

Quarterly Report

1 October to 31 December 2025



Funding secured for exciting East Seram PSC drilling

Lion Energy Limited ("Lion" or "the Company") reports the following activity for Q4 2025:

Highlights

- **East Seram PSC**
 - Finalisation of on East Seram PSC farmout terms, securing funding for drilling Bula Karang-1 well planned for June / July 2026.
 - Drilling planning progresses during the Quarter with highly skilled drilling team already assembled.
 - The well has mid-case prospective resource potential of 12 mmboe, with significant follow up in the event of success.
- **Port of Brisbane (PoB) Green Hydrogen Project**
 - Ongoing work for grant application from ARENA to assist with taking project forward
 - Lion has resolved to limit spending on the project until ARENA funding is secured

Mr Tom Soulsby, Lion's Chairman, commented: "Lion is delighted to share that the terms for funding to allow us to drill the Bula Karang-1 well were finalised during the Quarter. The agreement with our partner OPIC, who will fund 88% of the well, was executed post quarter-end and announced on 6 January 2026. Combined with the strategic sale of our 2.5% interest in the Seram (Non-Bula) PSC announced last Quarter, Lion is well funded for this exciting drilling opportunity. Progress in our hydrogen business was moderated this quarter as we seek to obtain government grants necessary to advance project development."

Lion at a glance

- Operator of East Seram PSC containing attractive shallow oil and world-class oil and gas fold-belt prospects.
- ASX listed oil and gas E&P company with a new green hydrogen business and two conventional PSCs in Seram Island, Indonesia.
- Expected to build Southeast Queensland's first commercial scale green hydrogen production and distribution hub

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Oil and Gas Operations update

Currently, Lion holds a 60% interest and is Operator of the 1,300 km² East Seram PSC. As announced on 6 January 2026, Lion executed a farm-out agreement with existing partner OPIC East Seram Corporation (“OPIC”), a 100% indirect subsidiary of Taiwan-based CPC Corporation, who will fund 88% of the drilling cost for the Bula Karang exploration well. In exchange, OPIC will earn an additional 15% participating interest in the East Seram PSC. The well is expected to commence in Q2 2026. The farmout significantly reduces Lion’s financial exposure to drilling costs and leverages OPIC’s technical and financial capability.

The planned well will be drilled from an onshore location to an offshore target, significantly reducing costs compared to a conventional offshore well. With a relatively shallow vertical depth and the use of deviated drilling to enable onshore production, any potential development is expected to have a comparatively low capital cost. The well design also supports early oil production in the event of success, providing the potential for early monetisation. In addition, the Bula Karang prospect is located close to the producing Bula Oil Field (over 20 mmbbl produced) and the Oseil Field (also over 20 mmbbl produced and still in production), with access to existing oil storage, processing and export infrastructure, providing a clear and established route to market for any discoveries.

A four-year extension to the PSC was approved effective 17 July 2024 to 16 July 2028. Should a commercial discovery be made, the term of the PSC could be extended by 20 years, enabling further appraisal and exploration.

