ASX Announcement

19 November 2026



Bula Karang-1 Update #8 – Very encouraging oil indications encountered in Fufa D sandstones

- **Positive oil shows encountered in two sandstone intervals with combined thickness estimated at approx. 50 ft measured depth / 21 ft true vertical depth**
- **Oil indications include elevated gas, peaking at 77 units, positive oil fluorescence shows and good resistivity anomalies**
- **Directional drilling progressing satisfactorily, with the well bore close to plan**
- **Currently preparing to run 9 5/8" casing prior to drilling ahead towards the primary Fufa Carbonate exploration objective**

Lion Energy Limited (ASX: LIO) ("Lion" or the "Company") advises that as of 6am AWST, the Bula Karang-1 exploration well in the East Seram PSC (Lion 45% WI and Operator) is at a depth of 2,490ft MD / 1,609 ft TVD and preparing to run 9 5/8" casing. Good oil shows and positive LWD resistivity responses have been recorded in two Fufa D Formation sandstones with combined thickness of approximately 50 ft MD/21 ft TVD. Evaluation of the significance and potential of these sandstone zones is ongoing.

Since Lion's last Bula Karang -1 update on 16 November 2026 drilling has continued from 1,300ft MD to current total depth of 2,490 ft MD / 1,607 ft MD.

Description of drilled 12 ¼" section including zones of interest

A primarily claystone interval was intersected from 1,300 to 1,780ft MD / 1,197 to 1,485ft TVD.

Importantly, from 1,780 to 1,810ft MD / 1,485 to 1,498ft TVD a sandstone interval was encountered which is described (from drill cuttings) as having fair visual porosity and oil shows.

Elevated gas up to 77 units was recorded (over a background of 10-15 units), the gas was predominately C1 (methane) with minor C2 (ethane) and trace C3 (propane). The sandstone interval had an encouraging, clear LWD resistivity response up to ~15 ohm/m. Resistivity in the overlying claystone was ~2 ohm/m. The rate of penetration (ROP) increased from ~100ft/hr in the overlying section to up to 200 ft/hr over the sandstone interval.

A second Fufa sandstone was intersected from approximately 1,860 to 1,880ft MD / 1,517 to 1,524ft TVD. This was described as having fair visual porosity and oil shows in cuttings. Elevated gas was up to 52 units measured (C1 to trace C3). The LWD resistivity response was also positive with resistivity readings up to ~11 ohm/m compared to 2 ohm/m in overlying claystone. The rate of penetration also increased from ~50 ft/hr in overlying section to over 100 ft/hr in the sandstone section.

