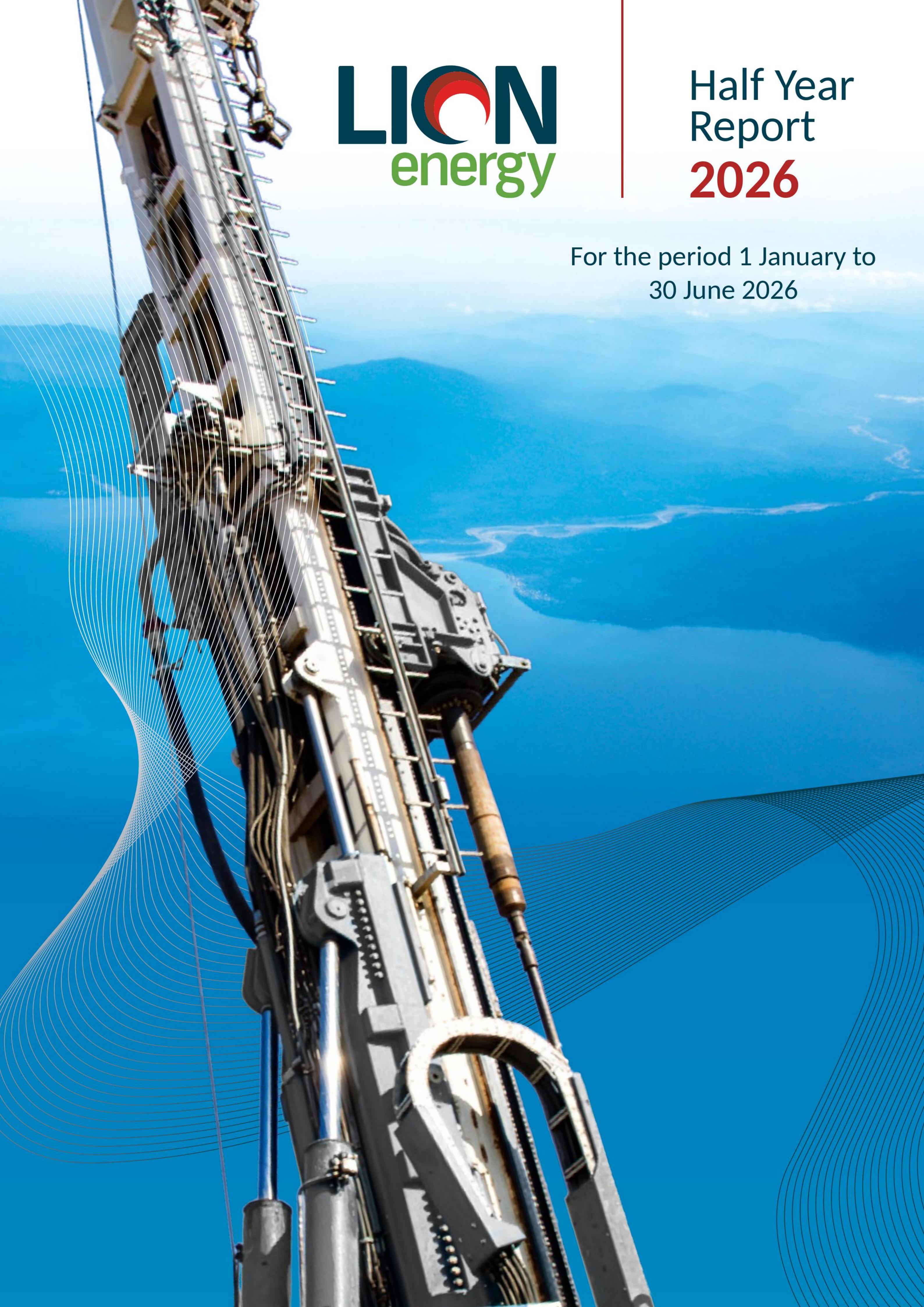
Half Year Report 2026

For the period 1 January to 30 June 2026



LION ENERGY LIMITED
CORPORATE DIRECTORY

DIRECTORS:	Thomas Soulsby (Executive Chairman) Damien Servant (Executive Director) Russell Brimage (Non-executive Director) Christopher Newton (Non-executive Director) Zane Lewis (Non-executive Director)
COMPANY SECRETARY:	Rowan Harland
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REGISTERED OFFICE:	Suite 1, 295 Rokeby Road Subiaco WA 6008, Australia Tel: +61 (8) 9211 1500 Fax: +61 (8) 9211 1501
AUDITORS:	**Hall Chadwick WA Audit Pty Ltd** 283 Rokeby Road Subiaco, Western Australia 6008 Tel: +61 (8) 9429 2222 Fax: +61 (8) 9429 2432
SHARE REGISTRY:	**Computershare Investor Services Pty Ltd** Level 17 221 St George's Terrace Perth, Western Australia 6000 GPO Box D182 Perth WA 6840, Australia Tel: +61 1300 850 505 Fax: +61 (8) 9323 2033

DIRECTORS' REPORT

The directors of Lion Energy Limited A.C.N. 000 753 640 ("Parent Entity" or "Company") present their report including the consolidated financial report of the Company and its controlled entities ("Consolidated Entity or Group") for the period ended 30 June 2026. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company who held office during or since the end of the period are:

Thomas Soulsby
Russell Brimage
Christopher Newton
Damien Servant
Zane Lewis

OPERATING RESULTS

The operating and comprehensive loss for the Consolidated Entity, after income tax for the 6 months to 30 June 2026 amounted to AUD $1,955,253 (30 June 2025: loss of AUD $1,358,485).

SIGNIFICANT CHANGES AND REVIEW OF OPERATIONS

- In the East Seram PSC, Lion advanced preparations for drilling the Bula Karang reefal carbonate prospect (P50 13 mmbbl), with spudding targeted for Q3 2026.
- During the period, key contracts were entered into, including securing a rig for the drilling operations.
