ASX Announcement

26 November 2026



Bula Karang-1 Update #9 – Primary carbonate target reached and significant additional potential oil pay identified in Fufa D sandstones

Highlights

- **Primary Lower Fufa carbonate objective reached at 4,428 ft measured depth, approximately 24 ft vertically higher than pre-drill prognosis.**
- **Significant drilling fluid losses immediately upon entering the carbonate provide an encouraging initial indication of reservoir quality. Hydrocarbon content remains to be determined.**
- **Additional Fufa D sandstone intervals intersected in 8 ½" hole section with highly encouraging oil and gas shows**
- **These additional sandstone intervals compliment the shallower potential oil pay previously reported on 19 November 2026, enhancing the potential for multiple potentially oil-bearing reservoir intervals at Bula Karang.**
- **Preliminary petrophysical analysis indicates a total of approximately 195 ft measured depth / 31 ft vertical depth net oil pay in all Fufa D sandstones.**
- **Preparations are underway to evaluate the primary carbonate objective, with planning also progressing for potential flow testing of the Fufa D sandstones.**
- **Well trajectory remains close to plan, with drilling operations approximately two days behind the original schedule.**

Lion Energy Limited (ASX: LIO) ("Lion" or the "Company") is pleased to report further encouraging results from the Bula Karang-1 exploration well in the East Seram PSC (Lion 45% working interest and Operator). The well has reached its primary Lower Fufa carbonate objective structurally higher than pre-drill prognosis, with encouraging initial indications of reservoir quality. Hydrocarbon content remains to be determined.

Further, preliminary petrophysical analysis has identified significant additional potential oil pay in Fufa D sandstone zones, complementing the potential shallower oil pay previously reported on 19 November 2026. Total net calculated oil pay in Fufa D sandstone in Bula Karang -1 from this initial analysis of the 12 ¼" and the 8 ½" hole section is 195 ft measured depth thickness (31 ft true vertical thickness) with an average porosity of 25%.

These results further enhance the potential for multiple oil-bearing reservoirs at Bula Karang, with evaluation of the primary carbonate objective and planning for potential flow testing of the sandstone intervals now the focus of the programme.

Current status

Lion is pleased to advise that, since its last Bula Karang-1 update on 19 November 2026, the 9⅝" casing has been successfully run to 2,485 ft MD and the 8½" hole section drilled from 2,490 ft MD to a current depth of 4,430 ft MD (1,815 ft TVD). As of 6am AWST 26 November 2026, operations at the Bula Karang-1 exploration well in the East Seram PSC (Lion 45% WI and Operator) are running the 7" liner.

Lower Fufa carbonate now picked

The top Lower Fufa carbonate objective is picked at 4,428ft MD with the drilling stopped at 4,430 ft MD due to high mud losses (up to 200 bbls/hr) experienced on entering the carbonate. The losses have been cured by pumping a lost circulation material (LCM) pill and reducing the pump rate. While no significant oil or gas shows were recorded in the immediate overlying section, determination of the fluid content of the main carbonate is not possible due to the high mud losses and minimal section penetrated to date. The Lower Fufa carbonate objective will be evaluated by drilling ahead in the 6 1/8" hole after setting 7" liner. As per plan, after drilling approximately 100ft MD a limited influx drill stem test will be conducted if there are indication of oil shows in this 6 1/8" hole section.

Fufa D oil and gas shows

Of significance, good oil and gas shows and positive pay indications from LWD resistivity and neutron-density measurements have been recorded in additional Fufa D Formation sandstones over the interval 2,490 to 3,208 ft MD (1,609 to 1,676 ft TVD). These potential pay zones are in addition to earlier reported sandstone potential pay zones reported in the 12 ¼" hole section (refer Bula Karang-1 Update #8 on 19 November 2026). Evaluation of the potential of these sandstones zones of interest is ongoing and we are currently considering plans to test the zones.

Lion's Chairman Tom Soulsby commented

"We are very encouraged by the results from Bula Karang-1 to date. The identification of further potential oil pay in the Fufa D sandstones, in addition to the intervals previously reported, is a significant positive development and has broadened the potential commercial opportunity at Bula Karang. We have now reached our primary Lower Fufa carbonate objective structurally higher than anticipated with encouraging initial indications of reservoir quality. Due to the lost circulation, fluid content is yet to be determined. We look forward to evaluating this important target over the coming days after the 7" liner is set. The interpretation for multiple potential oil-bearing reservoir intervals within a single well is particularly encouraging for Lion. Our focus is now on completing the evaluation of the carbonate and progressing plans to potentially test the sandstone intervals with the objective to establish our first commercial oil development in the East Seram PSC."