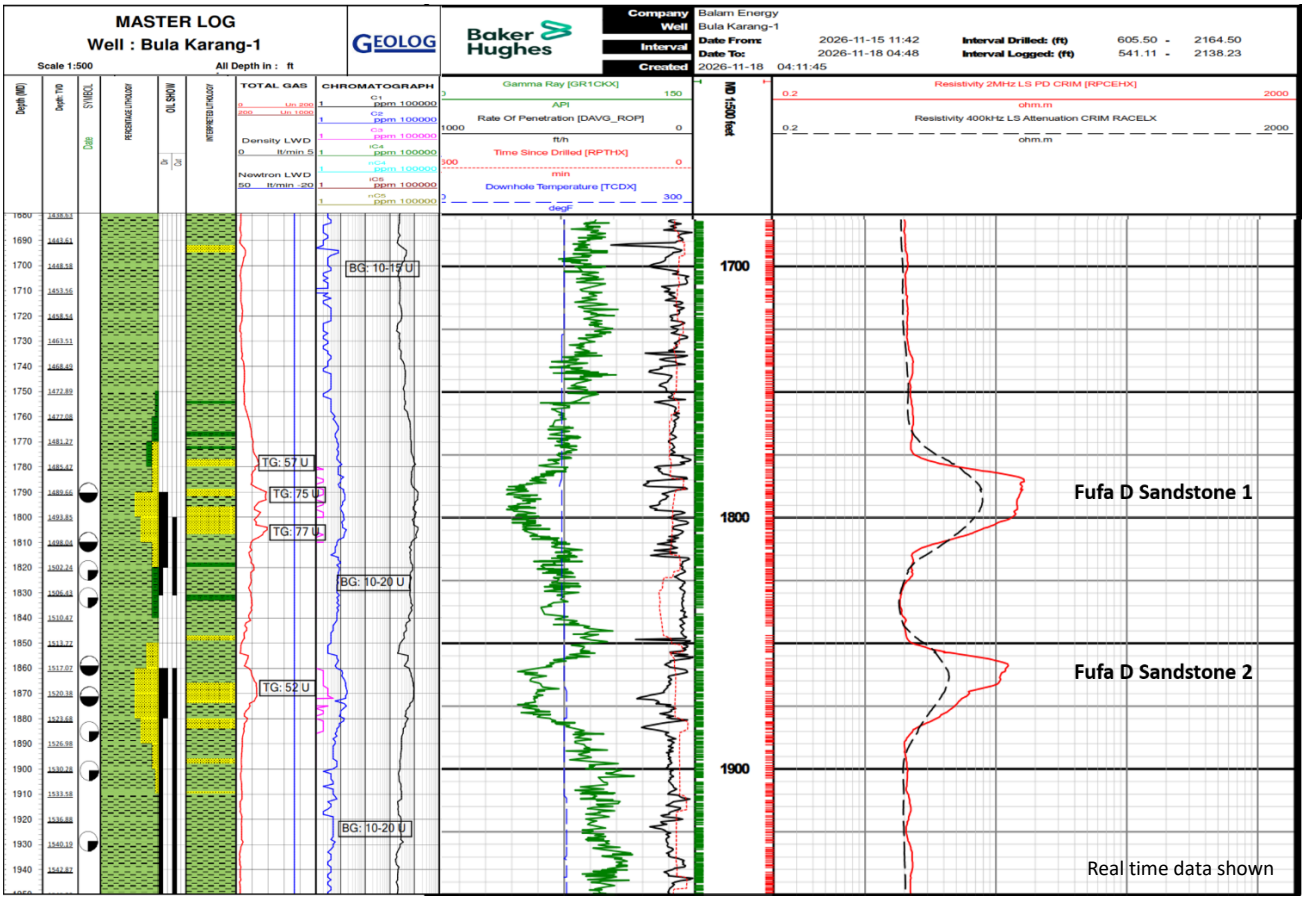


Figure 1 Combined Mudlog and LWD Measured Depth Log of Fufa D sandstones

Below the second sandstone to section total depth of 2,490 ft MD/1,609 ft TVD a claystone dominated section has been drilled. The current hole angle is 85 degrees.

Next steps

Evaluation of the significance and potential of these encouraging sandstone zones is ongoing and will include review of LWD resistivity memory data once downloaded and evaluation with LWD neutron-density data to be recorded behind pipe once 9 5/8" casing is set. Following the drilling and evaluation of the main reservoir target, and subject to positive evaluation, flow testing, testing of the two sandstone intervals will be undertaken should further evaluation warrant. The option of using a smaller (and less expensive) rig available at Bula for the flow testing of the well is being considered.

Currently, operations at Bula Karang-1 are preparing to run 9 5/8" casing with the hole total depth of 2,490 ft MD. The plan is to then drill ahead in 8 ½" hole to evaluate further secondary sandstone objectives and intersect the top of the primary objective Lower Fufa Carbonate target expected at approximately 4,524 ft MD / 1,818 ftss TVD. 7" liner will then be set before drilling and evaluating the main reservoir target in a 6" hole. An open hole drill stem test of the carbonate objective is planned in event of positive oil shows. This is expected to be in late November/early December. Please refer to our Press Release of 9 November for further details of the Bula Karang-1 drilling and evaluation plan.

