ASX Announcement

18 September 2026

Bula-Karang-1 update #4 – mobilisation commences

Key Highlights

- **Key regulatory approvals secured and rig mobilisation commenced**
- **Well pad construction and access road works completed**
- **Experienced drilling team and all major drilling and support service contracts in place**
- **QA/QC of drilling and evaluation equipment completed**
- **Drilling expected to commence in mid-October, with initial testing targeted for November 2026**
- **Extended well test planned for early 2027, subject to encouraging drilling results**
- **Lion retains a 45% interest in the East Seram PSC, with partner OPIC funding 88% of Bula Karang-1 drilling costs**
- **Recent completion of the sale of Lion's 2.5% interest in the Seram (Non-Bula) PSC further strengthens funding for Bula Karang-1**
- **Existing nearby infrastructure provides a pathway to accelerated development in the event of a discovery**
- **Bula-Karang-1 is a 12 million barrel (P50)[1] exploration well has an estimated 38% probability of success[1]**

Lion Energy Limited (ASX: LIO) ("Lion" or the "Company") is pleased to provide an update on the Bula Karang-1 exploration well in the East Seram PSC, Indonesia. Following receipt of the final regulatory approvals required for mobilisation, the drilling rig and associated equipment have commenced mobilisation to the Bula Karang-1 well site.

The commencement of mobilisation follows the recent completion of the previously reported sale of Lion's 2.5% interest in the Seram (Non-Bula) PSC. The sale proceeds strengthen Lion's funding position as the Company moves into the drilling and evaluation phase of Bula Karang-1.

Site construction and access road works have been completed; all major drilling and support service contracts are in place and quality assurance (QA)/ quality control (QC) of drilling equipment has been completed. The project's HSE Plan, Emergency Response Plan and Medical Emergency Response Plan have also been finalised.

"We are pleased to have commenced mobilisation for Bula Karang-1 following completion of the site works and receipt of the key approvals. Together with the recent completion of the Seram (Non-Bula) sale, Lion is well positioned as we move into this important drilling program."

Mr. Tom Soulsby
Lion's Chairman

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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[1]Prospective 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

Drilling and testing schedule - Rig and equipment mobilisation is underway, with drilling expected to commence in mid-October and continue through to approximately mid-November 2026.

Drilling costs and carry: The current estimated cost of the well is approximately US$6.7 million. Under the previously announced farm-out arrangements[1], OPIC will fund 88% of the Bula Karang-1 drilling costs up to a cap of US$5.6m, with Lion retaining a 45% participating interest in the East Seram PSC following completion of the farm-out.

Testing approach: The drilling program includes a two-phase testing strategy. Subject to positive indications during drilling, initial testing is expected to be undertaken in November to establish fluid type and reservoir deliverability. Depending on these results, Lion plans to utilise a smaller workover rig, already located in the Bula area, to complete the well and undertake an extended well test, now currently targeted for February 2027. The extended test would provide reservoir and productivity data required to assess commercial development options in the event of a discovery.

Figure 1: Bula Karang wellsite, ahead of drilling

[1] Refer to ASX announcement dated 6 January 2026

Schedule - The Company is advancing the project in line with the updated planned schedule shown in Figure 2 below. Rig mobilisation is ongoing, with drilling across October-November 2026.

