ASX Announcement

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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 Q3, 2026

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Lion Energy Refocuses Strategy on Core Upstream Oil and Gas Business

Highlights

- **Lion has completed a strategic review of its hydrogen business.**
- **Company to discontinue development of the Port of Brisbane Hydrogen Project.**
- **Port of Brisbane lease obligations concluded.**
- **Hydrogen production and refuelling equipment to be sold for net proceeds of circa A$400,000.**
- **Decision follows changing market conditions and development partners electing not to proceed with the next phase of the project.**
- **Company to focus management and capital resources on its upstream oil and gas portfolio.**
- **Preparations continue for the Bula Karang-1 exploration well in the East Seram PSC, targeting a Q3 2026 spud.**

Lion Energy Limited (ASX: LIO) ("Lion" or the "Company") advises that it has completed a strategic review of its hydrogen business and, after careful consideration of prevailing market conditions, including the decision by its development partners not to proceed with the next phase of development, has resolved to discontinue its hydrogen business and refocus its capital and management resources on its core upstream oil and gas portfolio.

The decision reflects the Board's commitment to disciplined capital allocation and ensuring management's focus and financial resources are directed towards opportunities offering the greatest potential to create long-term shareholder value.

As part of this decision, Lion has ceased its lease obligations at the Port of Brisbane, and is in the process of completing the sale of its hydrogen production and refuelling equipment with net proceeds of approximately A$400,000 expected, and commenced an orderly wind-down of its remaining hydrogen-related activities.

Since announcing the Port of Brisbane Hydrogen Project, Lion successfully achieved a number of important milestones, including securing Development Approval, executing a long-term lease with the Port of Brisbane, establishing a Joint Development Agreement with Samsung C&T Corporation and DGA Energy Solutions Australia, completing engineering and technical studies and progressing customer engagement and commercial development activities.

While these achievements established a strong platform for project development, the commercial environment for green hydrogen infrastructure has changed materially over the past two years. Capital costs have remained elevated, and customer adoption, policy support and market incentives have all evolved more slowly than expected. Ultimately, Lion's development partners elected not to proceed with the next phase of the project. Together with the factors outlined above, this has rendered the project commercially unviable to progress or maintain.

These challenges have also been reflected more broadly across the Australian hydrogen sector, with numerous projects delayed, re-scoped or discontinued as proponents reassess project economics and capital allocation priorities.

The Board believes that discontinuing the hydrogen business represents prudent capital management and enables Lion to preserve capital while directing its financial resources and management effort towards opportunities capable of delivering superior risk-adjusted returns for shareholders.

Lion is now fully focused on advancing its core upstream oil and gas portfolio, led by the imminent drilling of the Bula Karang-1 exploration well in the East Seram PSC, Indonesia. The Company believes this programme represents a significant near-term value catalyst and reflects its commitment to disciplined capital allocation by directing resources towards opportunities with the greatest potential to create long-term shareholder value.

-ENDS-

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

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