

2025 THIRD QUARTER REPORT

For the period ending 30 September 2025

23 October 2025 | ASX: KAR



HIGHLIGHTS

- 2025 third quarter (3Q25) production on a Net Revenue Interest (NRI) basis was 2.59 MMboe, 12% lower than the second quarter of 2025 (2Q25), due to issues with two Baúna Project wells and a scheduled shutdown of the Who Dat facility.
- Baúna FPSO efficiency improved from 91.5% in 2Q25 to 92.7%, reflecting the positive impact of Karoon's ongoing enhanced maintenance program.
- 3Q25 sales volumes of 2.52 MMboe were 3% lower than 2Q25 and 3% below 3Q25 production due to timing of shipments. 3Q25 sales revenue increased 3% to US\$164.1 million, primarily reflecting higher Baúna realised oil prices.
- Karoon recorded a strong safety performance during the quarter, with no recordable personal incidents or process safety Tier 1 or 2 incidents.
- 'Define' phase activities on Neon continued, and a farm down of 30 - 50% in Neon and surrounding licenses commenced during the quarter.
- Who Dat East entered the 'Define' phase, including Front End Engineering and Design (FEED). A Final Investment Decision by the Joint Venture is expected in early 2026.
- Operations to sidetrack the Who Dat E6 well commenced shortly after the end of the quarter. Assuming operations are successful, the well is expected online in late 4Q25.
- On 22 October (BRT) Karoon was awarded a 100% interest in the Esmeralda block in the deep water Santos basin offshore Brazil, expanding the Company's acreage over a potential new deep water post salt exploration play.
- The next tranche of the US\$75 million on-market share buyback, comprising an investment of up to approximately US\$25 million in Karoon shares, is expected to commence shortly.
- CY25 production guidance has been narrowed from 9.7 - 10.5 MMboe to 9.8 - 10.4 MMboe and capex reduced from US\$120 - 140 million to US\$95 - 111 million (see page 7 for details).

	Three months ended ¹				Year to date		
	Sep 24	Jun 25	Sep 25	% Change	Jan-Sep 2024	Jan-Sep 2025	% Change
Karoon share							
NWI production (MMboe) ²	2.85	3.10	2.73	-12	8.28	8.37	+1
NRI production (MMboe) ³	2.68	2.94	2.59	-12	7.77	7.88	+2
Sales volume (MMboe) ³	2.06	2.61	2.52	-3	7.51	7.27	-3
Sales revenue (US\$m) ³	144.9	159.7	164.1	+3	554.3	472.4	-15
Capital expenditure (US\$m)	21.5	102.9	4.5	-96	100.3	159.7	+59
Net cash/(debt) (US\$m)	(41.8)	(237.9)	(148.7)	+37	(41.8)	(148.7)	NA
TRI rate ⁴	0.00	0.48	0.48	0	0.52	0.21	-60
Number of Tier 1 & 2 process safety events	1	0	0	NA	2	0	NA

1. Numbers are unaudited and may not reconcile due to rounding.

2. Includes Baúna Project and Who Dat assets based on Karoon's Net Working Interest.

3. Includes Baúna Project and Who Dat assets, with Who Dat production/sales volumes/sales revenue based on Karoon's Net Revenue Interest (NRI) which is after government and overriding royalties.

4. TRIR for three months ended is on a 12 month rolling average basis per 200,000 hours. TRIR for Year to Date is on a year to date basis per 200,000 hours

Karoon's CEO and MD, Dr Julian Fowles, said:

"Production from the Baúna Project was better than anticipated early in the quarter but was impacted by electrical issues in the SPS-92 Electrical Submersible Pump (ESP) in mid-August and the disconnection of the PRA-2 subsea control umbilical in mid-September. As a result, 3Q25 Baúna Project production was 12% below 2Q25. Who Dat NRI production in 3Q25 was also 12% lower than 2Q25, reflecting a planned five day shutdown for annual maintenance in August, unplanned downtime for repairs and natural decline.

