

ASX Announcement

2 April 2026



Bula Karang 1 well update #2 – rig contract signed

Key Highlights

- Rig secured for 12 million barrel (P50)¹ Bula Karang-1 exploration well in the East Seram PSC within budget
- Bula-Karang-1 well has an estimated 38% probability of success¹
- Modern Schramm TDX-200 hydraulic rig selected, ideal for planned deviated well design
- Land use permit obtained and land sharing agreement secured
- Lion retains a 45% interest whilst being carried for 88% of estimated well cost
- Other key service tenders in progress (directional drilling, cementing, drilling fluids, wireline services)
- Targeted spud date: July 2026

Lion Energy Limited (ASX: LIO) (“Lion” or the “Company”) is pleased to provide an update on progress at its Bula Karang-1 drilling project.

Contracting

Lion has awarded and signed a drilling contract with Silver City Drilling, a leading Australian oil and gas drilling contractor. The contracted rig, SCD-20, is a hydraulic 900HP Schramm Rotadrill TXD200 unit, complete with ancillary equipment is secured within planned budget. The rig is particularly suited for directional drilling, and its small footprint reduces any environmental impact.

The other benefits of this modern-designed rig include:

- Fuel efficiency compared to conventional rigs
- Reduced manpower requirement
- Improved safety features
- Integrated top drive

The rig is currently working in East Java, Indonesia, and has an impressive track record of reliability and safety in recent operations.

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.

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 Q2, 2026
- Working on Southeast Queensland’s first commercial scale green hydrogen production and distribution hub

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Figure 1: Silver City Drilling Rig SCD-20

The rig is ideal for the drilling of Bula Karang -1 which is planned as a deviated, relatively shallow well spudding from an onshore location and deviating approximately 1000m laterally offshore. This allows Lion to test the crest of a seismically defined carbonate reef target at approximately 550m below sea level. The chosen rig has a hydraulic top drive and key safety features including hands free hydraulic pipe handling equipment, hydraulic weight on bit control and a rotation brake for directional drilling. Other mechanical specifications that are well suited for our planned deviated well design include the hook load (90 ton) and rotary torque (90RPM -17,500 ft/lbs).

Tendering processes are ongoing for other services including directional drilling, cementing and drilling fluids as well as wireline services..

Execution

Lion continues with extensive planning for the drilling operation. Our chosen contractor completed the well site survey in March including soil boring tests on the drillsite and access road.



Figure 2: Soil Boring Test on access road

Regulatory and other approvals

Three key milestones have been achieved:

- Approval has been received confirming the project is permitted on the proposed well site (KKPR).
- The environmental plan (UKL-UPL) has been submitted through the Indonesian government system.
- A land sharing agreement has been signed, with formal land registration to begin in Bula in April 2026.

Comment from Lion Chairman, Tom Soulsby:

“Securing the rig within budget is a key milestone as we move toward drilling Bula Karang-1. The prospect is a shallow carbonate reef structure with the potential to host material oil volumes, and importantly provides exposure to a broader 50 million barrel (P50) combined unrisks Prospective Resource¹ in Bula Bay.

With partner funding covering the majority of the well cost, Lion retains a 45% interest, providing strong leverage to success while maintaining a low capital commitment. In a success case, nearby infrastructure provides a clear pathway to rapid, low-cost development and early cashflow.

Bula Karang-1 is a high-impact, capital-efficient exploration opportunity and an important step in unlocking the potential of the East Seram PSC.”

Schedule

The Company continues to advance the project in line with its planned schedule. Lion remains focused on maintaining project momentum and cost discipline, with a targeted spud date mid year, subject to timely completion of regulatory and contractual milestones. The Company will continue to update shareholders as material milestones are achieved.

About East Seram PSC and the Bula Karang prospect

Since acquiring the PSC in 2018, Lion has conducted an active exploration program (Figure 3). A 664 km offshore 2D survey targeting the Plio-Pleistocene foreland basin play in 2020 delineated an attractive shallow oil portfolio. Of significance, a well-defined reefal carbonate build-up, the Bula Karang prospect (previously named PP9), emerged from this seismic data (Figure 4).

The highly attractive prospect has a Mid Case (P50) unrisks prospective resource¹ of 12 mmbbl oil in the primary objective target with significant follow up in event of success. The chance of success is estimated at 38%. Additional secondary objective potential exists with possible oil in overlying sandstone reservoirs. The well plan consists of drilling a deviated well from an onshore location targeting the offshore crest of the Bula Karang structure (Figure 5). This will allow rapid commercialisation in the event of success leveraging existing oil storage and shipping infrastructure on Seram Island.