Description of drilled 8 ½ " section including zones of interest

A primarily claystone interval was intersected from 2,490 to 2,560 ft MD (1,609 to 1,615.5 ft TVD). From 2,560 to 3,208ft MD (1,615.5 to 1,676.4 ft TVD) an interbedded sandstone and claystone interval was encountered. A number of sandstone zones, totalling a combined sand thickness of 309 ft MD (30 ft TVD), have been intersected with fair to good shows. The sandstones are described as having fair porosity and fair oil fluorescence shows from cuttings samples. A series of gas peaks ranging from 58 units to 299 units (C1-C3) over a background of 5-20 units were recorded. The mudlog section of the sandstone zones of interest is shown in Figure 1 below.

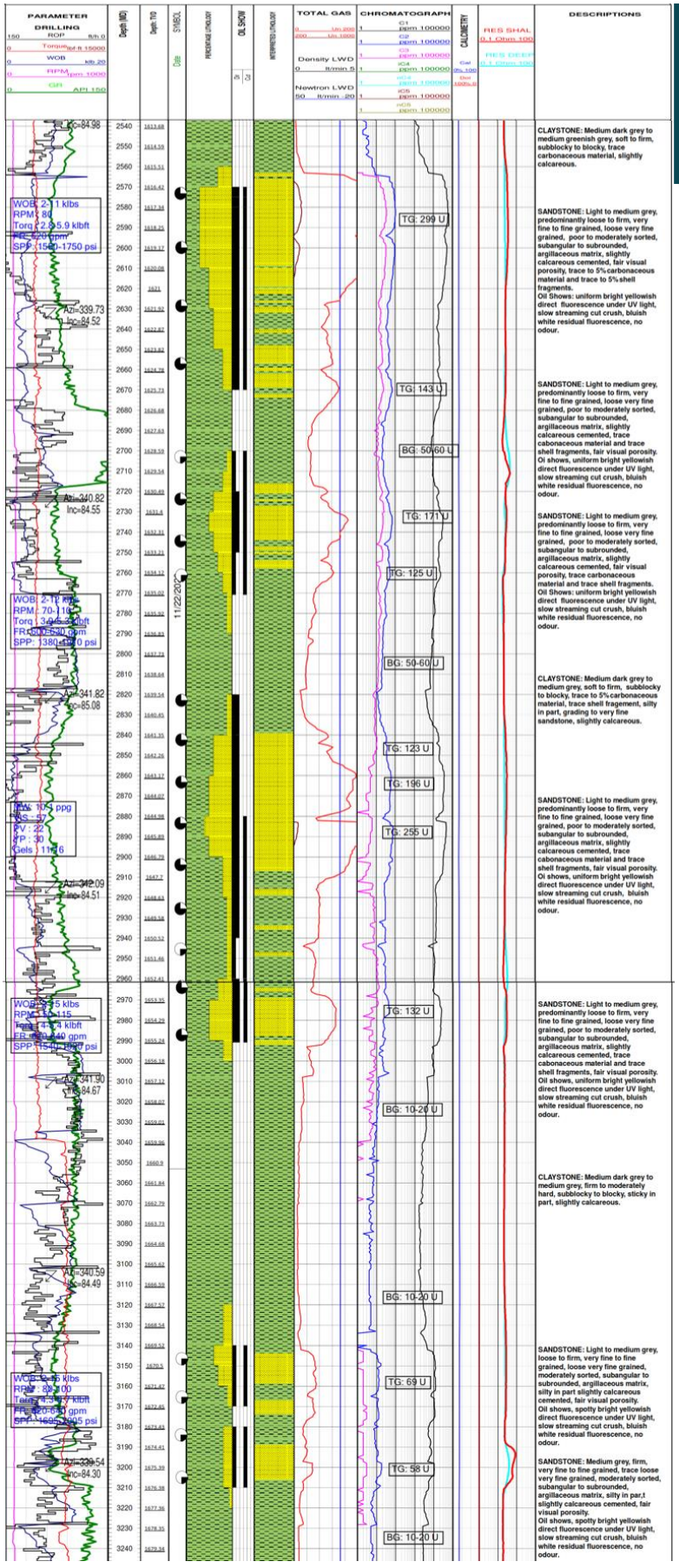
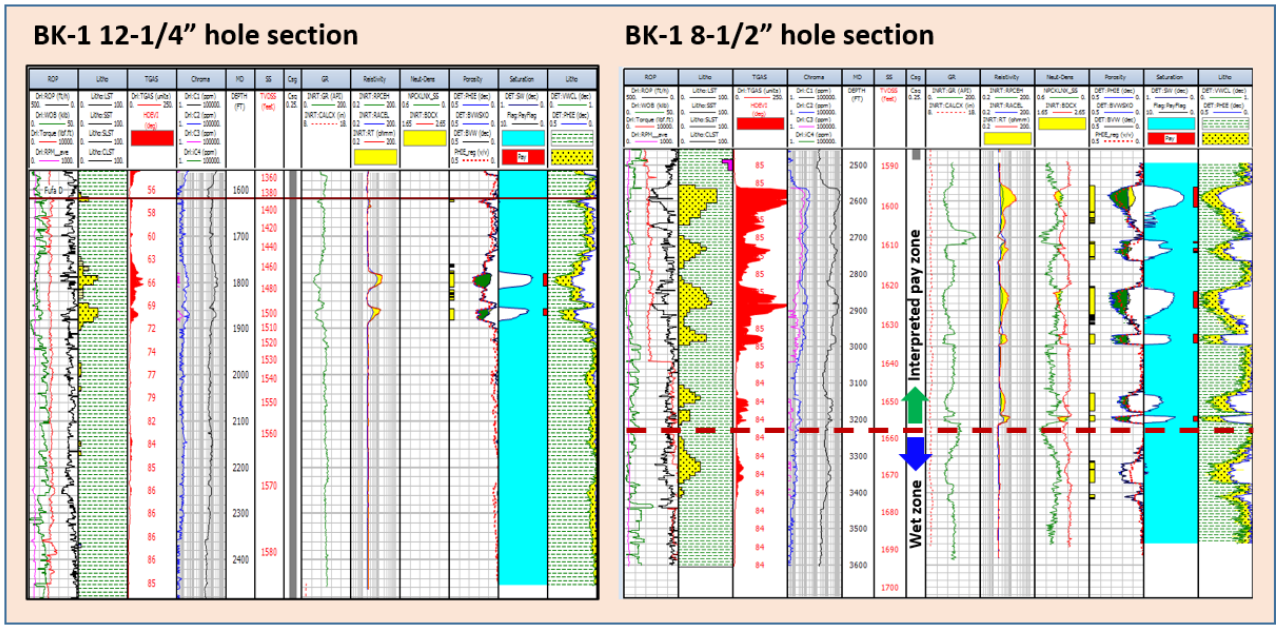