Despite 12% lower production, sales volumes declined just 3%, reflecting Baúna cargo timings in 2Q25 and 3Q25, while 3Q25 sales revenue rose 3% to US\$164.1 million, largely due to higher average Baúna realised oil prices. Strong cashflows from both producing assets led to an US\$89 million reduction in net debt, from US\$237.9 million to US\$148.7 million as at 30 September 2025.

The Baúna Transition team made good progress over the quarter on plans to assume operatorship of the Baúna FPSO. Key engineering and operations roles were filled, and a second recruitment wave has commenced to further strengthen Karoon's capabilities to operate the FPSO. Work on documentation, service contract transfer, and IT systems also advanced, while the team conducted several drills to test and ensure emergency readiness for when Karoon expects to take over control of FPSO operations in mid-2026.

A key priority for the Company is to reinstate production as soon as possible from the SPS-92 and PRA-2 wells at Baúna. We have identified a drilling rig to replace the ESP at SPS-92, that, subject to finalising contracts and regulatory approvals, should be available to commence operations in 2Q26, and are looking for a vessel that can recover and reconnect the PRA-2 umbilical. Subject to securing the vessels, materials and approvals, works on both wells are targeted to be completed by mid-2026. While 2026 first half production will be impacted by the SPS-92 and PRA-2 issues, the annual maintenance shutdown and natural decline, this work will target restoration of approximately 5,000 bopd of production in the second half of 2026.

At Neon, the project team continued to refine the proposed Field Development Plan and Basis of Design as part of the Define phase. In addition, a farm-down process has commenced, which is an important step in advancing the development while managing Karoon's capital exposure. In 1Q26, the Company will consider whether to progress to Stage 2 of the Neon Define phase, subject to ongoing positive results from the work underway.

Yesterday, Karoon was successful in its bid for an additional deep water exploration block, Esmeralda, located approximately 70 kilometres east of our existing deep water blocks in the Santos basin offshore Brazil (see page 6 for bid details). Through prudent bidding in the last three Brazil licensing rounds, Karoon has acquired an extensive but relatively low cost position with no well commitments, over what we believe may be a potentially significant new post salt exploration play. We are maturing the play, with our work currently being reviewed by independent experts. Once the third party review is complete, we intend to release more details about this new play to the market.

In the US, Who Dat East commenced the 'Define' phase, with FEED activities advancing. The preferred concept is a one well tieback to either the Who Dat FPS or A manifold, with the potential for one or more additional wells in the future. A Final Investment Decision on Who Dat East is expected to be made in early 2026, subject to the confirmation of viable project economics.

Shortly after the end of the quarter, operations commenced on the Who Dat E6 sidetrack. The sidetrack is targeting an oil reservoir that is producing in other Who Dat wells and is expected to take 45 - 55 days to drill and complete. Assuming success, the E6 sidetrack is expected online in late 4Q25 at an initial gross production rate of 3,000 - 5,000 bopd (700 - 1,200 bopd on an NRI basis) plus associated gas, prior to natural decline.

Production guidance for CY25 has been narrowed to 9.8 - 10.4 MMbbl. There remain several variables for the fourth quarter production outlook, including Baúna FPSO uptime and potential weather impacts from the last month of the hurricane season in the US. Revised capex guidance of US\$95 - 111 million is lower than previously anticipated due to the deferral of costs for a possible second Who Dat infill well to 2026 (see page 7 for details).

Karoon remains focused on delivering value for shareholders. Near term priorities include assuming operational control of the Baúna FPSO, optimising the operational performance at Baúna and Who Dat, and advancing our organic growth pipeline, while continuing to maintain capital discipline and provide returns to shareholders through dividend payments and on-market share buybacks."

