Sagalio Energy Limited
Level 24, Lee Garden One,
33 Hysan Ave, Causeway Bay,
Hong Kong
Tel: +852 3796 3601
Website: www.feore.co

Listed on ASX (Stock Code : SAN)

30 September, 2026

SEPTEMBER 2026 QUARTERLY REPORT

HIGHLIGHTS:

- Production continued at the initial wells on the Marleysu – East Yizbaskent block. Oil production of 391 tons was recorded, and a sales revenue of US$109,094 was recorded during the three months ended 30 September 2026.
- During the quarter, the Company successfully completed a share placement, raising additional capital of A$221,032.80. The funds raised will be primarily applied to general working capital requirements of the Company; and repayment of existing indebtedness.
  This capital raising has strengthened the Company's working capital position and enhanced its financial flexibility, providing funding support for the Company's ongoing operations.

Sagalio Energy 中普能源
Listed on ASX (Stock Code : SAN)

Sagalio Energy Limited (**SAN** or the **Company**) provides the following commentary for the three months ended 30 September 2026.

ONGOING OIL PRODUCTION

The Company continued production at its initial drilled wells. The extracted oil was sold to oil refineries in Kyrgyzstan under existing sales agreements.

During the three months ended 30 September 2026, the Company produced an aggregate of 391 tons of crude oil to Kyrgyzneftegaz OJSC (**KNG**), of which 60% was allocated to the Company in accordance with the Co-Investment Agreement entered into between the Company and KNG.

During the reporting period, the business was operated by the specialised oilfield service operators, and it was carried out steadily with stable product output and continuous development. The Company noted a considerable rebound in oil prices, intensified its sales efforts, and recorded a sale revenue of US$109,094.

DEVELOPMENT AND EXPLORATION TENEMENTS HELD AT THE END OF QUARTER ENDING 30 JUNE 2026 AND 30 SEPTEMBER 2026

Country	Name of Tenement	Nature	Number of Tenements	Holder	Interest[1,2] as of 30 June 2026	Interest[1,2] as of 30 September 2026
Kyrgyzstan	Marleysu - East Yizbaskent	Development	1	Kyrgyzneftegaz OJSC ("**KNG**")	1. Oil extracted from: (a) new production wells: KNG 40% and PEI 60%; (b) abandoned and non-production wells: KNG 35% and PEI 65%; (c) rejuvenating non-production well or abandoned wells: KNG 60% and PEI 40%; and (d) exploration wells drilled by PEI: KNG 30% and PEI 70% until the exploration works are completed. Subsequently, oil extracted from production wells drilled by PEI will be apportioned after determining oil reserves. 2. Oil extracted from new production wells in layers XIII, XIV and XVIII: (a) during first year of exploitation of each well: KNG 20% and PEI 80% (b) starting from second year of exploitation of wells: KNG 55% and PEI 45%. 3. In addition, for production wells established and funded by PEI: KNG 40% and PEI 60%.	Same as interest as of 30 June 2026

Kyrgyzstan	Yizbaskent – Arash	Exploration	1	KNG	See (1)(a) - (d) and (3) above.	Same as interest as of 30 June 2026
Kyrgyzstan	Susamur	Exploration	1	KNG	See (1)(a) - (d) and (3) above.	Same as interest as of 30 June 2026

*Note[1]: The Company's economic interest through its subsidiary PEI LLC ("**PEI**") of oil extracted from each Project arises under a Co-Investment Agreement, a production sharing contract as defined by the SPE PRMS, and is determined by the nature of the area (whether previously exploited or not), the well (whether new, inactive or enhanced), timing of extraction (with PEI having a greater economic interest in oil extracted in earlier years), the layer of extraction and in certain circumstances, the interest to be agreed between KNG and PEI (such agreement to be reached prior to the well in question being drilled or the resource being determined). Such interest was acquired in May 2015 through the acquisition of Quangas Poly Limited which indirectly held PEI.*

Note[2]: Please refer to the Company's FY26 Annual Financial Report dated 30 September 2026, in particular the Directors' Report and Note 7 of the Financial statement regarding the Company's rights under the Co-Investment Agreement and the potential breach of the Co-Investment Agreement.