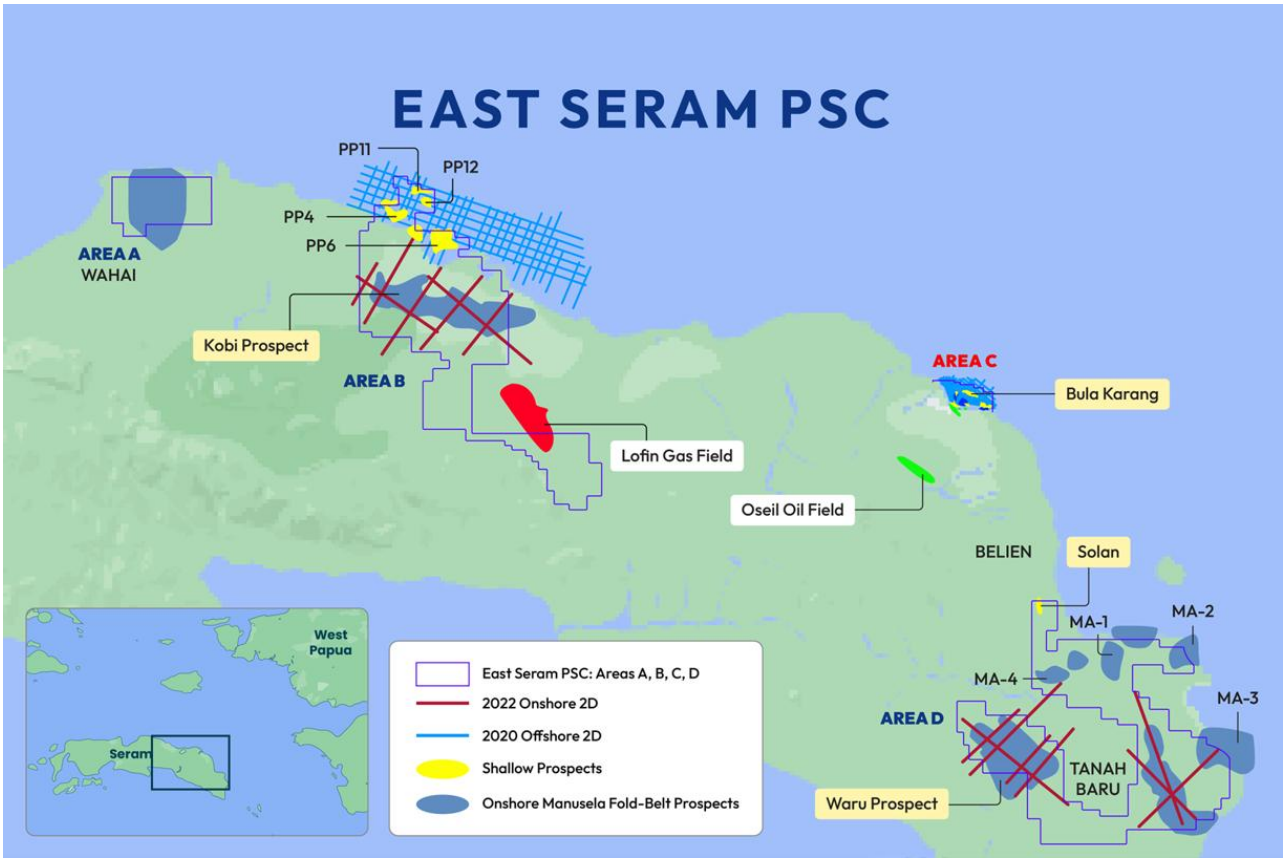


Figure 2 East Seram PSC map showing location of Bula Karang-1 well in Area C

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

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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
LWD: Logging while drilling
mmbbl: million barrels
MD: Measured depth
mss: metres subsea
PSC: Production Sharing Contract
psi: pounds per square inch
tcf: trillion cubic feet
Sq.km: square kilometres
TVD: true vertical depth
TD: total depth

Compliance Statement

This release is made in accordance with ASX Listing Rules Chapter 5 and Guidance Note 32: Reporting on Oil & Gas Activities. All material facts known to the Company as of the date of this announcement have been disclosed.