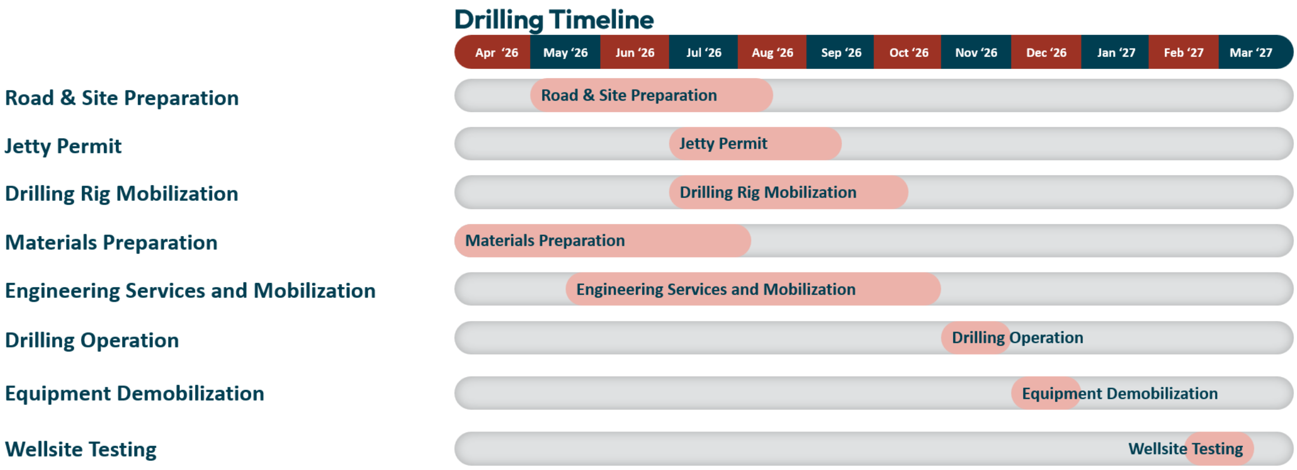

Figure 2: Bula Karang drilling and testing schedule

About East Seram PSC and the Bula Karang prospect

Since acquiring the PSC in 2018, Lion (through our wholly owned subsidiary, Balam Energy Pte Ltd) 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 resource[1] 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 attractive 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 (Figure 6).

Carbonate reef potential also exists with the nearby PP3 and PP10 prospects and combined P50 Prospective Resource[1] of over 30 mmbbl recoverable (unrisked) is calculated for the carbonate play in the Bula Bay area. An additional, approximately 20 mmbbl unrisked P50 prospective resource[1] is estimated for sandstone targets in the area.