- The farm-out to OPIC was completed on 26 June 2026 following approval receipt from Indonesia authorities. Lion retains a 45% interest whilst being carried for 88% of estimated well cost up to a gross amount of US$5.6 million.
- The sale of the 2.5% in Seram (Non-Bula) PSC interest remains in progress and is now expected to close in Q3 2026.
- Lion discontinued its green hydrogen business and entered into various agreements to exit existing commitment and dispose its hydrogen assets.
- The Group had a cash balance of AUD $0.86 million as at 30 June 2026.

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to period end, the Company announced it had completed a strategic review of its hydrogen business and the decision reached to discontinue development of the Port of Brisbane Hydrogen Project. As part of this decision, the Company had surrendered its lease at the Port of Brisbane and is working towards the sale completion of its hydrogen production and refuelling equipment.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

AUDITORS INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, Hall Chadwick, have provided a signed auditors independence declaration to the directors in relation to the six months ended 30 June 2026. This declaration has been attached to the independent review report to the members of the Company.

Signed in accordance with a resolution of the directors.

Thomas Soulsby
Executive Chairman

11th September 2026
Perth, Western Australia

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Lion Energy Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Company set out on page 4 to 18 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position as at 30 June 2026 and of its performance for the half-year ended on that date of the consolidated entity; and

(ii) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;

(b) Subject to Note 2 of the financial report there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Thomas Soulsby
Executive Chairman

