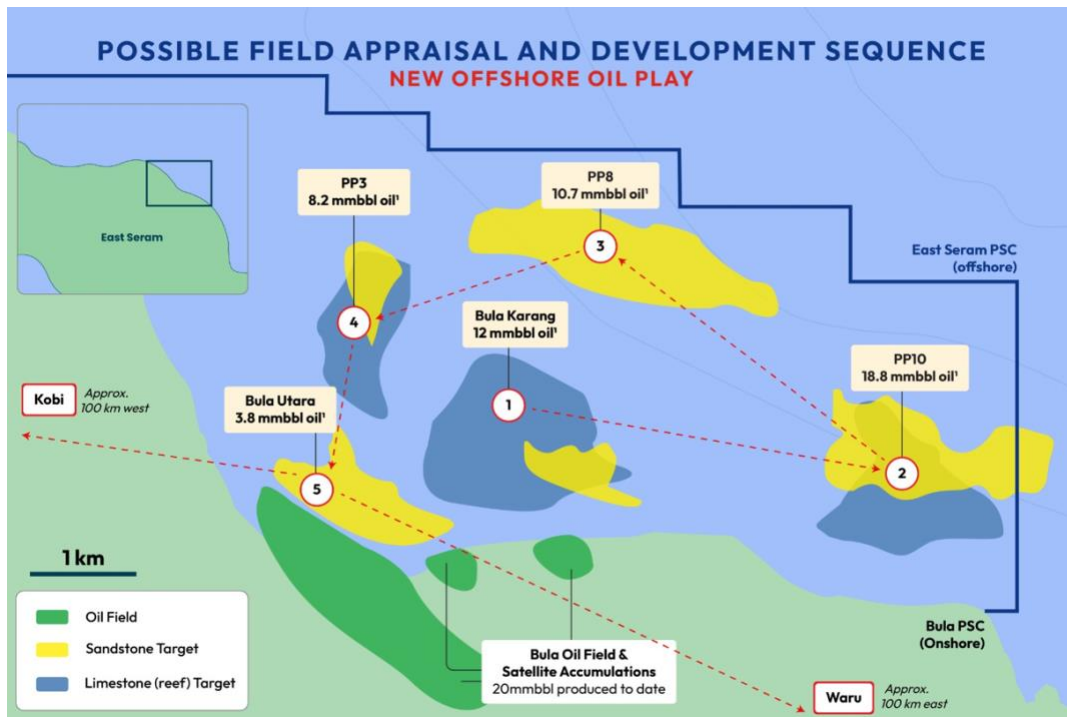


Figure 4: Bula Bay area existing oil fields and location of Bula Karang prospects and follow up prospects in the event of success.



Figure 5: Bula Karang neighbouring infrastructure location

BULA KARANG PROSPECT

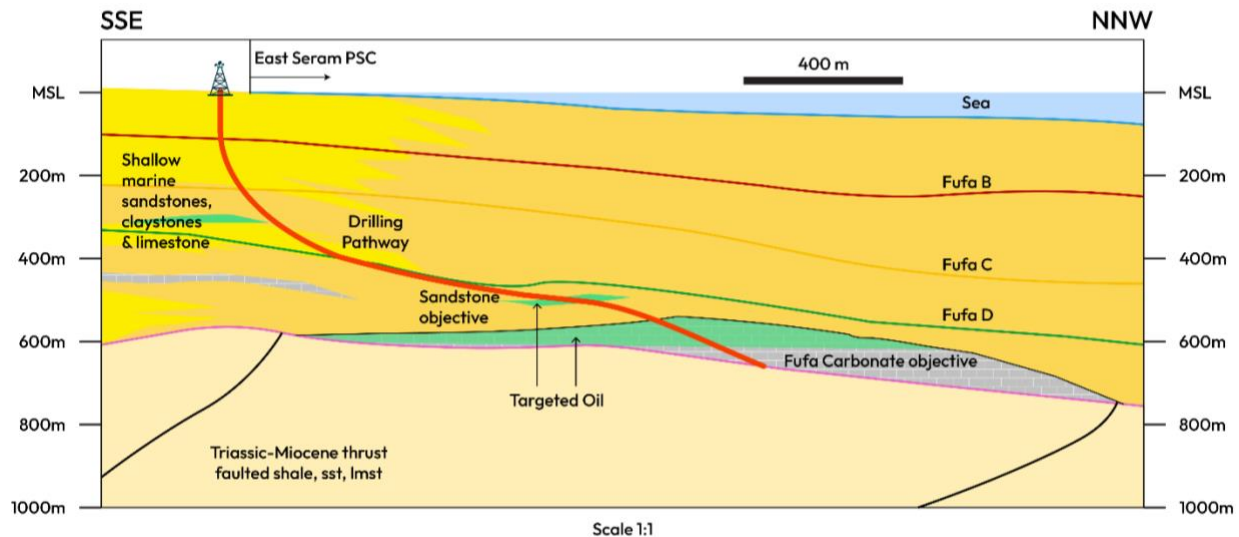


Figure 6: Section showing well plan to drill the attractive Bula Karang Reef Prospect with the well spudding onshore and deviated to test the offshore target

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	mmbbl: 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.

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