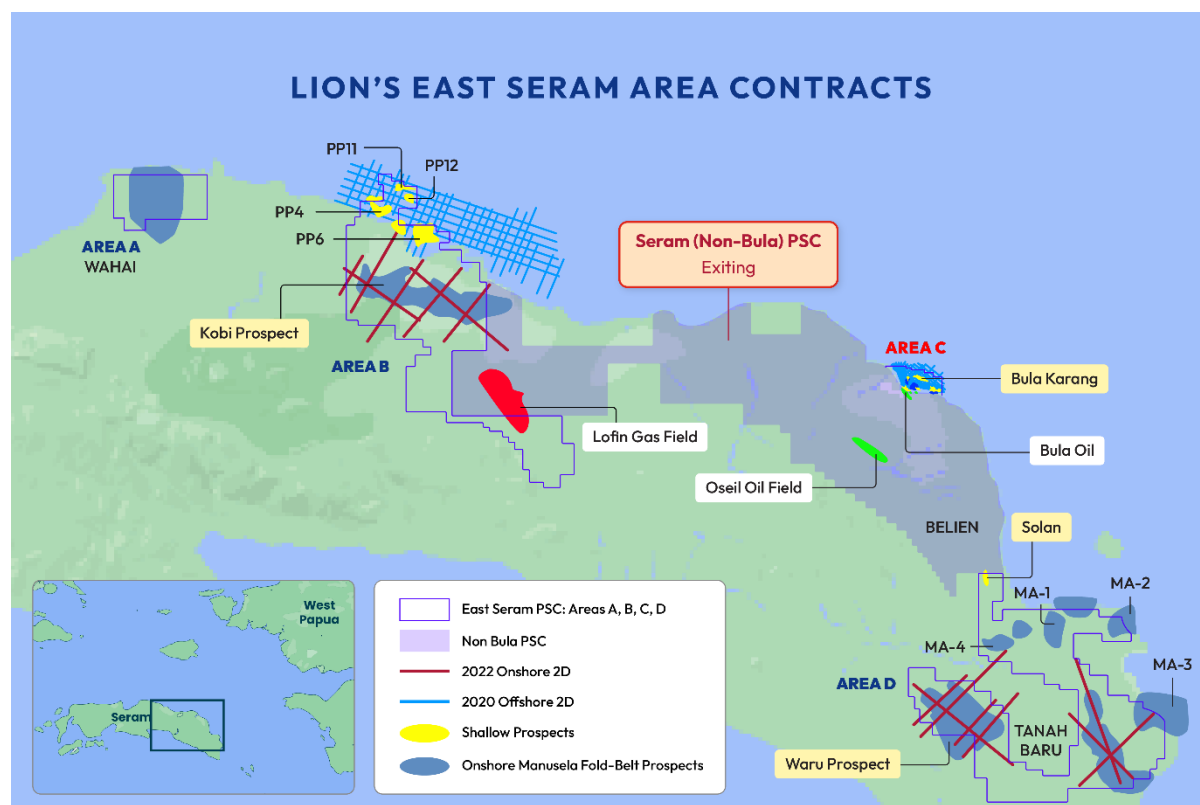


Figure 1: East Seram PSC with key prospects highlighted

Since acquiring the PSC in 2018, Lion has conducted an active exploration program. 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 in the Bula Bay area close to the 20 mmbbl Bula Oil Field.

During the Quarter, efforts accelerated for the planning late Q2 2026 test of this highly attractive prospect with the carbonate reef primary target having a P50 (unrisked) prospective resource¹ of 12 mmbbl. The planned well will test additional secondary potential with overlying sandstone reservoirs in fault and stratigraphic closures. Importantly, there is significant follow-up potential in the Bula Bay area in the event of success. Additional carbonate reef potential exists with the nearby PP3 and PP10 prospects and combined P50 Prospective Resource¹ of approximately 30 mmbbl recoverable (unrisked).

The Bula Karang-1 well plan consists of drilling a deviated well from an onshore location targeting the offshore crest of the Bula Karang structure (Figure 2). This will allow rapid commercialisation in the event of success leveraging existing oil infrastructure on Seram Island.