11th September 2026
Perth, Western Australia

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2026

	Note	6 months to 30 June 2026 $ AUD	6 months to 30 June 2025 $ AUD
REVENUE		42,685	47,221
Other Income		-	1,936
Administration expenses	3	(377,293)	(356,999)
Employee benefit expenses		(536,167)	(660,058)
Finance expenses		(83,261)	(99,660)
Foreign exchange (loss)/gain		(64,334)	(60,486)
Share based payments		(47,691)	(46,914)
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS		**(1,066,061)**	**(1,174,960)**
Income tax expense		-	-
LOSS AFTER INCOME TAX FROM CONTINUING OPERATIONS		**(1,066,061)**	**(1,174,960)**
LOSS AFTER TAX FROM DISCONTINUED OPERATIONS	4	(889,192)	(183,525)
LOSS FOR THE PERIOD		**(1,955,253)**	**(1,358,485)**
OTHER COMPREHENSIVE INCOME			
Items that have been or may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(278,418)	(357,790)
TOTAL OTHER COMPREHENSIVE INCOME		**(278,418)**	**(357,790)**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(2,233,671)**	**(1,716,275)**
BASIC AND DILUTED LOSS PER SHARE (CENTS PER SHARE) – FROM CONTINUING OPERATIONS		(0.236)	(0.26)
BASIC AND DILUTED LOSS PER SHARE (CENTS PER SHARE) – FROM DISCONTINUED OPERATIONS		(0.197)	(0.041)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	30 June 2026 $ AUD	31 December 2025 $ AUD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	864,028	1,752,080
Trade and other receivables	6	32,273	932,690
Assets classified as held for sale	4	946,898	499,794
TOTAL CURRENT ASSETS		**1,843,199**	**3,184,564**
NON-CURRENT ASSETS			
Plant and equipment	7	-	400,000
Receivables	6	65,512	90,254
Capitalised exploration and evaluation expenditure	8	3,752,852	3,931,774
Right of use asset	10	1,060,267	562,279
TOTAL NON-CURRENT ASSETS		**4,878,631**	**4,984,307**
TOTAL ASSETS		**6,721,830**	**8,168,871**
CURRENT LIABILITIES			
Trade and other payables	9	153,931	190,406
Deposit Liability	4	928,662	928,662
Lease liability	10	155,531	80,585
Convertible notes	11	1,475,334	1,392,073
Liabilities classified as held for sale	4	572,728	466,498
TOTAL CURRENT LIABILITIES		**3,286,186**	**3,058,224**
NON-CURRENT LIABILITIES			
Lease liability	10	1,046,164	535,187
TOTAL NON-CURRENT LIABILITIES		**1,046,164**	**535,187**
TOTAL LIABILITIES		**4,332,350**	**3,593,411**
NET ASSETS		**2,389,480**	**4,575,460**
EQUITY			
Issued capital	12	96,201,852	96,201,852
Reserves		4,251,888	4,482,615
Accumulated losses		(98,064,260)	(96,109,007)
TOTAL EQUITY		**2,389,480**	**4,575,460**

The accompanying notes form part of this financial report

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2026

	6 months to 30 June 2026 $ AUD	6 months to 30 June 2025 $ AUD
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	556,953	476,964
Payments to suppliers & employees	(1,029,201)	(1,453,302)
Interest received	-	1,936
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(472,248)**	**(974,402)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(7,295)	(314,766)
Exploration and evaluation expenditure	(559,463)	(27,802)
Joint venture payments for Seram Non-Bula	(210,377)	-
Share of joint operation cash recognised upon completion of East Seram farmout	582,187	-
Receipts from joint operation partners	-	303,412
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(194,948)**	**(39,156)**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(186,811)	(88,876)
NET CASH USED IN FINANCING ACTIVITIES	**(186,811)**	**(88,876)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(854,007)**	**(1,102,434)**
Net foreign exchange differences	(34,045)	115,679
Cash and cash equivalents at beginning of period	1,752,080	3,158,779
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**864,028**	**2,172,024**