- End -

Cao Yuqi

Director

Dated: 30 October 2026

Forward Looking Statements

This announcement contains certain forward looking statements which by nature, contain risk and uncertainty because they relate to future events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.

Certain statements made herein, including statements relating to matters that are not historical facts and statements of Sagalio Energy's beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable legislation and "forward-looking statements" within the meaning of applicable provisions. Forward-looking information and statements relate to future events or future performance, reflect current expectations or beliefs regarding future events and are typically identified by words such as "anticipate," "could," "should," "expect," "seek," "may," "intend," "likely," "plan," "estimate," "will," "believe" and similar expressions suggesting future outcomes or statements regarding an outlook.

Forward-looking statements and information are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements or information. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate, including the price of oil, anticipated costs and ability to achieve goals, as well as the timing of the completion of any fund-raising activities. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements and information include, among others, oil price volatility, discrepancies between actual and estimated production, reserves and resources, operational and development risks, health environment, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities, currency fluctuations, the speculative nature of oil exploration and development, the global economic climate, dilution, share price volatility, competition, loss of key employees, funding requirements and defective title to mineral claims, subsoil use rights or property. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

All such forward-looking information and statements are based on certain assumptions and analyses made by Sagalio Energy's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements.

Important factors that could cause actual results to differ from these forward-looking statements include those described in the issuer's previous Quarterly Reports, Annual Financial Reports and Prospectus dated 12 February 2015. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, including the assumption in many forward-looking information or statements that other such information or statements will be correct. The reader is cautioned not to place undue reliance on forward-looking information or statements. All forward-looking information and statements herein are made as of the date hereof. Sagalio Energy does not intend or undertake to update or revise forward-looking statements or information, whether written or oral or whether as a result of new information, future events or otherwise, that may be made by Sagalio Energy or on its behalf, except as required by law.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
SAGALIO ENERGY LIMITED	
ABN	**Quarter ended ("current quarter")**
152 971 821	30 September 2026

	Consolidated statement of cash flows	Current quarter USD'000	Year to date (3 months) USD'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	152	152
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(76)	(76)
	(d) staff costs	-	-
	(e) administration and corporate costs	(37)	(37)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**39**	**39**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter USD'000	Year to date (3 months) USD'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	155	155
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(9)	(9)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**146**	**146**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**	**185**	**185**
4.1	Cash and cash equivalents at beginning of period	24	24
4.2	Net cash from / (used in) operating activities (item 1.9 above)	39	39
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	146	146

Consolidated statement of cash flows		Current quarter USD'000	Year to date (3 months) USD'000
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	**Cash and cash equivalents at end of period**	**207**	**207**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter USD'000	Previous quarter USD'000
5.1	Bank balances	207	24
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**207**	**24**

6.	Payments to related parties of the entity and their associates	Current quarter USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Answer: N/A

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end USD'000**	**Amount drawn at quarter end USD'000**
7.1	Loan facilities	400	18
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	400	18

7.5	**Unused financing facilities available at quarter end**	382

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company previously obtained a US$400,000 unsecured facility bearing 5% p.a. interest, originally maturing in May 2027. A drawdown of US$26,775 was made under this facility during the previous periods. US$8,925 was repaid in the current period, and the facility term was extended to May 2029 by mutual agreement.

8.	**Estimated cash available for future operating activities**	**USD'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	39
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	39
8.4	Cash and cash equivalents at quarter end (item 4.6)	207
8.5	Unused finance facilities available at quarter end (item 7.5)	382
8.6	Total available funding (item 8.4 + item 8.5)	589
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**15.1**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2026

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.