ASX Announcement

9 November 2026



Bula Karang-1 Update #6 – Drilling Commences

Lion Energy Limited (ASX: LIO) ("Lion" or the "Company") is pleased to announce that drilling has commenced at the Bula Karang-1 (BK-1) exploration well in the East Seram PSC, Indonesia. Lion is the operator with a 45% working interest.

Target	Chance of success	Spud Date	Drilling complete
12 MMbbl	**38%**	**9 Nov**	**Early Dec**
Gross P50 unrisked prospective oil resource[1], primary carbonate	Estimated geological chance of success[1]	2026, with drilling a 26" hole to set a 20" conductor at 80ft	Drilling and evaluations, 2026

Drilling Commenced	The Bula Karang-1 (BK-1) exploration well in the East Seram PSC, Indonesia, has spudded following successful mobilisation and rig-up of Silver City Drilling Rig 20.
Significant exploration opportunity	BK-1 targets a gross 12 million barrel (P50) unrisked prospective oil resource[1] in the primary carbonate objective, with an estimated 38% geological chance of success[1]. Lion has a 45% working interest.
Broader potential	The Bula Bay carbonate play, including nearby follow-up prospects, contains combined P50 unrisked prospective resources[1] of over 30 million gross barrels of recoverable oil.
Drilling programme	The drilling and initial evaluation activities are scheduled to be completed by early December 2026.

[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 Schedule

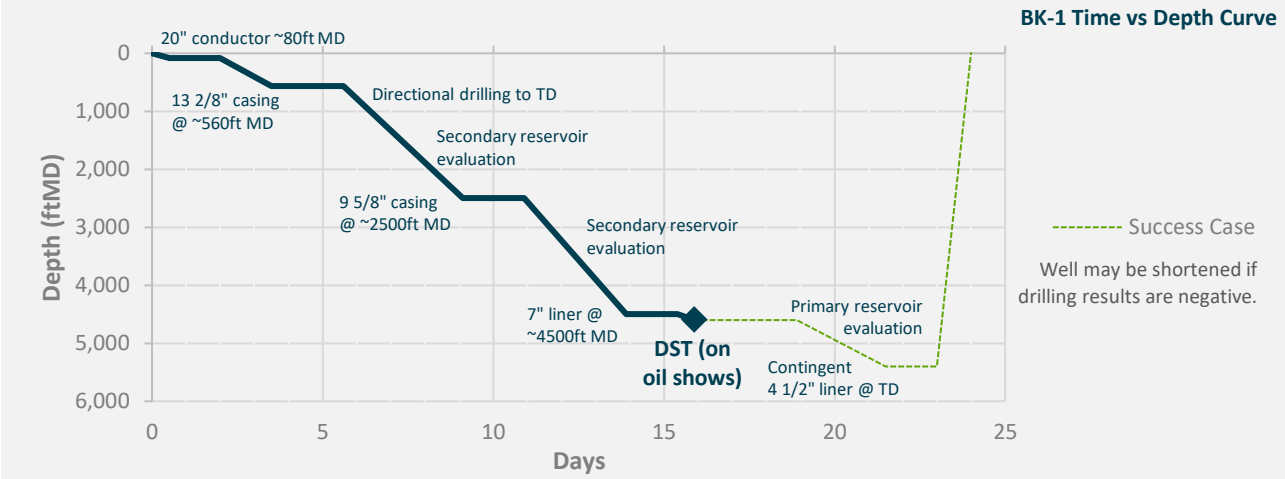


Figure 1: Drilling Program Time vs Depth Curve

Update

The well is being drilled using Silver City Drilling Rig 20 following completion of mobilisation, transportation and rig-up activities at the Bula Karang wellsite on Seram Island in eastern Indonesia. BK-1 is being drilled as a deviated well from an onshore location to a carbonate target crest of approximately 550 m subsea. Lion (45%, Operator), with partner OPIC (55%) funding 88% of drilling costs up to US$5.6 million. The well is estimated to cost approximately US$6.7 million.

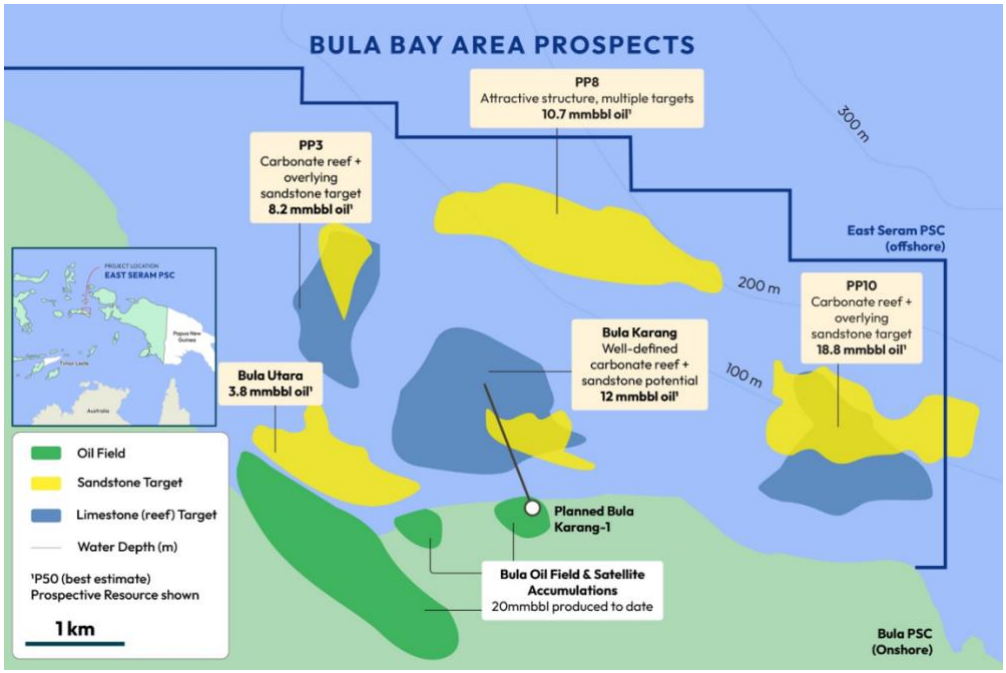


Figure 2: Bula Bay area existing oil fields and location of Bula Karang prospect and follow up prospects in the event of success.