The accompanying notes form part of this financial report

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2026

	Issued Capital $ AUD	Currency Translation Reserve $ AUD	Share Based Payment Reserve $ AUD	Convertible note reserve $ AUD	Accumulated Losses $ AUD	Total Equity $ AUD
At 1 January 2026	**96,201,852**	**3,962,517**	**186,145**	**333,953**	**(96,109,007)**	**4,575,460**
Loss for the period	-	-	-	-	(1,955,253)	(1,955,253)
Other comprehensive income	-	(278,418)	-	-	-	(278,418)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**(278,418)**	**-**	**-**	**(1,955,253)**	**(2,233,671)**
Vesting of share based payments	-	-	47,691	-	-	47,691
AT 30 JUNE 2026	**96,201,852**	**3,684,099**	**233,836**	**333,953**	**(98,064,260)**	**2,389,480**

	Issued Capital $ AUD	Currency Translation Reserve $ AUD	Share Based Payment Reserve $ AUD	Convertible note reserve $ AUD	Accumulated Losses $ AUD	Total Equity $ AUD
At 31 December 2024	80,913,659	5,784,790	11,923	312,746	(76,591,278)	**10,431,840**
Effect of functional currency change	15,288,193	(1,364,983)	79,616	21,207	(14,024,033)	-
At 1 January 2025	**96,201,852**	**4,419,807**	**91,539**	**333,953**	**(90,615,311)**	**10,431,840**
Loss for the period	-	-	-	-	(1,358,485)	(1,358,485)
Other comprehensive income	-	(357,790)	-	-	-	(357,790)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**(357,790)**	**-**	**-**	**(1,358,485)**	**(1,716,275)**
Vesting of share based payments	-	-	46,914	-	-	46,914
AT 30 JUNE 2025	**96,201,852**	**4,062,017**	**138,453**	**333,953**	**(91,973,796)**	**8,762,479**

NOTE 1. BASIS OF PREPARATION OF THE PERIOD FINANCIAL REPORT

These general purpose interim financial statements for the interim 6-month reporting period ended 30 June 2026 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Lion Energy Limited ("Company") and its controlled entities ("Group" or "Consolidated Entity"). As such, it does not contain information that represents relatively insignificant changes occurring during the period within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2025, together with any public announcements made during the period.

Statement of compliance

The interim financial report complies with the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting.* Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Material Accounting Policies

These consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2025, except for the impact of all new or amended standards and interpretations. The adoption of the new or amended standards and interpretations did not result in any significant changes to the Group's accounting policies.

Change of functional and presentation currency

The Company advises that the functional currency of Lion Energy Limited has changed to Australian Dollars (AUD) from US Dollars (USD), effective 1 January 2025. Consistent with this change, the presentational currency of the Group has also changed to AUD. This change means that the financial information in the Group's interim Consolidated financial statements, has been presented in AUD.

With recent developments in relation to the Group's green hydrogen project and because capital raisings are typically denominated in AUD, management have determined that AUD is the most significant component of the Group's currency mix.

Comparative information for prior periods has been retranslated in AUD and is set out in these interim Consolidated financial statements as at, and for half-year ended 30 June 2025.

The change in functional currency was determined based on a change in circumstances and has been accounted for prospectively from the date of the change. The change in presentational currency of the Company and the Group is a voluntary change that has been accounted for retrospectively.

The comparative financial information included in these interim Consolidated financial statements, previously reported in USD, has been retranslated to AUD using the procedures outlined below:

1. Consolidated statement of profit or loss and other comprehensive income and Consolidated statement of cash flows have been retranslated into AUD using average foreign currency rates prevailing for the relevant period.

2. Assets and liabilities in the Consolidated statement of financial position have been retranslated into AUD at the closing foreign currency rates on the relevant balance sheet reporting dates.

3. The equity section of the Consolidated statement of financial position, including foreign currency translation reserve, retained earnings, share capital and the other reserves have been retranslated into AUD using historical rates at the various transaction dates the underlying balances were recorded. As of 1 January 2026, the Company changed its functional currency from USD to AUD, and consequently all equity balances have been retranslated at the 31 December 2025 closing rate.