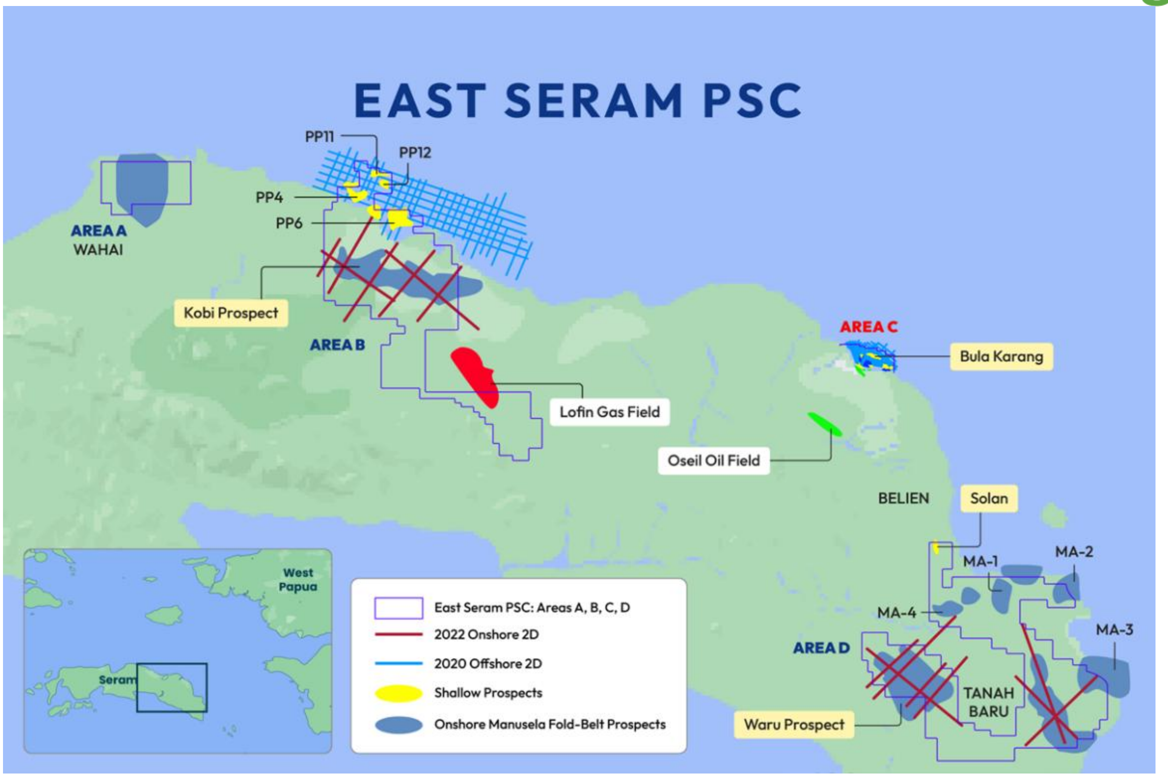

Figure 3: East Seram PSC with key prospects highlighted

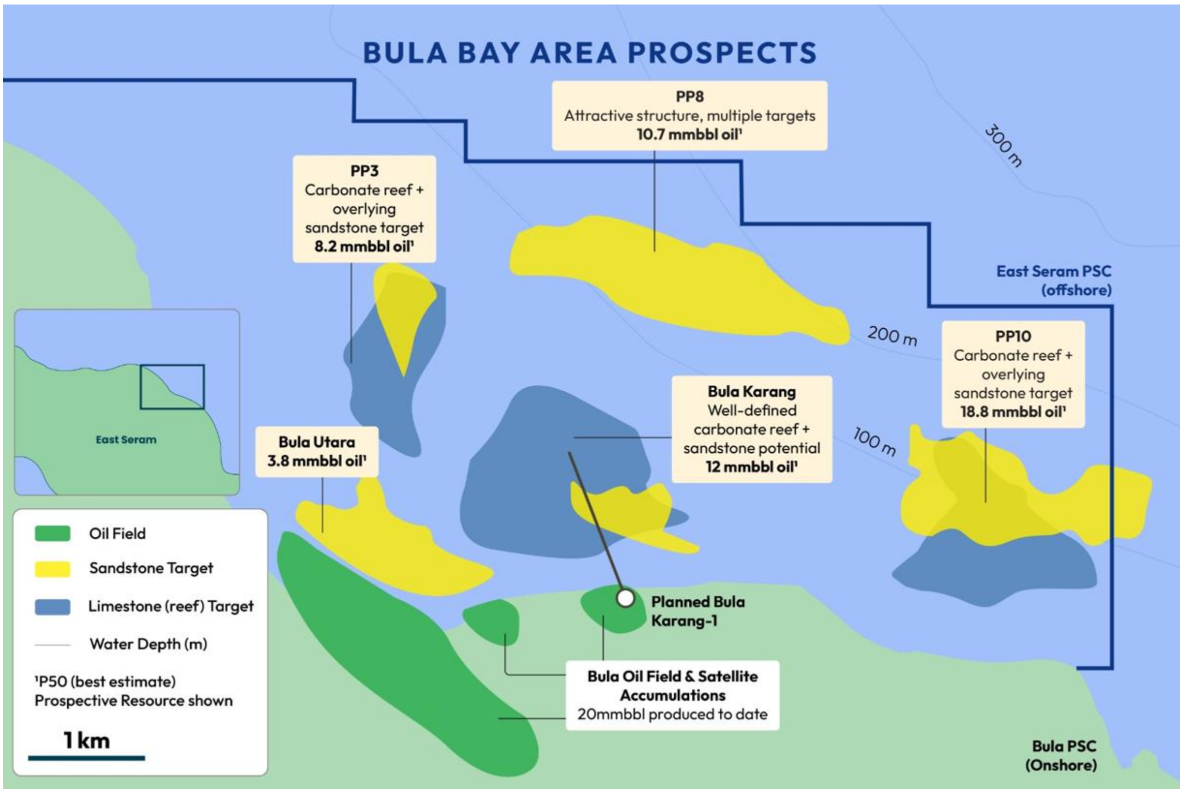

Figure 4: Bula Bay area existing oil fields and location of Bula Karang prospects and follow up prospects in the event of success.