Carbonate reef potential also exists with the nearby PP3 and PP10 prospects and combined P50 Prospective Resource¹ of over 30 mmbbl recoverable (unrisks) is calculated for the carbonate play. An additional approximately 20 mmbbl unrisks P50 prospective resource¹ is estimated for sandstone targets in the Bula Bay area.

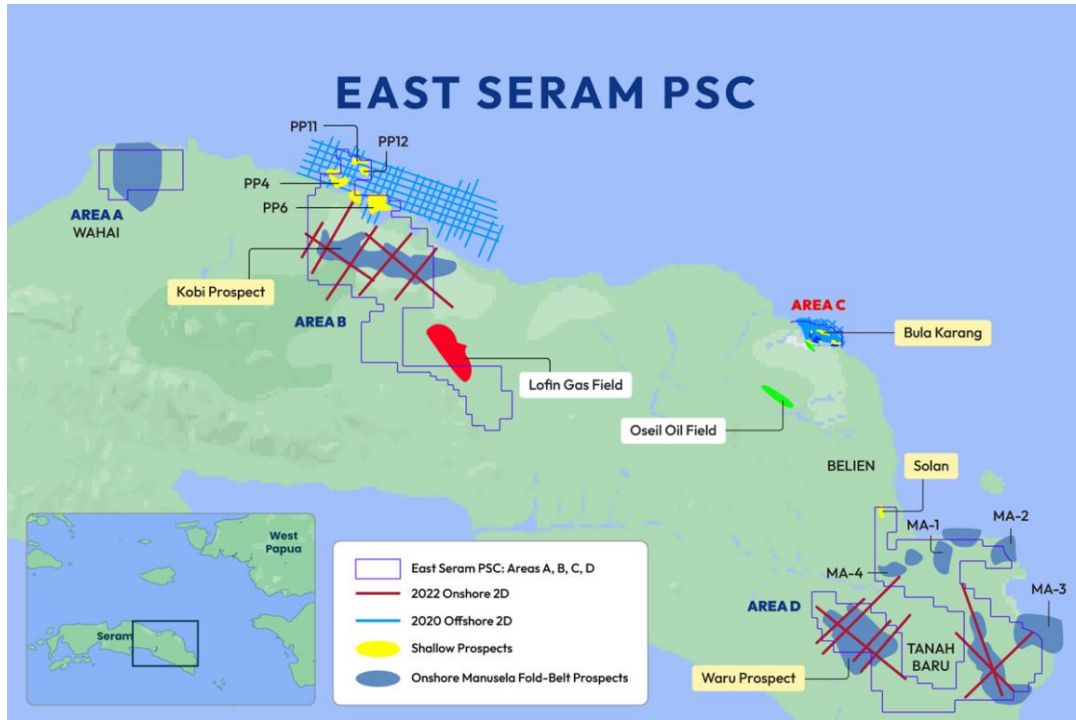


Figure 3: East Seram PSC with key prospects highlighted

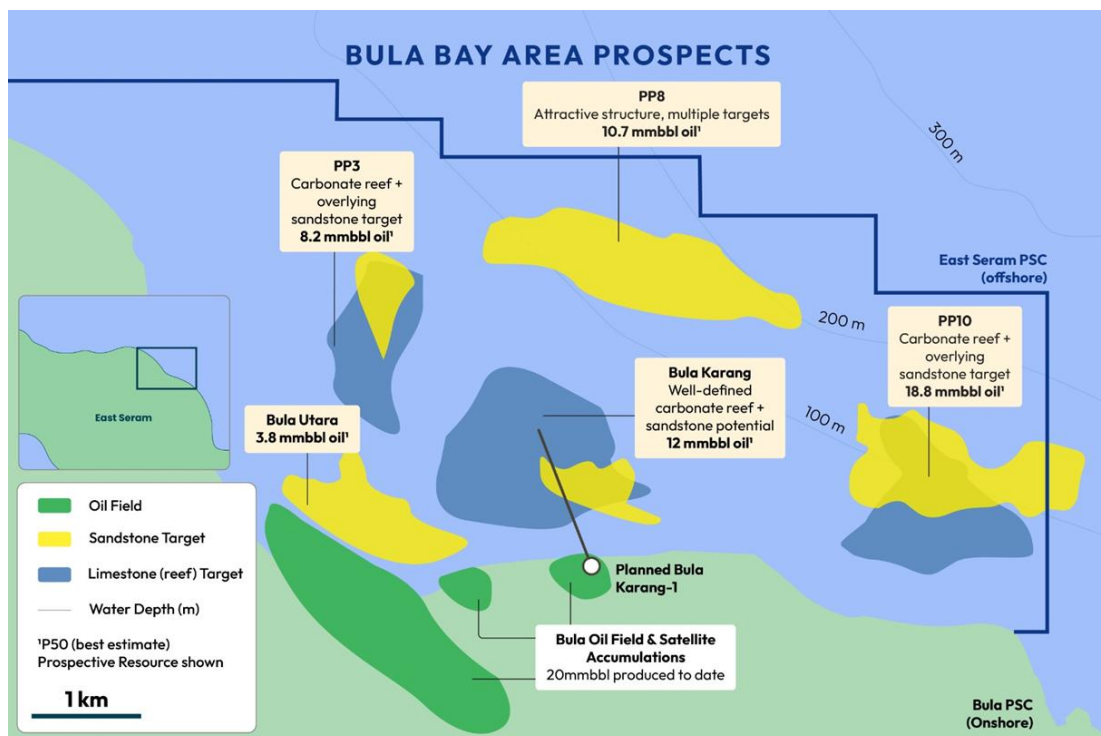


Figure 4: Bula Bay area existing oil fields and location of Bula Karang prospects and follow up prospects in the event of success.

BULA KARANG PROSPECT

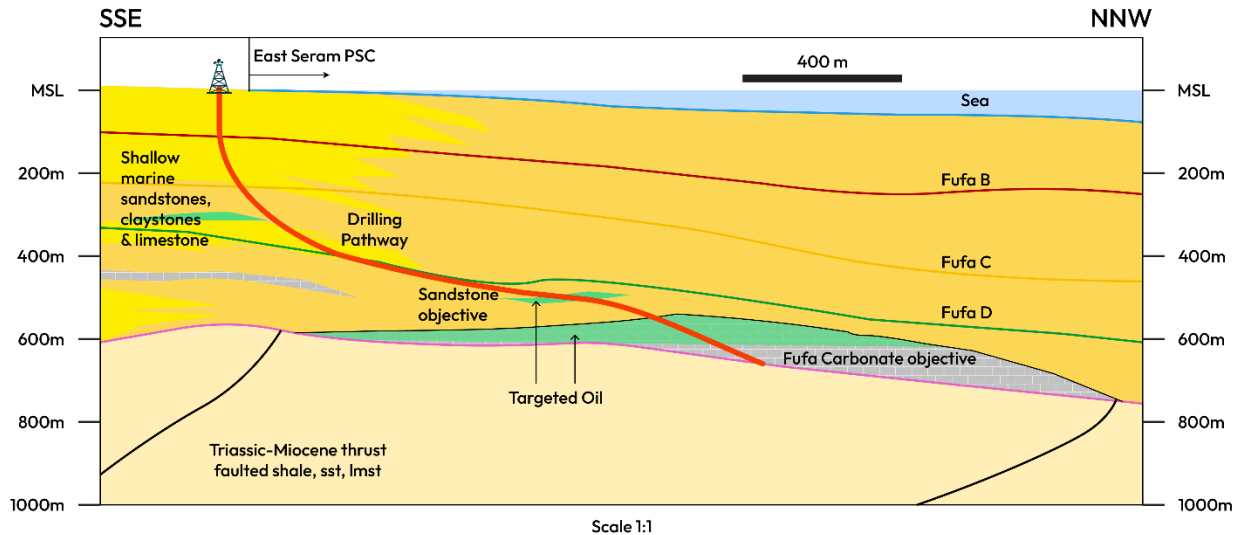


Figure 5: Section showing well plan to drill the attractive Bula Karang Reef Prospect with the well spudding onshore and deviated to test the offshore target

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

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Glossary

bbl: barrels	JV: joint venture	PSC: Production Sharing Contract
bcf: billion cubic feet	KB: Kelly bushing	psi: pounds per square inch
bopd: barrels oil per day	mmscfd: million standard cubic feet of gas / day	tcf: trillion cubic feet
BOP: blow out preventer	mmbbl: million barrels	Sq.km: square kilometres
ESP: Electric submersible pump	mmbbl: million barrels oil equivalent	ss TVD: sub-sea true vertical depth
FTP: first tranche petroleum	mss: metres subsea	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.

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