4. Earnings per share have also been retranslated to AUD to reflect the change in reporting currency, using average foreign currency rates prevailing for the relevant period.

5. Cumulative effects from retranslation have been recognized in the currency translation reserve, alongside the effects from changing the functional currency of the Company and other subsidiary entities in the Group.

NOTE 2. GOING CONCERN BASIS

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business. The Consolidated Entity incurred a net loss before income tax of $1,955,253 (30 June 2025: loss of $1,358,485) and net operating cash outflows of $472,248 (30 June 2025: $974,402) for the 6 months to 30 June 2026.

Management has prepared a cash flow forecast for a period of 12 months beyond the sign off date of this financial report and the forecast indicates that it may need to secure additional funding within this period. The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has entered into various agreements to monetise discontinued operations (refer to Note 4); and
- The Group has a proven history of successfully raising capital;

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are satisfied of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to raise sufficient funds, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 3. EXPENSES

The loss before income tax expense includes the following revenues and expenses where disclosure is relevant in explaining the performance of the Group:

	6 months to 30 June 2026 $ AUD	6 months to 30 June 2025 $ AUD
Administrative expenses		
Consultancy expenses	-	1,242
Legal expenses	15,346	3,318
Professional fees	96,352	122,063
Rental costs	3,000	3,000
Travel expenses	74,762	57,027
Other administrative expenses	187,833	170,349
	377,293	356,999

NOTE 4. DISCONTINUED OPERATIONS

	30 June 2026 $ AUD	31 Dec 2025 $ AUD
Total discontinued operations		
Assets classified as held for sale		
Seram Non-Bula PSC	146,898	499,794
Port of Brisbane Hydrogen Project	800,000	-
Total Assets classified as held for sale	946,898	499,794
Liabilities classified as held for sale		
Seram Non-Bula PSC	471,049	466,498
Port of Brisbane Hydrogen Project	101,679	-
Total Liabilities classified as held for sale	572,728	466,498

Seram (Non-Bula) PSC

On 4 September 2025 the Group announced it had entered into a sale and purchase agreement to dispose of its 2.5% participating interest in the Seram (Non-Bula) PSC to Vista Energy Pte Ltd for US$1,212,125 (approximately A$1,766,946), subject to working capital and other customary adjustments. A deposit of US$600,000 (A$928,662) was received and is recognised as a deposit pending completion. Completion remains subject to Indonesian Government approval of the transfer and is now expected in Q3 2026.

The assets and liabilities of the PSC were classified as a disposal group held for sale from 30 June 2025 and continue to meet the AASB 5 criteria at 30 June 2026. Although completion has not occurred within twelve months of classification, the delay arises from the approval process, which is outside the Group's control, a binding agreement is in place and the Group remains committed to the sale.

The disposal group is measured at the lower of its carrying amount and fair value less costs to sell. Its carrying amount is a net liability of $324,151 (assets of $146,898 less liabilities of $471,049), which is below fair value less costs to sell as evidenced by the agreed consideration; accordingly no write-down has been recognised. Receivables within the disposal group continue to be measured under AASB 9 and the restoration provision under AASB 137. The gain on disposal, being the excess of consideration over the net liabilities transferred, will be recognised on completion.

	6 months to 30 June 2026 $ AUD	6 months to 30 June 2025 $ AUD
Sales	18,726	-
Cost of sales	-	-
Gross Profit	18,726	-
Impairment	(23,153)	-
Other expenses	(26,954)	(122,775)
Loss from discontinued operations attributable to the Seram Non-Bula PSC	**(31,381)**	**(122,775)**

Port of Brisbane Hydrogen Project

The Group has terminated the Joint Development Agreement ("JDA") with its partners, DGA Energy Solutions Australia Pty Ltd ("DGA") and Samsung C&T Corporation ("Samsung C&T") at the Port of Brisbane Hydrogen Project (the "Project").