BULA KARANG PROSPECT

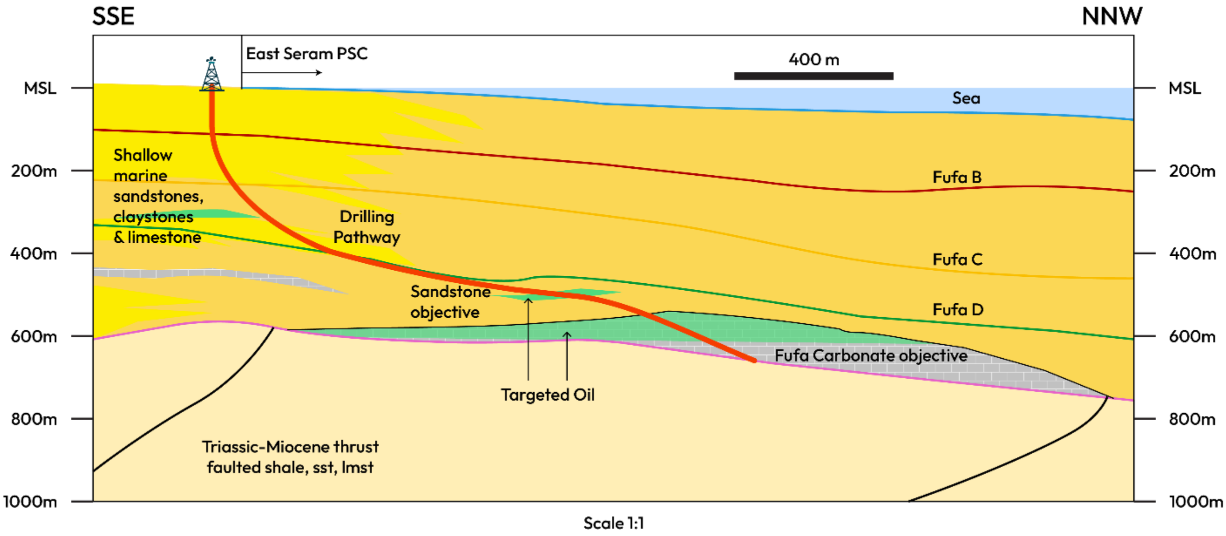

Figure 5: Section showing well plan to drill the attractive Bula Karang Reef Prospect with the well spudding onshore and deviated to test the offshore target

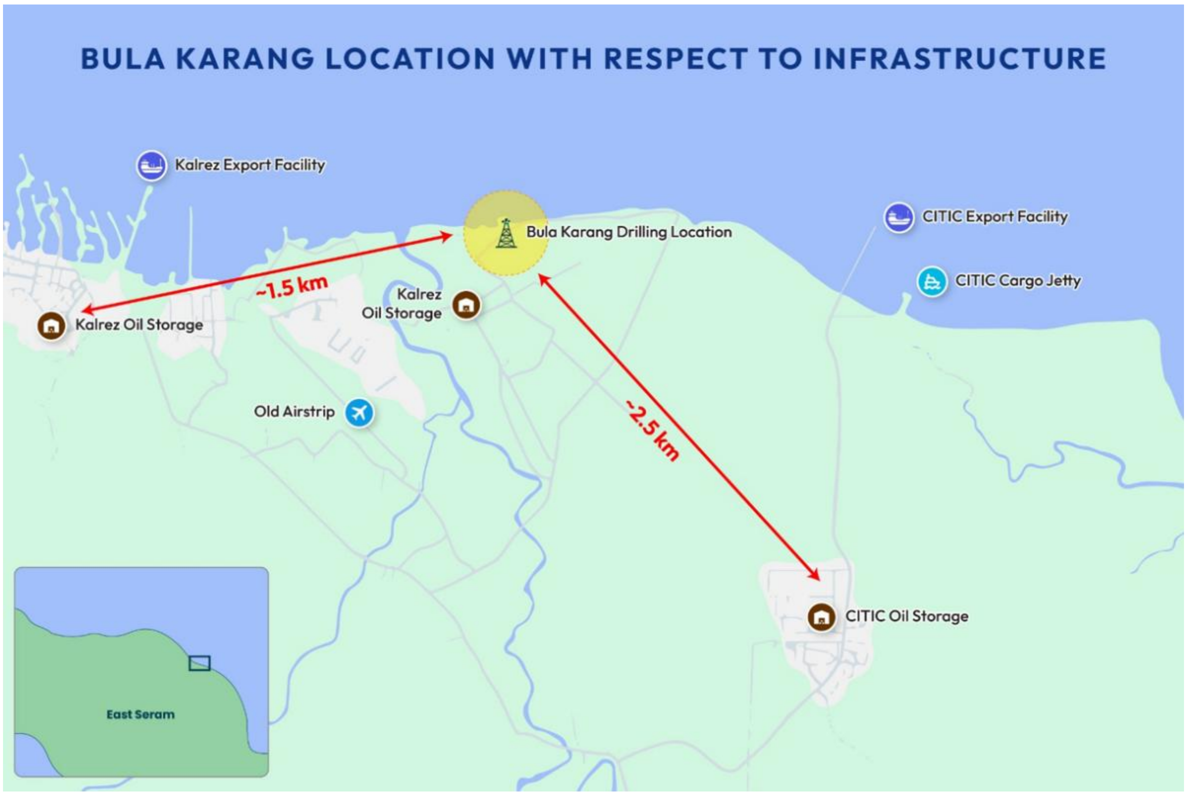

Figure 6: Bula Karang neighbouring infrastructure location

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

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Glossary

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