OPERATIONAL & FINANCIAL SUMMARY¹

		Three months ended				Year to date		
		Jun 25	Sep 25	% Change	Sep 24	Jan-Sep 2024	Jan-Sep 2025	% Change
Production								
Baúna								
Oil	MMbbl	2.27	2.00	-12	1.99	5.53	5.94	+7
Who Dat^{2,5}								
Oil, condensate & NGLs (NWI ³)	MMbbl	0.57	0.53	-7	0.61	1.94	1.75	-10
Natural gas (NWI ³)	Bcf	1.56	1.18	-25	1.51	4.79	4.08	-15
Total Who Dat (NWI ³)	MMboe	0.83	0.73	-12	0.86	2.75	2.42	-12
Total Who Dat (NRI ⁴)	MMboe	0.67	0.59	-12	0.68	2.23	1.94	-13
Total (Baúna & Who Dat NWI)	MMboe	3.10	2.73	-12	2.85	8.28	8.37	+1
Total (Baúna & Who Dat NRI)	MMboe	2.94	2.59	-12	2.68	7.77	7.88	+2
Sales								
Baúna								
Oil	MMbbl	1.95	1.94	-1	1.40	5.37	5.37	0
Who Dat⁵								
Oil, condensate & NGLs (NRI ⁴)	MMbbl	0.47	0.44	-6	0.47	1.57	1.41	-10
Sales gas (NRI ⁴)	Bcf	1.11	0.81	-27	1.13	3.42	2.92	-15
Total	MMboe	0.66	0.58	-11	0.66	2.14	1.90	-11
Total sales	MMboe	2.61	2.52	-3	2.06	7.51	7.27	-3
Revenue								
Baúna								
Oil	US\$m	125.0	133.2	+7	106.6	421.7	367.1	-13
Who Dat								
Oil, condensate & NGLs (NRI ⁴)	US\$m	30.3	27.5	-9	35.1	122.7	93.0	-24
Sales gas (NRI ⁴)	US\$m	4.4	3.4	-23	3.2	10.0	12.3	+23
Total	US\$m	34.7	30.9	-11	38.3	132.7	105.2	-21
Total revenue	US\$m	159.7	164.1	+3	144.9	554.3	472.4	-15
Average realised prices								
Baúna oil	US\$/bbl	64.15	68.70	+7	75.98	78.48	68.44	-13
Who Dat oil, condensate & NGLs	US\$/bbl	64.39	62.32	-3	75.09	78.30	65.73	-16
Who Dat sales gas	US\$/mcf	3.92	4.15	+7	2.83	2.91	4.17	+44

1. Numbers are unaudited and may not reconcile due to rounding.
2. Numbers pending final reconciliation.
3. NWI – Net working interest.
4. NRI – Net revenue interest (after deducting government and overriding royalties).
5. After fuel and flare at the facility.

BAÚNA PROJECT, SANTOS BASIN, BRAZIL

Equity interest: 100%. Operator: Karoon

Baúna Project (BM-S-40) production in 3Q25 was 2.0 MMbbl, produced at an average rate of 21,750 bopd. This was 12% lower than 2Q25 due to issues with two production wells. On 13 August (BRT), one of the three electrical cables in the SPS-92 ESP failed. Partial production was restored on 18 August (BRT), but the issue has resulted in the loss of approximately 4,000 bopd. On 20 September (BRT), the subsea control umbilical, which includes the electrical and hydraulic system, from the PRA-2 well to the Baúna FPSO unexpectedly disconnected. The well, which was producing 1,600 bopd prior to the disconnection, remains shut in. Sourcing

of suitable vessels, necessary materials and receiving regulatory approvals is underway, with a drilling rig for the SPS-92 work now identified.

Subject to finalising the vessels, materials and regulatory approvals, reinstatement of the SPS-92 and PRA-2 wells to full production is targeted for mid-2026. An investigation is currently underway to determine the reason for the PRA-2 umbilical disconnection. Checks have been completed on the umbilical connections for the other Baúna wells, with no integrity issues identified.

3Q25 FPSO efficiency was 92.7%, compared to 91.5% in 2Q25, reflecting the enhanced maintenance undertaken over the past year.

Four cargoes were lifted during the period, totalling 1.94 MMbbl, with the cargoes delivered to refineries in North America and Europe. 3Q25 sales volumes included a cargo that commenced loading in late 2Q25 that was booked in July, but excluded a cargo that loaded in late September, which will be booked in 4Q25. The average realised price for the cargoes, net of selling expenses, was US\$68.70/bbl, 7% higher than the average realised price in the prior quarter, reflecting higher global oil prices.