Management have determined that as at 12 May 2026, the assets and liabilities associated with the JDA are classified as held for sale.

The Company has entered into a number of agreements as part of the discontinuation of the Project.

	6 months to 30 June 2026 $ AUD	6 months to 30 June 2025 $ AUD
Other income	39,000	6,500
Cost of sales	-	-
Gross Profit	39,000	6,500
Other expenses	(440,337)	(67,250)
Impairment	(456,474)	-
Loss from discontinued operations attributable to the Port of Brisbane Hydrogen Project	**(857,811)**	**(60,750)**

An impairment of $456,474 recognised in relation to the Port of Brisbane Hydrogen Project being the difference between estimated fair value less costs to sell and the carrying value of the disposal group.

NOTE 5. CASH AND CASH EQUIVALENTS

	30 June 2026 $ AUD	31 December 2025 $ AUD
Cash at bank	82,709	1,509,958
Share of joint venture cash	781,319	242,122
	864,028	1,752,080

NOTE 6. TRADE AND OTHER RECEIVABLES

	30 June 2026 $ AUD	31 December 2025 $ AUD
Current		
Trade debtors	32,273	133,531
Deposits – Equipment	-	750,344
Receivables from joint venture partners	-	48,815
	32,273	932,690
Non-Current		
Deposit with SKK Migas	65,512	90,254
	65,512	90,254

Deposit with SKK Migas:

Under the East Seram PSC, Lion provided a USD $100,000 deposit to SKK Migas for administrative and technical purposes.

As a result of the farmout of East Seram PSC dated 25 September 2019, Lion received USD $40,000 from the Farm-in partner for its share of the deposit. Pursuant to the second farmout completed on 26 June 2026, Lion's share of the deposit reduced by a further USD $15,000 to USD $45,000, for which it was compensated through a corresponding increase in its share of joint-venture cash.

Deposits – Equipment:

The equipment deposit related to the Port of Brisbane Project.

Management have determined that as at 12 May 2026, the assets and liabilities associated with the JDA are held for sale with the balance transferred to assets classified as held for sale (refer Note 4).

NOTE 7. PROPERTY, PLANT & EQUIPMENT

	30 June 2026 $ AUD	31 December 2025 $ AUD
Assets under construction	-	400,000
	-	400,000

Assets under construction:

Assets under construction represents the directly attributable costs of constructing the Group's Hydrogen Generation and Refuelling Hub at the Port of Brisbane during the construction phase for the asset.

Management have determined that as at 12 May 2026, the assets and liabilities associated with the JDA are held for sale with the balance transferred to assets classified as held for sale (refer Note 4).

NOTE 8. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2026 $ AUD	31 December 2025 $ AUD
Capitalised exploration and evaluation expenditure	3,752,852	3,931,774
TOTAL	3,752,852	3,931,774

MOVEMENTS IN THE CARRYING AMOUNT OF CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE	6 months to 30 June 2026	12 months to 31 December 2025
At the beginning of the financial period	3,931,774	4,038,150
Expenditure during the period	515,667	173,018
Farmout of East Seram	(566,850)	-
Impact of foreign exchange	(127,739)	(279,394)
AT THE END OF THE FINANCIAL PERIOD	3,752,852	3,931,774

Capitalised exploration and evaluation expenditure above includes all exploration and evaluation costs relating to the East Seram PSC (and the prior joint studies), which continues to be carried forward at its full cost. This East Seram PSC has an initial term of six years and has been extended to 16 July 2028 as announced on 1 July 2026.

The farmout of 15% of the East Seram Project to OPIC was completed on 26 June 2026. As a result of the farmout, the Group received $398,281 USD for costs paid by the Group since the effective date of 1 October 2025.

