

ASX Announcement

6 January 2026

Lion secures funding for East Seram PSC drilling

Highlights

- Lion has 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 – due to be drilled in 2Q 2026
- In exchange, OPIC will earn an additional 15% participating interest in the East Seram PSC
- Lion’s net funding obligation will be 12% of the US\$5.6 million well cost estimate (US\$0.7 million), and post-well, it will hold a 45% interest in the PSC
- Recent US\$1.2 million sale of Lion’s stake in Seram Non-Bula underwrites Lion’s funding obligations for the Bula Karang well
- The Bula Karang prospect, located close to the 20mmmb Bula Oil Field, hosts a P50 prospective resource¹ of 12mmbo with the exploration well designed to allow early production in the event of success
- The offshore Bula Karang target is planned to be drilled from land – substantially reducing the estimated well cost
- Seram Island in Indonesia is well serviced by oil and gas infrastructure with refining, storage and export facilities situated near the target area

Mr Tom Soulsby, Lion’s Chairman, commented:

“The farm-out of the East Seram PSC to OPIC, a trusted and supportive subsidiary of Taiwan-based CPC Corporation, represents a great outcome for Lion. We now look forward to planning for and proceeding towards the drilling of a well to test the Bula Karang oil prospect. This well has the potential to be a game-changer for Lion, with numerous follow-up prospects high-graded in event of success. With the recent divestment of Lion’s minority interest in the Seram Non-Bula PSC, the company is pleased to have secured both funding and a substantial interest in this high-impact exploration event”

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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Lion Energy Limited (ASX: LIO) ("Lion" or the "Company") is pleased to announce that its wholly-owned subsidiary Balam Energy Pte Ltd ("Balam") has executed a Farm-out Agreement ("FOA") with OPIC East Seram Corporation ("OPIC"), a 100% indirect subsidiary of Taiwanese based CPC Corporation, in relation to the East Seram Production Sharing Contract (PSC), Indonesia.

Following approval of the transaction by the Government of Indonesia, interest in the PSC will be

Balam Energy Pte Ltd (100% owned by Lion Energy)	45%
OPIC East Seram Corporation	55%

The shallow well will target the Bula Karang prospect, a high-ranked Plio-Pleistocene carbonate build-up located offshore Bula Bay. The P50 prospective resource¹ is estimated at 12 million barrels of oil.

Key features of the Bula Karang prospect:

- Onshore drilling, offshore target: The well will be drilled from an onshore location to an offshore target, significantly reducing cost compared to a typical offshore well.
- Shallow vertical depth: The well has a relatively shallow vertical depth and with deviated well drilling allowing onshore production, any potential development is expected to have relatively low capital cost.
- Early oil production potential: The well plan supports early production in the event of success, allowing an early monetization outcome.
- Existing Infrastructure: Bula Karang is close to the producing Bula Oil Field (over 20mmmbbl produced) and the Oseil Field (also over 20mmmbbl produced and still in production) oil storage facilities. This proximity to established storage, processing and export facilities, provide a clear route to market for any discoveries.
- Planned spud date: Drilling is targeted for Q2 2026, meeting the PSC's Year 8 well commitment.
- Long-term potential: a commercial discovery could extend the PSC term by 20 years, enabling further appraisal and exploration.

This farmout deal:

- Secures majority funding for the Bula Karang well, significantly reducing Lion's exposure
- Leverages OPIC's technical and financial capability.
- Targets a material 12 mmbo¹ oil field resource with access to existing production infrastructure.
- Retains significant upside exposure for Lion through its 45% interest in the PSC.

Key terms of the agreement:

- Transfer: Balam to transfer 15% interest in East Seram PSC to OPIC
- Consideration: OPIC to fund 88% of the Bula Karang well subject to a cap of US\$5.6 million (100% basis). Cost beyond US\$5.6 million to be funded 45%-55% by Balam-OPIC
- Effective date: 1 Oct 2025
- Condition: approval by the Government of Indonesia
- Operatorship: Balam to remain operator, with OPIC entitled to request operatorship at any time so long as it has 50% of more of the PSC

About East Seram PSC and the Bula Karang prospect

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.

Work continues on planning for a Q2 2026 well to test this highly attractive prospect which has a P50 (unrisked) prospective resource¹ of 12 mmbbl oil in the primary objective reefal target with significant follow up options in the event of success. The chance of success is estimated at 38%. Additional secondary objective potential exists with possible oil in overlying sandstone reservoirs. The current plan consists of drilling a deviated well from an onshore location targeting the offshore crest of the Bula Karang structure. This will allow early commercialisation in the event of success, leveraging existing oil 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 (unrisked) is calculated for the play.

