

ASX RELEASE

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Revised capital allocation framework and launch of US\$25 million on-market buyback

Karooon is pleased to announce a revised capital allocation framework that provides clear guidance for shareholders on Karooon's approach to capital returns on a go forward basis.

Karooon's priority is to ensure safe and reliable operations. Karooon believes that this will maximise shareholder value while maintaining a strong, flexible balance sheet to help fund value accretive growth and capital returns to shareholders.

Karooon's revised capital allocation framework includes the following principles:

- Investing in, and maximising value from, our existing assets.
- Pursuing growth opportunities that meet strict investment criteria and achieve material value accretion for shareholders.
- Delivering annual capital returns to shareholders of 20-40% of underlying Net Profit After Tax (NPAT)¹ via cash dividends and/or share buybacks, subject to market conditions and Board approval.
- Consideration of additional shareholder returns during periods of elevated oil prices and/or where alternate, value accretive uses of excess cash are not identified.

The principles outlined above have been formalised into a capital returns policy which has been approved by the Board.

Karooon intends to apply its capital returns policy from the 2024 half year results, based on underlying NPAT for the six months to 30 June 2024. This may provide an opportunity to distribute the value of Karooon's franking credit balance to shareholders.

In addition to the implementation of the new capital returns policy from the 2024 half year results, Karooon intends to undertake a US\$25 million on-market share buyback ("Buy Back") in accordance with s 257B of the Corporations Act. Subject to regulatory constraints, the Company intends to commence implementing the Buy Back following the announcement of the quarterly results today, with the Buy Back being executed over the period through to 31 December 2024. The number of shares purchased under the Buy Back will depend on the prevailing share price, market conditions and regulatory considerations.

Karooon Chairman, Peter Botten, commented:

"The past four years have been transformational for Karooon. The announcement of our updated capital allocation framework and capital returns policy represents another significant milestone for the Company, with capital returns one of the key components of our stated 2021 Strategy.

Following the successful completion of the Baúna interventions, Patola development and the Who Dat acquisition in the US Gulf of Mexico, the Company has now achieved a stable and diversified production base that allows for capital returns to shareholders.

Our capital returns policy includes a commitment to distribute 20% to 40% of underlying NPAT to shareholders by way of a dividend and/or share buyback, subject to market conditions and Board approval. Karooon believes this policy strikes the right balance between rewarding our shareholders while also retaining sufficient capital to maintain a robust balance sheet and reinvest in the business.

¹ Underlying NPAT defined as net profit after tax excluding any non-recurring items

The Board considers that the Company's current share price is not reflective of the significant value that has been created over the past four years. Consequently, in addition to any capital returns announced with the 2024 half year results, Karoon intends to launch today a US\$25 million on-market share buyback, which we believe will create value for the remaining shares on issue.

Further details will be provided at our 2024 half year results, due to be released on 28 August 2024."

This announcement was authorised by the Board of Karoon Energy Ltd.

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

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ABOUT KAROON ENERGY LTD

Karoon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil, the United States of America and Australia and is an ASX listed company.

Karoon's vision is to be a leading, independent international energy company that adapts to a dynamic world in an entrepreneurial and innovative way. Karoon's purpose is to provide energy safely, reliably and responsibly, creating lasting benefits for all its stakeholders.

FORWARD-LOOKING STATEMENTS

This announcement may contain certain "forward-looking statements" such as indications of, and guidance on, future events, future earnings and the future financial performance and financial position of Karoon. Forward- looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "projection", "estimate", "target", "outlook", "guidance" or other similar expressions. Any forward-looking statements included in this announcement involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies and other factors, many of which are outside the control of, and are unknown to, Karoon and its

officers, employees, agents or associates and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward looking statements are based on information available to Karoon as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), Karoon undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

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