During the period, Altera&Ocyan continued to operate the Baúna FPSO under the transition services agreement while Karoon advanced preparations to assume operatorship. Activities included engaging with contractors, recruiting key personnel, working to receive regulatory approvals to operate, as well as establishing management systems and processes to take direct control and operate the Baúna FPSO. Planning for a flotel-supported maintenance campaign in the first half of 2026 also continued. Karoon remains on track to take direct control of the FPSO by mid-2026.

WHO DAT ASSETS, OFFSHORE GULF COAST, US

Equity interests: Who Dat and Dome Patrol – 30%, Abilene – 16%. Operator: LLOG

Gross Who Dat production in 3Q25 was 2.40 MMboe, 12% lower than 2Q25 (of 2.73 MMboe), reflecting a planned five day full shutdown of the production facility for annual maintenance activities in August, unplanned downtime relating to repairs and natural decline. Production for the quarter was 0.59 MMboe on an NRI basis, 12% lower than the prior quarter (0.67 MMboe NRI).

The average realised price for Who Dat liquids (including oil, condensate and NGLs) was 3% lower than the previous quarter at US\$62.32/bbl. This was a slight discount to WTI oil prices, reflecting a drop in the Mars grade premium over the period. The Who Dat average realised gas price was US\$4.15/mcf, up 7% on the previous quarter.

E6 well sidetrack operations commenced in October 2025. The sidetrack is a low risk well targeting a reservoir that is producing in other Who Dat wells. Assuming it is successful, the well is expected to be online by late 4Q25 at an initial gross rate of 3,000 – 5,000 bopd of liquids (700 - 1,200 bopd on an NRI basis) prior to natural decline.

COMMERCIAL AND CORPORATE

CAPITAL EXPENDITURE¹

US\$m	Jun 25	Three months ended			Year to date		
		Sep 25	% Change	Sep 24	Jan-Sep 2024	Jan-Sep 2025	% Change
Exploration and appraisal	1.7	(1.0)	NA	18.2	79.7	2.6	-97
Development, plant and equipment	101.2	5.5	NA	3.3	20.6	157.1	NA
Total	102.9	4.5	-96	21.5	100.3	159.7	+59

1. Numbers are unaudited and may not reconcile due to rounding.

Total capital expenditure (on an accruals basis) for 3Q25 was US\$4.5 million, largely associated with preparatory works related to developing the E6 sidetrack at Who Dat in the US. The credit (reduction) in

exploration and appraisal costs was due to the true-up of Who Dat East and Who Dat South costs accrued in 2024 following finalisation of the campaign, with a credit adjustment recognised in 3Q25.

CASH, LIQUIDITY AND CASH FLOWS

US\$m	Jun 25	Three months ended		Sep 24
		Sep 25	% Change	
Cash	112.1	201.3	+80	308.2
Drawn debt	(350.0)	(350.0)	0	350.0
Net Cash/ (Debt)	(237.9)	(148.7)	+37	(41.8)
Undrawn available facilities	340.0	340.0	0	340.0
Total liquidity	452.1	541.3	+20	648.2

At 30 September 2025, Karoon's net debt position was US\$148.7 million, comprising US\$201.3 million in cash and cash equivalents and US\$350.0 million of drawn debt.

Cash inflows during the quarter consisted of proceeds from the sale of hydrocarbons of US\$206.6 million, which included receipts from revenue recognised in the previous quarter. In addition to operating costs and royalty payments, the major cash outflows were US\$11.5 million for the 2025 interim dividend payment and US\$6.1 million invested in share buybacks.

ON-MARKET SHARE BUYBACK

During the quarter, Karoon purchased 4.5 million shares at an average price of A\$1.88 per share (US\$5.6 million), completing the first phase of its current US\$75 million on-market share buyback program. During this phase, the Company has invested US\$22.4 million in Karoon shares, with a second phase of approximately a further US\$25 million expected to commence shortly. Since Karoon commenced buying back shares in the second half of 2024¹, the Company has acquired and cancelled 73.1 million shares, nearly 9% of ordinary shares on issue, at an average price of A\$1.52/share (US\$72.5 million).

