

Quarterly Report

1 January to 31 March 2026



Gearing up for July spud, Lion curtails Hydrogen activities

Lion Energy Limited (**Lion** or the **Company**) reports the following activity for Q1 2026:

Key Highlights

- **Rig secured for the 12 million barrel (P50)¹ Bula Karang-1 exploration well in the East Seram PSC, within budget**
- **Modern Schramm TDX-200 hydraulic rig ideal for planned deviated well design with contract signed post Quarter-end**
- **Drill site land use permit obtained and land sharing agreement secured**
- **Indonesian regulator assisting with required approvals and facilities sharing arrangements to optimise logistics**
- **Lion retains a 45% interest whilst being carried for 88% of estimated well cost**
- **Hydrogen activities curtailed**

Mr Tom Soulsby, Lion's Chairman, commented: *"Bula Karang-1 is a high-impact, near-term exploration opportunity and a key step in unlocking the East Seram PSC. We continued strong progress during the quarter across approvals, contracting and planning, with the subsequent rig contract award marking an important milestone toward drilling.*

With a 45% interest and a substantial carry, the Company retains strong exposure to success while limiting capital outlay.

We remain focused on execution of drilling planning and logistics ahead of the targeted July 2026 spud date."

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.

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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.

Oil and Gas Operations update

During the quarter, the Company made significant progress advancing the Bula Karang-1 exploration well within the East Seram PSC, Indonesia.

In February 2026, a majority of the required regulatory approvals had been secured, with final local authority clearances progressing, and key operational workstreams established, including drilling, HSE, procurement and logistics teams based in Jakarta. The Company also initiated a competitive tender process for the drilling rig and key services, including directional drilling, cementing and drilling fluids, while advancing site preparation activities such as survey and soil boring works.

Subsequent to quarter end, and building on this momentum, the Company executed a drilling contract with Australian drilling Contractor, Silver City Drilling, for the provision of a Schramm TDX-200 hydraulic rig, secured within budget. The selected rig, currently working in East Java, is well suited to the planned deviated well design, which will be drilled from an onshore location targeting the offshore crest of the Bula Karang carbonate reef structure.

In addition, the Company also secured key land access agreements, progressed environmental approvals, and continued the tendering processes for remaining drilling services. The Company retains a 45% interest in the well and is carried for approximately 88% of the estimated drilling cost, providing strong leverage to exploration success while limiting capital exposure.

The Bula Karang prospect represents a shallow carbonate reef target with a best estimate (P50) prospective resource of 12 mmbbl and an estimated geological chance of success of 38%. The well is targeting a broader carbonate and clastic play within the Bula Bay area, which offers additional follow-up potential in the event of exploration success. The Company continues to progress towards a targeted July 2026 spud date, subject to completion of remaining regulatory and contractual requirements.



Figure 1: East Seram PSC with key prospects highlighted

Bula Karang Prospect background and funding details

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.

BULA KARANG PROSPECT

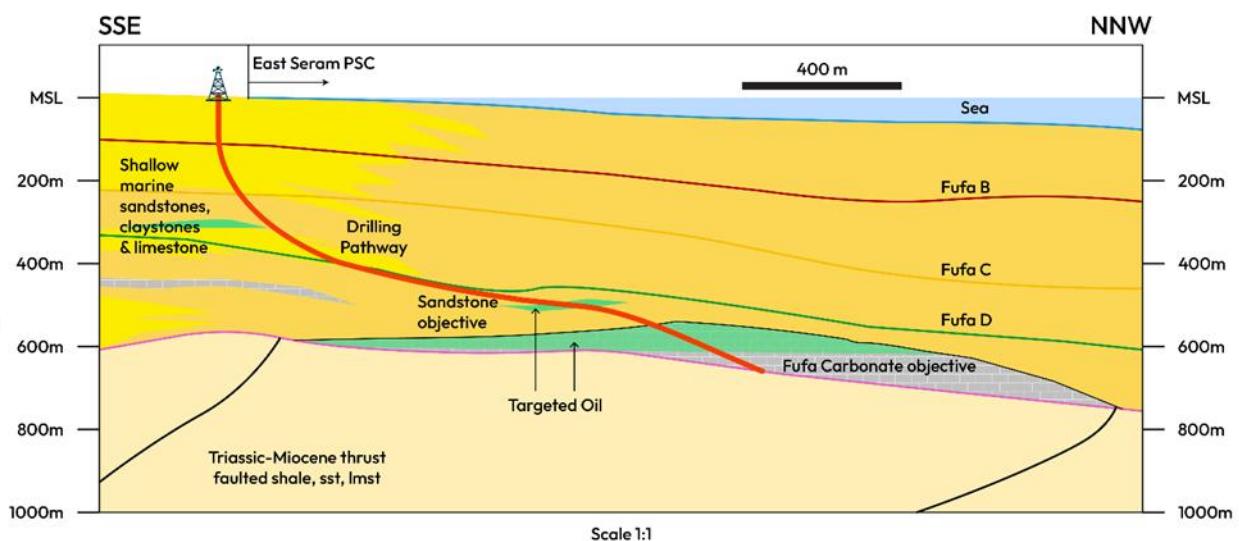


Figure 2: Section showing well plan to drill the attractive Bula Karang Reef Prospect with the well spudding onshore and deviated to test the offshore target

Hydrogen update

Hydrogen – Port of Brisbane Project Update

Lion has undertaken a strategic review of the Port of Brisbane (**PoB**) Green Hydrogen Project and has significantly curtailed development activities during the period.

The Project was originally conceived as a demand-led hydrogen supply solution targeting heavy transport, logistics, public transport and industrial users. However, current market conditions have not supported near-term commercialisation, reflecting limited firm demand, an evolving regulatory framework, and materially higher capital cost estimates driven by construction inflation and technology uncertainty.

Notwithstanding this, the Project has achieved a number of early-stage milestones, including development permitting, securing a long-term lease within the Port of Brisbane, and progressing preliminary engineering and procurement planning. These elements preserve the option value of the Project should market conditions improve.

Lion is currently in discussions regarding the future of the Joint Development Agreement (**JDA**) and the Project more broadly. As a result of these discussions and prevailing market conditions, there is a risk that the existing JDA may not proceed in its current form.

The Board has determined that progression of the PoB Hydrogen Project is contingent on a step change in external factors, including:

- availability of government support and policy settings to underpin project economics;
- improved visibility of sustainable customer demand; and
- access to capital on acceptable commercial terms.

Consistent with this position, Lion will not commit further material capital to the Project and will instead maintain the Project in a holding pattern, preserving key project rights and approvals while minimising ongoing expenditure.

The Company continues to monitor developments in hydrogen policy, funding programs (including ARENA) and market demand, and will reassess the Project should conditions become supportive of a commercially viable Final Investment Decision.

Related Party Payments

During the quarter, the Company made payments of A\$241,000 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 March 2026

	% 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 (Bula Karang farmout arrangement)

**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	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	mmboe: million barrels oil equivalent	ss TVD: sub-sea true vertical depth
FTP: first tranche petroleum	mss: metres subsea	TD: total depth

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