

30 April, 2026

MARCH 2026 QUARTERLY REPORT

HIGHLIGHTS:

- Production continued at the initial wells on the Marleysu – East Yizbaskent block. Oil production of 337 tons was recorded during the three months ended 31 March 2026.
- In order to streamline the Company's oil production process and to improve its operating efficiency, PEI LLC (a wholly owned subsidiary of the Company) has adjusted its local operating model in Kyrgyzstan and engaged a specialised oilfield service operator to perform majority of the technical work. Due to the transition, no oil sales were made and no revenue was recognised in the period.

Sagalia Energy Limited (**SAN** or the **Company**) provides the following commentary for the three months ended 31 March 2026.

ONGOING OIL PRODUCTION

The Company continued production at its initial drilled wells. The extracted oil was sold to oil refineries in Kyrgyzstan under existing sales agreements.

During the three months ended 31 March 2026, the Company produced an aggregate of 337 tons of crude oil to Kyrgyzneftegaz OJSC (**KNG**), of which 60% was allocated to the Company in accordance with the Co-Investment Agreement entered into between the Company and KNG.

The Company noted a decline in production during the reporting period. This was primarily caused by adverse rain and snow conditions during the reporting period. Production was also halted intermittently during periods when the power lines underwent official maintenance. Field operation was fully resumed towards the end of the reporting period.

OPERATING EFFICIENCY ENHANCEMENT

In an effort to streamline the Company's operation and to improve its operating efficiency, PEI LLC (a wholly owned subsidiary and the local operating entity of the Company) engage a specialised oilfield service operator to perform majority of the oil production work during the reporting period. The service provider has been engaged in oil and gas development in Kyrgyzstan since 2011. It currently manages more than 300 oil wells with a workforce of more than 300 employees. Boasting solid industry scale and extensive operational expertise, it's capable of delivering cost-effective oilfield management services. The transition took place during the quarter, and oilfield operations continued in a stable manner.

While the operational arrangement adjustment did not cause any disruption to oil production activities, PEI LLC has strategically suspended the sale of oil to facilitate the transition. As such, no sales were made and no revenue was recognised during the reporting period. In the upcoming quarter, the Company plans to boost oil production and revenue generation through formulating product enhancement programmes and well rejuvenation.

**DEVELOPMENT AND EXPLORATION TENEMENTS HELD AT THE END OF QUARTER ENDING
 31 DECEMBER 2025 AND 31 MARCH 2026**

Country	Name of Tenement	Nature	Number of Tenements	Holder	Interest ^{1,2} as of 31 December 2025	Interest ^{1,2} as of 31 March 2026
Kyrgyzstan	Marleysu - East Yizbaskent	Development	1	Kyrgyzneftegaz OJSC ("KNG")	1. Oil extracted from: (a) new production wells: KNG 40% and PEI 60%; (b) abandoned and non-production wells: KNG 35% and PEI 65%; (c) rejuvenating non-production well or abandoned wells: KNG 60% and PEI 40%; and (d) exploration wells drilled by PEI: KNG 30% and PEI 70% until the exploration works are completed. Subsequently, oil extracted from production wells drilled by PEI will be apportioned after determining oil reserves. 2. Oil extracted from new production wells in layers XIII, XIV and XVIII: (a) during first year of exploitation of each well: KNG 20% and PEI 80% (b) starting from second year of exploitation of wells: KNG 55% and PEI 45%. 3. In addition, for production wells established and funded by PEI: KNG 40% and PEI 60%.	Same as interest as of 31 December 2025
Kyrgyzstan	Yizbaskent – Arash	Exploration	1	KNG	See (1)(a) - (d) and (3) above.	Same as interest as of 31 December 2025
Kyrgyzstan	Susamur	Exploration	1	KNG	See (1)(a) - (d) and (3) above.	Same as interest as of 31 December 2025

Note¹: The Company's economic interest through its subsidiary PEI LLC ("PEI") of oil extracted from each Project arises under a Co-Investment Agreement, a production sharing contract as defined by the SPE PRMS, and is determined by the nature of the area (whether previously exploited or not), the well (whether new, inactive or enhanced), timing of extraction (with PEI having a greater economic interest in oil extracted in earlier years), the layer of extraction and in certain circumstances, the interest to be agreed between KNG and PEI (such agreement to be reached prior to the well in question being drilled or the resource being determined). Such interest was acquired in May 2015 through the acquisition of Quangas Poly Limited which indirectly held PEI.