HEDGING

289,500 bought put options and 289,500 sold call options expired out of the money during the quarter.

Given Karoon's RBL commodity hedging requirement is linked to amounts drawn on the RBL, and the RBL is currently undrawn, no additional hedges were put in place over the quarter. The Company's current hedging position is detailed in the table below:

At 30 Sep 2025 Period	Bought Put Options Volume	Put Option Strikes	Sold Call Options Volume	Call Option Strikes
	(MMbbl)	(US\$/bbl)	(MMbbl)	(US\$/bbl)
2025 (Oct-Dec)	0.290	58	0.290	92

¹ 12 August 2024 to 30 September 2025.

EXPLORATION, APPRAISAL AND POTENTIAL DEVELOPMENT UPDATE

SANTOS BASIN, S-M-1037, S-M-1101

Equity interest: 100%. Operator: Karoon

Potential Neon development

During the period, Karoon opened a virtual data room and commenced the farm-down of a 30% to 50% interest in Neon and surrounding licenses.

In parallel, the Neon opportunity team continued to refine the Field Development Plan and Basis of Design to optimise the potential Neon development. Activities include defining the required subsea infrastructure as well as the design, location and phasing of development wells, FPSO location and assessing potential drilling rig options. Discussions continued with the owners of two FPSOs that could potentially be suitable for Neon and assessing what modifications might be required. In addition, work took place on further maturing the Neon West prospect as a potential future subsea tieback development.

Subject to ongoing positive results, in 1Q26, the Company will decide whether to commence the next stage of Define phase activities, which will include environmental and seabed surveys as well as the issue of tenders to refine development cost estimates.

SANTOS BASIN, S-M-1537

Equity interest: 100%. Operator: Karoon

No work took place on Block S-M-1537 during the quarter.

SANTOS BASIN, S-M-1356, S-M-1482

Equity interest: 100%. Operator: Karoon

Studies continued on assessing the potential prospectivity of these blocks in which a potentially significant, untested post salt exploration play has been identified. The play is interpreted to extend into the other deep water blocks which are pending grant. The results of Karoon's studies are currently being reviewed by an independent expert.

SANTOS BASIN, S-M-974, S-M-1038, S-M-1484, S-M-1605, S-M-1358 and S-M-1603

Pending Equity interest: 100%. Operator: Karoon

Over the quarter, studies took place on assessing the potential prospectivity of these blocks. Formal grant of these blocks, which were awarded to Karoon in the ANP 5th Permanent Offer Bid Round for Concession Contracts on 17 June 2025 (BRT), is expected to occur in the fourth quarter of 2025.²

SANTOS BASIN, ESMERALDA

Pending Equity interest: 100%. Operator: Karoon

Subsequent to the quarter, Karoon was successful in its bid to secure a 100% interest in the Esmeralda block through the ANP 3rd Permanent Offer Cycle for Production Sharing Contracts.

The block is located in the Santos Basin offshore Brazil, approximately 70 kilometres east of Karoon's existing Santos Basin deep water blocks and 130 kilometres east of the producing Baúna Project, in water depths of 2,000 to 2,500 metres.

The bid terms for the block, which is in a Production Sharing Contract polygon, comprised a signature bonus of US\$6.2 million, a minimum work program of US\$21.8 million to be spent over seven years, for which Karoon will provide a financial guarantee of approximately US\$6.5 million, and a Brazilian Government share of profit

² Refer ASX Release dated 18.6.25 "Successful bid for blocks and guidance update".

oil of 14.1%. Formal award of the block is expected to occur in the first half of 2026, subject to meeting certain qualification conditions and provision of the signature bonus payment and work program guarantee.