NOTE 9. TRADE AND OTHER PAYABLES

	30 June 2026 $ AUD	31 December 2025 $ AUD
Trade and other payables	153,931	190,406
	153,931	190,406

NOTE 10. LEASES

	30 June 2026 $ AUD	31 December 2025 $ AUD
Right-of use asset	1,297,184	648,592
Accumulated depreciation	(236,917)	(86,313)
Total	1,060,267	562,279
Lease liability (current)	155,531	80,585
Lease liability (non-current)	1,046,164	535,187
Total	1,201,695	615,772

The Company is party to a lease agreement for land space at the Port of Brisbane to further the Lion H2 Energy (Green Hydrogen Project.

- Commencement date 1 September 2024
- Expiry date: 1 September 2034
- Fixed Rent Increase on anniversary: 5.00%
- Monthly rent: $13,466
- Incremental borrowing rate: 9.02%.

As part of the termination of the Joint Development Agreement described in Note 4, the Group has a 100% interest in the lease obligations (prior to termination: 50%).

Subsequent to 30 June 2026, the Group entered into a deed of surrender with the lessor and ceased its lease obligations at the Port of Brisbane.

NOTE 11. CONVERTIBLE NOTES

	30 June 2026 $ AUD	31 December 2025 $ AUD
Convertible Notes	1,475,334	1,392,073
	1,475,334	1,392,073

MOVEMENTS IN THE CARRYING AMOUNT OF CONVERTIBLE NOTES	Number	$ AUD
At the beginning of the financial period	1,600,000	1,392,073
Finance expense accretion	-	83,261
AT THE END OF THE FINANCIAL PERIOD	1,600,000	1,475,334

In 2024, the Company issued 1,600,000 convertible notes with a face value of AUD $1,600,000 to investors (announced 28 May 2024). Each note was issued with the following terms:

- Face value of AUD $1 per note
- Maturity date: 31 December 2025
- Security: Unsecured
- Conversion: At the option of the holders, subject to applicable laws including the ASX listing rules
- Conversion price of AUD $0.027 per share
- Interest: Nil

On 11 December 2025, the Company announced that it had successfully extended the maturity of the Convertible Notes by a year until 31 December 2026. The maturity extension was effected through the issuance of new Notes to the current noteholders and redemption of the existing notes at face value. The new Notes were issued with the following terms:

- Face value of AUD $1 per note
- Maturity date: 31 December 2026
- Security: Unsecured
- Conversion: At the option of the holders, subject to applicable laws including the ASX listing rules
- Conversion price of AUD $0.015 per share
- Interest: Nil (an implied interest rate of 15% per annum was used to value the debt component)

NOTE 12. ISSUED CAPITAL

	30 June 2026 $ AUD	31 December 2025 $ AUD
ORDINARY SHARES		
452,176,733 (31 December 2025: 452,176,733) fully paid ordinary shares	96,201,852	96,201,852
	96,201,852	96,201,852

	Number of shares	$ AUD
MOVEMENTS IN ORDINARY SHARES		
At the beginning of the period	452,176,733	96,201,852
Effect of functional currency change	-	-
AT THE END OF THE FINANCIAL PERIOD	452,176,733	96,201,852

NOTE 13. SEGMENT INFORMATION

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Board of Directors review its green hydrogen (Australia) and oil & gas (Indonesia) segments separately.

Unless stated otherwise, all amounts reported to the Board, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Unallocated items are included in Other - which includes corporate assets, liabilities, revenue (including interest) and costs.