Figure 1 Bula Karang-1 Mudlog (Measured Depth) showing the sandstones of interest intersected in the 8 1/2" hole.
(Note the True Vertical Depth thickness is ~1/10 of Measured Depth thickness at the hole deviation in this section of the well)

Analysis of logging while drilling data (LWD) is complicated by the highly deviated hole angle of 85 degrees, however preliminary petrophysical analysis of real time data of the 8 ½" hole sandstone zones of interest is shown in Figure 2 below. Preliminary analysis indicates significant potential oil pay has been intersected with good reservoir quality. Additional analysis will be undertaken when memory data is downloaded.

Bula Karang-1 8-1/2" Measured Depth Section Preliminary Petrophysics Analysis



Pay Summary

Well	Zone	Top		Bottom		Gross		Net		N/G	Av Phi	Av Sw	Av Vsh
		ftMD	TVDSS	ftMD	TVDSS	ftMD	ftTVD	ftMD	ftTVD		v/v	v/v	v/v
Bula Karang-1	Fufa D	1619.0	1386.5	3540.0	1688.4	1921.0	301.7	194.5	30.6	0.101	0.249	0.433	0.193

Notes

1. Real time LWD data used, evaluation will be updated once memory data downloaded
2. RT (True resistivity) in 12 ¼" hole from resistivity correction for claystone resistivity
3. Porosity for 12 ¼" section from regional trends and will be updated with behind casing neutron porosity data

Figure 2 Preliminary petrophysical evaluation of Fufa D sandstones in the 12 ¼" and 8 ½" hole sections (measured depth)

The section from 3,208 ft MD to 4,220 ft MD (1,676 ft to 1,779 ft TVD) consists of claystone and some interbedded sandstone that is interpreted to be water bearing from analysis of shows and LWD data. From 4,220 ft MD to current total depth of 4,430 ft MD (1,779 ft to 1,794 ft TVD) a claystone dominated section was encountered with minor sandstone and from 4,420 ft MD trace to 5% carbonate was described in cuttings with no significant gas increase or oil fluorescence shows observed. The top of the Lower Fufa carbonate objective is interpreted at a drilling break at 4,428ft MD (1815 ft TVD) with drilling stopped at 4,430 ft MD (1815 ft TVD) due to high mud losses experienced, with a decision made to run 7" liner. The high mud losses experienced on tagging the top of the carbonate mean that evaluation of fluid content of the carbonate is not possible until additional section is drilled in 6 1/8" hole.