US GULF COAST, MC 508, MC 509, MC 421, MC 464, MC 465, MC 545, MC 589, MC 629

Equity interests: Various. Operator: LLOG

Potential Who Dat East (KAR: 40%) & Who Dat South (KAR:30%) developments

The Who Dat Joint Venture continued to progress development studies for Who Dat East, which entered FEED early in the quarter. Work took place on a range of workstreams, including resource development planning, facilities design, engineering and cost studies. The preferred concept is for an initial one well development connected via a subsea tieback either to the A manifold or direct to the Who Dat FPS. The concept is targeting an initial gross production rate of 7,000 – 12,000 boepd (2,200 – 3,800 boepd on an NRI basis), subject to the final development plan, Joint Venture and regulatory approvals. The Joint Venture is aiming to make a Final Investment Decision on Who Dat East in early 2026.

At Who Dat South, development studies continued, to determine an optimal development plan for this discovery, which will also be assisted by the Who Dat East FEED studies currently underway. During the quarter, well design and dynamic reservoir modelling were undertaken to evaluate the potential of existing and future sidetrack development well locations. The de-risking value of a seismic reprocessing project is also being considered by the Joint Venture.

SUSTAINABILITY

Emissions intensity (kgCO₂e/boe) decreased in the quarter across both assets, reflecting the improvements made in reliability and uptime as well as reductions in flaring. Intensity was lower than the same period in 2024 and is currently on track to meet the 2025 intensity target of 11 kgCO₂e/boe. There were no non-compliances with legislative guidelines reported for the quarter in respect of environmental matters.

Karoon continued to make progress on its 2025 social investment goals in Brazil, with 18 of the 21 incentivised projects now underway.

Over the quarter, Karoon also supported the 2025 intake of participants into two voluntary social projects, Redes da Maré and Revolusolar. Redes da Maré is a voluntary program promoting the professional development of women in gastronomy, with 90 students from the 2025 intake graduating in October. Revolusolar is a voluntary program training locals to install rooftop solar energy systems at schools, with 10 people trained during 2025. The remaining incentivised and voluntary projects planned for 2025 are expected to begin in 4Q25. These social projects are aligned with the UN Sustainable Development Goals and aim to improve the quality of life for both our employees and the communities impacted by our operations.

UPDATED 2025 FULL YEAR GUIDANCE

2025 full year Baúna production guidance has been narrowed, reflecting the performance of the Company's producing assets to date, as well as restricted production from SPS-92 due to the ESP issue and loss of PRA-2 production following the umbilical disconnection for the balance of the year. The reduced production rates at SPS-92 and production from the PRA-2 well are expected to be reinstated in mid-2026.

2025 capex guidance has been reduced from US\$120 – 140 million to US\$95 – 111 million. Lower Who Dat capex reflects the deferral of costs associated with a possible second infill well at Who Dat, from 2025 into 2026, and adjustments for lower than expected final Who Dat exploration costs. 'Other capex' is lower than previously anticipated, due to SPS-88 costs at the bottom end of expectations and the release of Baúna contingencies which are no longer required.

Guidance does not include the following, which will be excluded from underlying 2025 NPAT

- US\$21.1 million of flotel costs incurred in 1H25, which was in line with the forecast range.
- One off FPSO transition costs of US\$5 – 7 million.
- US\$3 – 5 million related to relocating corporate head office roles from Melbourne to the USA and Brazil.

Calendar Year 2025¹

		Prior Guidance	Revised Guidance
PRODUCTION²			
Brazil	MMbbl	7.3 – 7.8	7.4 – 7.7
Who Dat (NRI)	MMboe	2.4 – 2.7	2.4 – 2.7
Total production	MMboe	9.7 – 10.5	9.8 – 10.4
UNDERLYING OPERATING COSTS			
Unit production costs (NWI) ³	US\$/boe	12.0 – 15.0	Unchanged
Business Development, share-based payments & Neon studies	US\$m	11 – 14	Unchanged
Unit DD&A (NWI) ⁴	US\$/boe	15 – 16	Unchanged
Finance costs and interest (net) ⁵	US\$m	50 – 60	Unchanged
Other operating costs ^{6,7}	US\$m	33 – 37	Unchanged
INVESTMENT EXPENDITURE			
Neon ⁸	US\$m	8 – 11	7 - 9
Other capex ⁹	US\$m	54 – 62	43 – 48
Who Dat ¹⁰	US\$m	58 – 67	45 – 54
Total capex	US\$m	120 – 140	95 – 111
Petrobras contingent consideration ¹¹	US\$m	88	Unchanged