Segment Financial Performance

	6-month period to 30 June 2026				
	Oil & Gas $ AUD	Green Hydrogen $ AUD	Total Reportable Segments $ AUD	Other $ AUD	Total $ AUD
REVENUE					
External revenue	42,685	-	42,685	-	42,685
Inter-segment revenue	-	-	-	-	-
	42,685	-	42,685	-	**42,685**
RESULT	**(249,167)**	**-**	**(249,167)**	**-**	**(249,167)**
Unallocated corporate costs	-	-	-	(1,706,085)	(1,706,085)
LOSS BEFORE INCOME TAX	**(249,167)**	**-**	**(249,167)**	**(1,706,085)**	**(1,955,252)**

	6-month period to 30 June 2025				
	Oil & Gas $ AUD	Green Hydrogen $ AUD	Total Reportable Segments $ AUD	Other $ AUD	Total $ AUD
REVENUE					
External revenue	47,221	-	47,221	8,436	55,657
Inter-segment revenue	-	-	-	-	-
	47,221	-	47,221	8,436	**55,657**
RESULT	**(191,502)**	**(60,750)**	**(252,252)**	**-**	**(252,252)**
Unallocated corporate costs	-	-	-	(983,458)	**(983,458)**
LOSS BEFORE INCOME TAX	**(191,502)**	**(60,750)**	**(252,252)**	**(983,458)**	**(1,235,710)**

	Oil & Gas	Green Hydrogen	Total Reportable Segments	Other	Total
			As at 30 June 2026		
	$ AUD	**$ AUD**	**$ AUD**	**$ AUD**	**$ AUD**
Segment Assets and Liabilities					
SEGMENT ASSETS	4,617,636	-	4,617,636	2,104,194	6,721,830
SEGMENT LIABILITIES	(39,579)	-	(39,579)	(4,292,771)	(4,332,350)
			As at 31 December 2025		
SEGMENT ASSETS	4,025,797	2,443,795	6,469,592	960,470	7,430,062
SEGMENT LIABILITIES	(22,290)	(637,904)	(660,194)	(2,466,719)	(3,126,913)

NOTE 14. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to period end, the Company announced it had completed a strategic review of its hydrogen business and the decision to discontinue development of the Port of Brisbane Hydrogen Project. As part of this decision, the Company had surrendered its lease at the Port of Brisbane and is working towards the sale completion of its hydrogen production and refuelling equipment.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

NOTE 15. FINANCIAL INSTRUMENTS

Due to their short-term nature, the carrying amounts of the Group’s financial assets and liabilities as at 30 June 2026 were considered to approximate their fair value.

NOTE 16. JOINT ARRANGEMENTS

The Group has interests in the following joint operations. The consolidated financial statements reflect the Group's share of all jointly held assets, liabilities, revenues and expenses of these joint operations.

Name of the Joint Arrangement	Principal Place of Business	Principal Activity	Proportion of Ownership Interests Held by the Group	
			30 June 2026	31 December 2025
Seram (Non-Bula) Joint Operation[1]	Indonesia	Production, exploration and development	-	-
East Seram Joint Operation[2]	Indonesia	Exploration and development	45%	60%
Lion H2 Energy Joint Development (Green Hydrogen project)[3]	Australia	Hydrogen development	100%[2]	50%

[1] As described in Note 4, subsequent to period end the Group has entered into a Sale and Purchase Agreement to divest its 2.5% interest. The project is currently held for sale.

[2] Farmout of 15% to OPIC was completed on 26 June 2026.

[3] As described in Note 4, the Group has terminated the JDA, resulting in the Group's ownership interest in this returning to 100%. The project is currently classified as held for sale.

NOTE 17. RELATED PARTY TRANSACTIONS

There has been no changes to the nature of related party transactions since the last annual reporting period.

NOTE 18. COMMITMENTS AND CONTINGENT LIABILITIES

There has been no material changes to commitments and contingent liabilities since the last annual reporting period.

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LION ENERGY LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Lion Energy Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2026, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year on that date, a summary of material accounting policies, selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity financial position as at 30 June 2026 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $1,955,253 during the half year ended 30 June 2026. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

JASLYN CHAN CA
Director

Dated this 11th day of September 2026
Perth, Western Australia

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Lion Energy Limited and its controlled entities for the half year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Jaslyn Chan

JASLYN CHAN CA
Director

Dated this 11th day of September 2026
Perth, Western Australia