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
- Pursues Southeast Asian oil and gas opportunities with near-term production potential and growth upside.



Lion Chairman Tom Soulsby commented:

"Spudding Bula Karang-1 is an important milestone for Lion and marks the culmination of an extensive period of technical preparation and operational planning."

BK-1 will test a significant oil exploration opportunity, targeting a Mid Case (P50) unrisked prospective resource[1] of 12 million barrels of recoverable oil in the primary carbonate reservoir, with an estimated 38% geological chance of success. The broader Bula Bay carbonate play, including nearby follow-up prospects, contains combined P50 unrisked prospective resources[1] exceeding 30 million barrels of recoverable oil. Nearby Bula field infrastructure provides a fast, low-cost path from discovery to first oil.



Figure 3: Bula Karang neighbouring infrastructure location.

The drilling programme will evaluate the primary carbonate reservoir, secondary sandstone objectives and potential hydrocarbons within the historic Bula Field interval along the well path.

Drilling and initial evaluation activities are expected to be completed by early December 2026. Evaluation will include logging-while-drilling measurements, analysis of drill cuttings and monitoring for oil and gas indications.

Drilling Programme

Following completion of rig-up activities, a series of equipment tests and safety drills were undertaken to confirm operational readiness prior to commencing drilling. The drilling program comprises drilling a 26-inch hole to approximately 80 feet to install the 20-inch conductor casing. The well will then be drilled through a series of progressively smaller hole sections, with casing installed to secure the wellbore as drilling advances towards the primary Lower Fufa Carbonate target expected at approximately 4524 ftMD/1818 ftssTVD.

The principal stages of the programme comprise:

- **Surface sections:** Drill a 16-inch hole to approximately 560 feet, immediately below the Fufa B Sandstone, and install 13⅜-inch surface casing.
- **Directional drilling:** Drill a 12¼-inch hole to approximately 2,500 feet measured depth, building inclination towards a planned deviation of 84 degrees, before installing 9⅝-inch casing.
- **Primary reservoir entry:** Continue directional drilling in an 8½-inch hole to approximately 4,500 feet measured depth, penetrating approximately 10–15 feet into the primary target Lower Fufa Carbonate, before installing a 7-inch liner.
- **Reservoir evaluation:** Drill a 6-inch hole approximately 100 feet into the Lower Fufa Carbonate and undertake a drill stem test (DST) if hydrocarbon shows are encountered to evaluate reservoir characteristics and potential hydrocarbon productivity.
- **Final drilling:** Continue drilling to a planned total measured depth of approximately 5,400 feet (2,200 feet true vertical depth), followed by installation of a 4½-inch liner. If no oil or gas shows are encountered the well may be shortened.

The deviated well design enables BK-1 to access the offshore carbonate structure from an onshore drilling location. Drilling operations are expected to be completed during the first week of December 2026, subject to operational conditions and geologic results encountered during drilling.

Following completion of drilling, the drilling rig and associated equipment will be demobilised. A smaller service rig and production testing equipment are planned to be mobilised during Q1 2027 to undertake further production testing, subject to the results of the initial drilling and evaluation programme.

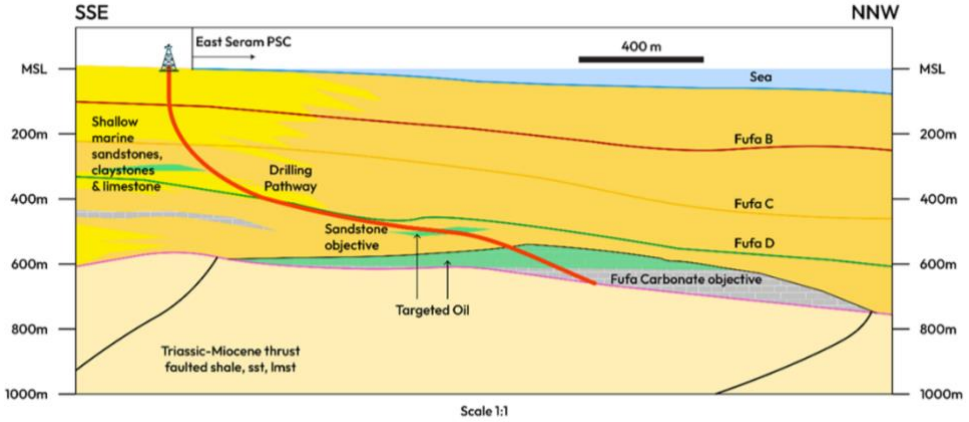


Figure 4: Section showing the well spudding onshore and deviated to test the offshore target.

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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
DST: Drill stem test
FTP: first tranche petroleum
JV: joint venture
KB: Kelly bushing
MD: Measured depth
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.

[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.