Next steps

Currently operations at Bula Karang-1 are running thee 7” liner to near 8 ½” hole total depth. The operation will then be pick up the 6 1/8” drilling assemble and drill ahead approximately 100 ft MD to evaluate the Lower Fufa carbonate section and conduct an open hole test if warranted. The current well trajectory is very close to the planned trajectory with formations encountered close to pre-drill prognosis. The well is currently approximately 2 days behind schedule as a result of delays with ensuring adequate cement integrity for 13 3/8” shoe, behind pipe logging of sandstone zones of interest encountered in the 12 ¼” hole section and a wiper trip undertaken to ensure adequate hole cleaning while drilling the 8 ½” hole section.

Evaluation of the significance and potential of the encouraging Fufa D sandstone zones is ongoing and will include additional petrophysical interpretation incorporating the LWD resistivity memory data once downloaded. Subject to positive evaluation and review of potential commerciality, flow testing of the sandstone zones will be considered. The option of using a smaller (and less expensive) rig available at Bula for the flow testing of the well is under review.

Please refer to our Press Release of 9 November 2026 for further details of the Bula Karang-1 drilling and evaluation plan. A summary of the Bula Karang-1 prognosed versus actual geological section is shown in Figure 3 below.

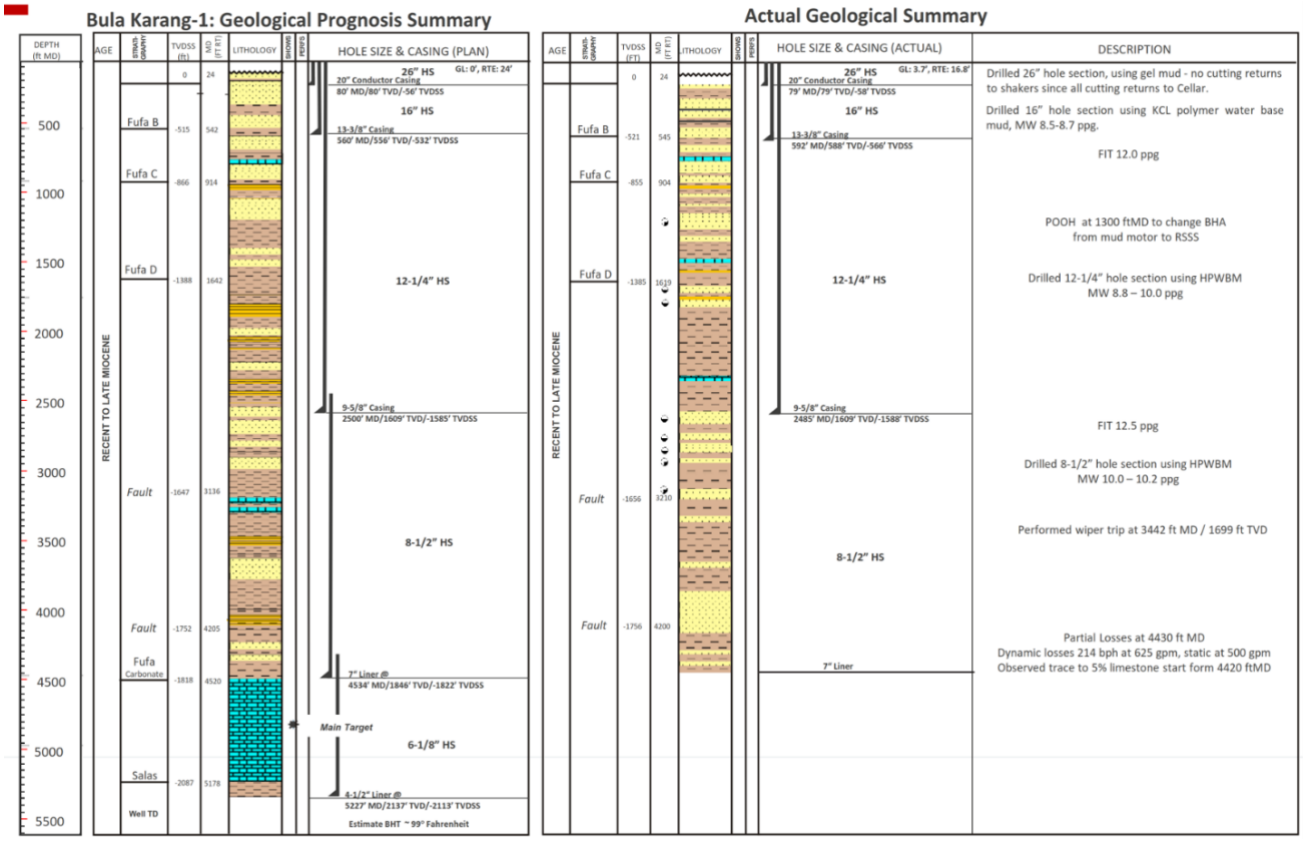


Figure *3* Prognosed Bula Karang-1 section versus actual geological section

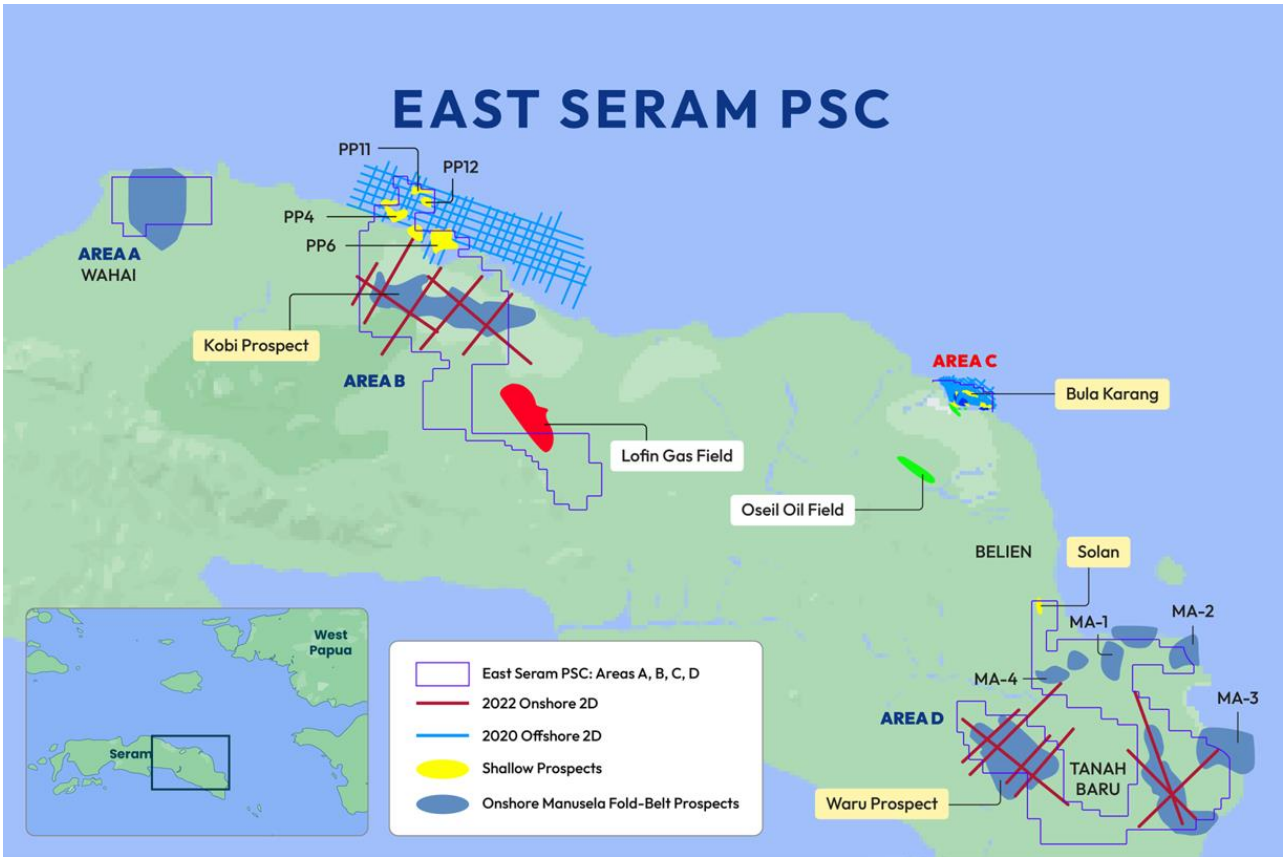


Figure 4 East Seram PSC map showing location of Bula Karang-1 well in Area C

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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.