Note²: Please refer to the Company's FY25 Annual Financial Report dated 30 September 2025, in particular the Directors' Report and Note 7 of the Financial statement regarding the Company's rights under the Co-Investment Agreement and the potential breach of the Co-Investment Agreement.

- End -

Cao Yuqi

Director

Dated: 30 April 2026

Forward Looking Statements

This announcement contains certain forward looking statements which by nature, contain risk and uncertainty because they relate to future events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.

Certain statements made herein, including statements relating to matters that are not historical facts and statements of Sagalia Energy's beliefs, intentions and expectations about developments, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable legislation and "forward-looking statements" within the meaning of applicable provisions. Forward-looking information and statements relate to future events or future performance, reflect current expectations or beliefs regarding future events and are typically identified by words such as "anticipate," "could," "should," "expect," "seek," "may," "intend," "likely," "plan," "estimate," "will," "believe" and similar expressions suggesting future outcomes or statements regarding an outlook.

Forward-looking statements and information are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements or information. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate, including the price of oil, anticipated costs and ability to achieve goals, as well as the timing of the completion of any fund-raising activities. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements and information include, among others, oil price volatility, discrepancies between actual and estimated production, reserves and resources, operational and development risks, health environment, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities, currency fluctuations, the speculative nature of oil exploration and development, the global economic climate, dilution, share price volatility, competition, loss of key employees, funding requirements and defective title to mineral claims, subsoil use rights or property. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

All such forward-looking information and statements are based on certain assumptions and analyses made by Sagalia Energy's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements.

Important factors that could cause actual results to differ from these forward-looking statements include those described in the issuer's previous Quarterly Reports, Annual Financial Reports and Prospectus dated 12 February 2015. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, including the assumption in many forward-looking information or statements that other such information or statements will be correct. The reader is cautioned not to place undue reliance on forward-looking information or statements. All forward-looking information and statements herein are made as of the date hereof. Sagalia Energy does not intend or undertake to update or revise forward-looking statements or information, whether written or oral or whether as a result of new information, future events or otherwise, that may be made by Sagalia Energy or on its behalf, except as required by law.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SAGALIO ENERGY LIMITED

ABN

152 971 821

Quarter ended ("current quarter")

30 April 2026

Consolidated statement of cash flows		Current quarter USD'000	Year to date (9 months) USD'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	126
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(9)	(101)
	(d) staff costs	(13)	(45)
	(e) administration and corporate costs	(26)	(75)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	21	21
1.9	Net cash from / (used in) operating activities	(27)	(74)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	(24)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter USD'000	Year to date (9 months) USD'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		-
2.6	Net cash from / (used in) investing activities	-	(24)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	27	74
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	27	74

4.	Net increase / (decrease) in cash and cash equivalents for the period	-	(24)
4.1	Cash and cash equivalents at beginning of period	5	29
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(27)	(74)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(24)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	27	74

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter USD'000	Year to date (9 months) USD'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5	5

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter USD'000	Previous quarter USD'000
5.1	Bank balances	5	5
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5	5

6.	Payments to related parties of the entity and their associates	Current quarter USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Answer: N/A		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end USD'000	Amount drawn at quarter end USD'000
7.1	Loan facilities	400	27
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	400	27
7.5	Unused financing facilities available at quarter end		373
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. The Company has obtained an amount of US\$400,000 unsecured facility previously from an entity. The facility carries an interest rate of 5% p.a., and will mature in May 2027.		

8.	Estimated cash available for future operating activities	USD'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(27)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(27)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5
8.5	Unused finance facilities available at quarter end (item 7.5)	373
8.6	Total available funding (item 8.4 + item 8.5)	378
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	14
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2026

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.