BULA KARANG PROSPECT

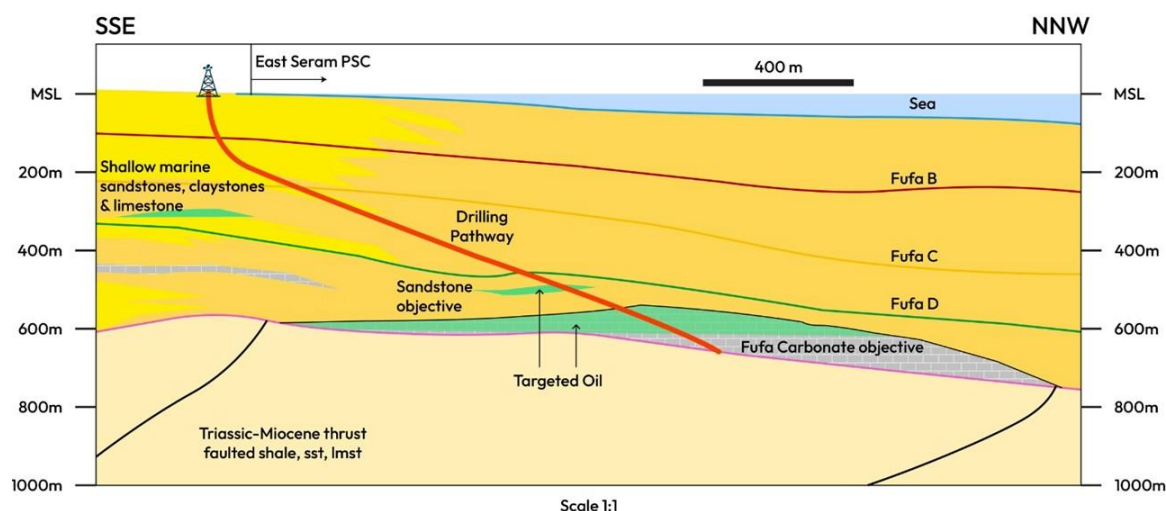


Figure 2: Section showing well plan to drill the attractive Bula Karang Reef Prospect with the well spudding onshore and deviated to test the offshore target

The accelerated well planning activities during the Quarter included hiring of additional key drilling, procurement, logistics and HSE personnel. An additional field trip was undertaken by the drilling team to review logistics and plan site preparation activities. An agreement was reached with the operator of the nearby Bula Field for land and road access and good engagement continues with CITIC, operator of the adjacent Seram (Non-Bula) PSC. Positive ongoing engagement continued with the Indonesian regulator, SKK Migas, during the Quarter who are supportive of the drilling plan.

Hydrogen update

Lion has moderated development activity on the Port of Brisbane (PoB) Green Hydrogen Project. While the project remains a potential long-term opportunity, progress during the period has been deliberately constrained as the Company reassesses capital allocation priorities and funding requirements.

The PoB Hydrogen Hub was conceived as a demand-led project targeting hydrogen supply to heavy transport, logistics, public transport and industrial users. To date, the project has achieved a number of early-stage milestones, including development permitting, securing a long-term site lease within the Port of Brisbane, and procurement planning for selected long-lead equipment. These steps provide an established foundation should the project proceed at a later stage.

Lion's development partners, Samsung C&T Corporation and DGA Energy Solutions Australia Pty Ltd (a wholly owned subsidiary of Mitsubishi Corporation), remain supportive of the project; however, further advancement is subject to funding conditions and commercial viability thresholds being met.

The current cost environment — driven by construction inflation, regulatory requirements and evolving technology specifications — has materially increased expected capital costs. As a result, public co-funding is now considered essential for the project to remain competitive. Accordingly, Lion and its partners are preparing an application to the Australian Renewable Energy Agency (ARENA) under its Advancing Renewables Program.

The Board has resolved that receipt of ARENA support is a prerequisite for any Final Investment Decision (FID). Until such funding is secured, the Company will limit further capital expenditure on the PoB Hydrogen Project.

Related Party Payments

During the quarter, the Company made payments of A\$263,000 to related parties and their associates. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.

Summary of petroleum tenements held as of 31 December 2025

	% interest	Tenement	Location
Held at end of quarter	60%*	East Seram PSC	Seram Island, Indonesia
	2.5%**	Seram Non-Bula PSC	Seram Island, Indonesia

*Reducing to 45% following Government approval.

**Divestment announced pending Government approval, expected H1 2026

ENDS

This ASX announcement was approved and authorised for release by the Board of Directors.

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.

Glossary

bbl: barrels

bcf: billion cubic feet

bopd: barrels oil per day

BOP: blow out preventer

ESP: Electric submersible pump

FTP: first tranche petroleum

JV: joint venture

KB: Kelly bushing

mmscfd: million standard cubic feet of gas / day

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

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.