NOTES:

- Guidance is subject to various risks (including “Key Risks” set out in the 2024 Annual Report).
- Production assumes drilling results and expected future development projects, including well interventions, are delivered in accordance with their currently expected schedules.
- Unit Production Costs: based on daily operating costs associated with Baúna and Who Dat Production, and Baúna FPSO lease costs (pre AASB 16). Excludes depreciation on FPSO right-of-use asset capitalised under AASB 16 ‘Leases’, carbon costs and non-oil and gas related depreciation and is based on Karoon’s Net Working Interest production.
- Excludes depreciation on FPSO right-of-use asset capitalised under AASB 16 ‘Leases’ and non-oil and gas related depreciation.
- Finance Costs and Interest: includes fees, interest on debt and financial instruments, interest income and withholding taxes associated with intra-group and cross border funds movements in support of capital management.
- Other Operating costs: includes staff costs, IT, other corporate and Business Unit overhead costs and non-oil and gas related depreciation. Excludes royalties and other government take, social investment/sponsorships in lieu of tax, foreign exchange gains/losses, hedge costs and non-underlying transaction costs.
- Guidance also excludes US\$21.1 million incurred in the 1H25 flotel campaign, US\$5 – 7 million associated with the FPSO transition and US\$4 - 5 million of corporate relocation costs, which will not be included in underlying earnings.
- Neon capex includes costs for the first stage of the Neon Define phase. It does not include spend for the next two stages of the Neon Define phase.
- Includes capex for Baúna, including costs for the SPS-88 well intervention, and signature bonuses for the new blocks in the Santos Basin.
- Includes the Who Dat West exploration well, which has been expensed.
- Contingent consideration (including accrued interest) paid to Petrobras in January 2025.

This announcement was authorised by the Board of Karoon Energy Ltd

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Abbreviations and conversion factors

Terms & abbreviations		Conversion factors	
Boe	Barrels of oil equivalent	Sales gas, 6,000 scf	1 boe
Boepd	Barrels of oil equivalent per day	Condensate, 1 barrel	1 boe
FPSO	Floating production, storage and off-loading facility	NGL, 1 barrel	1 boe
FPS	Floating production system		
FPSO efficiency	The proportion of actual and potential production.		
MMbbl	Millions of barrels		
MMboe	Millions of barrels of oil equivalent		
NRI	Net Revenue Interest		
NWI	Net Working Interest		

Forward-looking statements

Petroleum exploration and production operations rely on the interpretation of complex and uncertain data and information which cannot be relied upon to lead to a successful outcome in any particular case. Petroleum exploration and production operations are inherently uncertain and involve significant risk of failure. All information regarding reserve and contingent resource estimates and other information in relation to Karoon's assets is given in light of this caution.

Oil and gas Reserves and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly due to new information or when new techniques become available. Additionally, by their nature, Reserves and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further data becomes available through, for instance, production, the estimates are likely to change. This may result in alterations to production plans, which may in turn, impact the Company's operations. Reserves and resource estimates are by nature forward looking statements and are the subject of the same risks as other forward-looking statements.

This announcement may contain certain "forward-looking statements" with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward-looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this announcement. Indications of, and guidance on, future earnings and financial position and performance, well drilling programs and drilling plans, estimates of Reserves and contingent resources and information on future production are also forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements as actual outcomes may differ materially from forward-looking statements. Any forward-looking statements, opinions and estimates provided in this announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise (including, without limitation, in respect of imprecise reserve and resource estimates, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling, demand for oil, commercial negotiations and other technical and economic factors) many of which are outside the control of Karoon. Such statements may cause the actual results or performance of Karoon to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements speak only as of the date of this announcement. Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

ABOUT KAROON ENERGY LTD

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

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.