

ASX Announcement

19 October 2026



Bula Karang-1 Update #5 – Drilling rig departs for Seram

Highlights:

Mobilisation: The drilling rig, associated equipment and supplies are currently being mobilized to Seram Island for the drilling of exploration well Bula Karang-1.

ETA: Arrival of all items at Bula, near to the Bula Karang-1 wellsite is expected by 8 November 2026.

Drilling schedule: Bula Karang-1 is scheduled to spud on 10 November 2026, with drilling and evaluations expected to be completed by early December.

Exploration opportunity: Bula Karang-1 targets 12 million barrels (P50) of unrisked prospective oil resource¹ in the primary carbonate objective, with an estimated 38% geological chance of success¹.

Lion Energy Limited (ASX: LIO) (“Lion” or the “Company”) advises that mobilisation of Silver City Drilling Rig 20 and supporting equipment for the Bula Karang-1 (BK-1) exploration well in the East Seram PSC, Indonesia, is progressing. Three landing craft tank barges (LCTs) will deliver the rig, equipment and materials to Bula.

Mobilisation of the Silver City Drilling Rig 20 commenced with the departure of an LCT vessel from Patimban Port, West Java, on 13 October 2026, with arrival at Bula, Seram Island, expected on 27 October. Two additional LCT vessels carrying drilling equipment and supplies are scheduled to arrive on 1 November and 8 November, respectively, following departures on 18 October and 25 October. The Bula Karang-1 exploration well is scheduled to spud on 10 November 2026, with drilling and evaluation activities expected to be completed by early December.



“ Lion Chairman Tom Soulsby commented:

“The departure of Rig 20 marks an important milestone as we move towards drilling Bula Karang-1. With site preparations complete and mobilisation underway, we look forward to testing this significant oil prospect and updating shareholders as drilling progresses through November.”

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 Q4, 2026

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The drilling location is ready to receive the rig (see figure 1 below). Well pad construction, river crossings and access routes have also been completed. The final drilling programme has undergone technical reviews, with geomechanics and pore-pressure studies incorporated into the well design. Geological monitoring plans have also been finalised.

Following arrival of the rig, moving, assembly and rig-up are expected to take approximately 10–14 days. The current target is to spud November 10, 2026. Drilling and initial evaluations are now planned for completion by the early December, subject to vessel arrivals and operational conditions.

The well will evaluate the primary carbonate reservoir, secondary sandstone objectives and potential hydrocarbons in the historic Bula Field interval along the well path. Evaluation of results will be based on logging-while-drilling (LWD) tools and detailed drill cutting sample evaluation including analysis of oil and gas indications.

As previously announced, the Bula Karang primary objective has a Mid Case (P50) unrisks prospective resource¹ of 12 mmbbl oil². The broader Bula Bay carbonate play, including nearby follow-up prospects, has combined P50 unrisks prospective resource¹ of over 30 mmbbl recoverable. These figures are unchanged from the previous announcement.

Subject to positive indications during drilling, initial testing is planned using the drilling rig. Depending on results, Lion plans to use a smaller workover rig already located in the Bula area for completion and an extended well test in early 2027. The current operational planning case envisages March 2027, subject to results, equipment availability and scheduling.



Figure 1: Bula Karang wellsite, ahead of drilling

² Refer to ASX Announcement dated 22 April 2026.

-ENDS-

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

mmscfd: 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.

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.