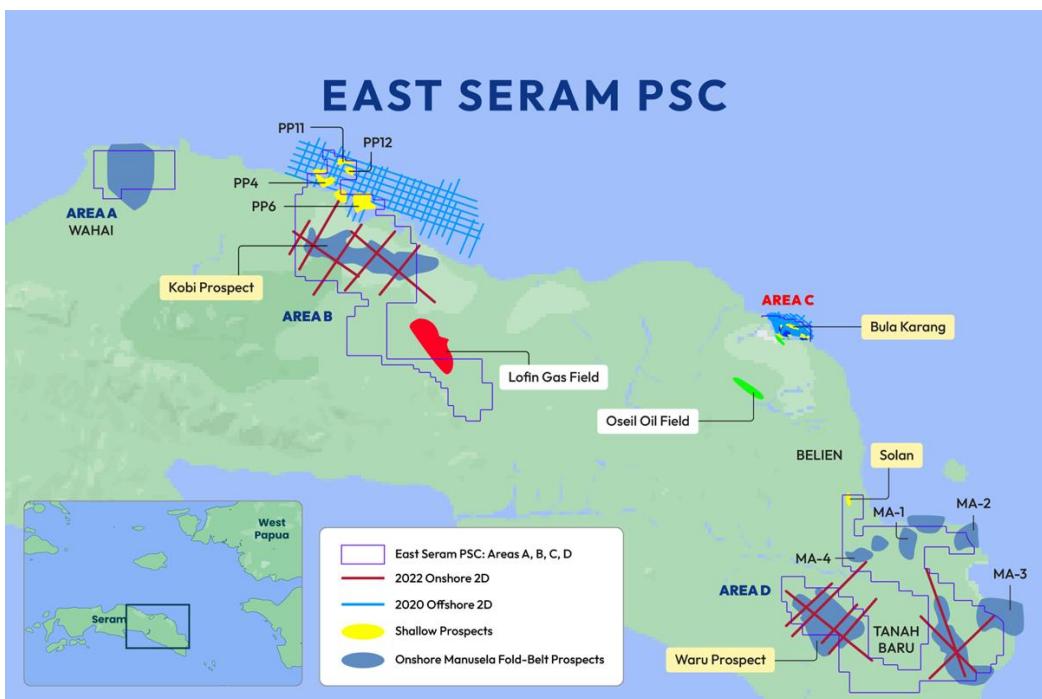


Figure 1: East Seram PSC with key prospects highlighted

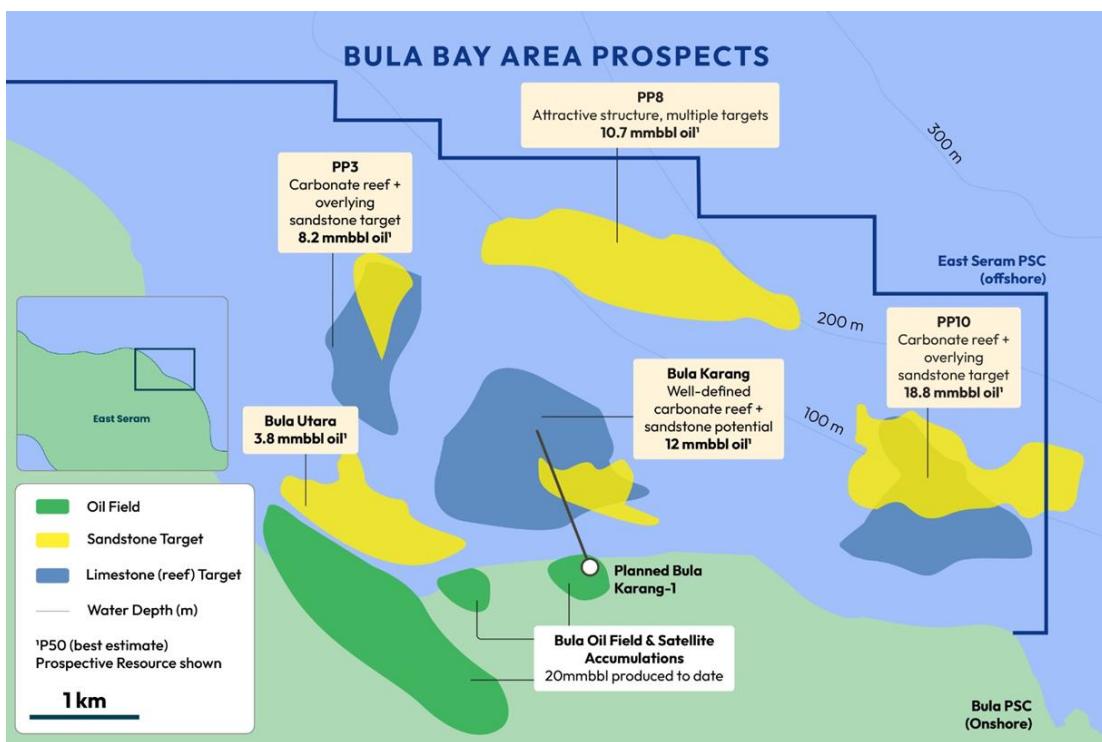


Figure 2: Bula Bay area existing oil fields and location of Bula Karang prospect and follow up prospects in the event of success.

BULA KARANG PROSPECT

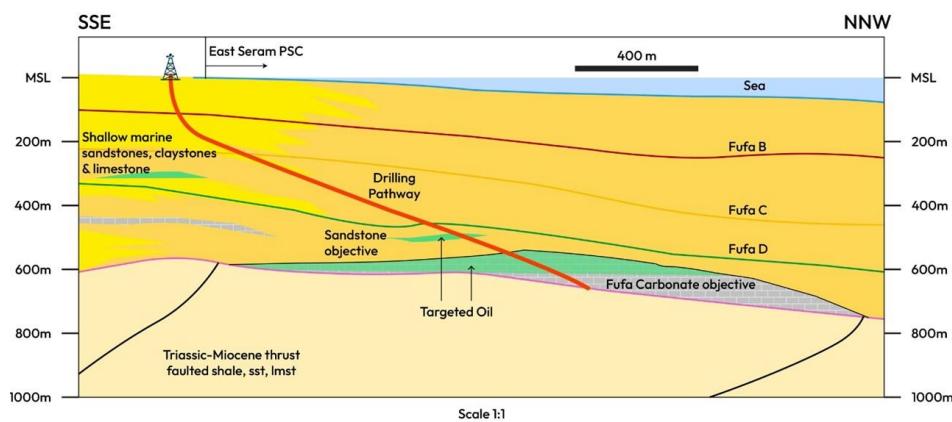


Figure 3: Section showing well plan to drill the attractive Bula Karang Reef Prospect with the well spudding onshore and deviated to test the offshore target

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

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Glossary

bbl: barrels

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

mmscfgd: 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

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.

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.