

ASX RELEASE

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Intention to acquire an additional US\$75 million Karoon shares via on-market share buybacks

The Board of Karoon Energy intends to undertake a further US\$75 million of on-market share buybacks over the course of the 2025 calendar year. Combined with the current active US\$25 million buyback program, this would represent a total investment of US\$125 million in Karoon shares over the 18 month period from July 2024 to December 2025.

The intention to undertake further on-market share buybacks follows careful consideration of Karoon's capital allocation framework and an assessment of incremental shareholder returns as well as the capital needs of the business. It also reflects the Board's view that Karoon shares are presently significantly undervalued.

Given regulatory limitations on the number of shares which can be bought back in a specified time period, and Karoon's credit agreements, the on-market share buybacks remain contingent on several factors. These include obtaining relevant Board and shareholder approvals, ongoing compliance with Karoon's credit agreements, the prevailing share price and market conditions.

2025 Capital Returns Plan

The Board intends to implement a 2025 Capital Returns Plan which comprises the following:

1. Semi-annual shareholder distributions in accordance with Karoon's capital returns policy¹, to pay out 20-40% of underlying Net Profit After Tax (NPAT)².
2. Completion of the current active US\$25 million buyback announced in October 2024.
3. The intention to buy back a further US\$75 million of shares via a series of on-market buybacks to be completed by 31 December 2025, subject to obtaining the relevant approvals set out above.

Incremental US\$75 million of on-market share buybacks

During 2025, Karoon intends to undertake further share buybacks worth, in total, US\$75 million. Given the potential magnitude of the incremental buybacks, shareholder approval will be required, which will be sought via ordinary resolution at the 2025 Annual General Meeting to be held in May.

Subject to the relevant approvals and conditions outlined above, the intended share purchases are proposed to be executed across a series of buybacks, each subject to its own approvals process.

The steps to implement the buybacks are as follows:

1. Complete the current active US\$25 million buy-back and then, subject to Board approval, undertake a further on-market buyback of approximately US\$17 million to exhaust the current buyback capacity available to the Company that does not require shareholder approval.
2. Include an ordinary resolution in the 2025 AGM Notice of Meeting seeking the approval of shareholders to buy back an additional approximately US\$58³ million of shares through a series of on-market buybacks.

1. Refer ASX release dated 25.7.24 "Capital returns policy and launch of on-market buy back".

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

3. Precise amount to be determined following completion of step 1.

3. Subject to shareholder approval at the AGM, Board approvals and other considerations outlined above, announce the subsequent buybacks to acquire US\$50-60 million of shares expected to be completed by 31 December 2025.

Further details will be provided in the 2025 AGM Notice of Meeting.

Karooon's Chairman, Peter Botten, said:

"Over the past year, Karoon has established a diversified production base that allows for capital returns to shareholders. Since announcing our capital returns policy in July 2024, the Company has returned a total of US\$62 million to shareholders. This includes the maiden interim dividend of US\$24 million and US\$38 million by way of on-market share buybacks, with 40 million shares, equivalent to 5% of issued capital, acquired at an average price of A\$1.45/share and subsequently cancelled. US\$11.8 million of the second US\$25 million buyback remains to be invested.

Under our capital allocation framework, operating cash flows are used firstly, to fund sustaining and committed capital and to maintain a strong and flexible balance sheet, and secondly, for capital investments and shareholder returns. We have reviewed the expected capital requirements over the next 2-3 years, including the Petrobras Contingent Consideration payments and estimated costs for a potential acquisition of the Baúna FPSO. Based on this work, Karoon expects to have sufficient funds to pay out 20 – 40% of underlying NPAT to shareholders, implement the additional US\$75 million on-market buybacks, as well as develop our attractive portfolio of organic growth opportunities at Who Dat and Neon. Our assumption is that Karoon introduces a partner to Neon before taking a Final Investment Decision, a step that the Board views as standard for a large greenfield project.

The Board continues to believe that Karoon's shares are materially undervalued. This presents an excellent opportunity to buy back and cancel Karoon shares, adding value to remaining shareholders. Assuming that the current US\$25 million and planned additional US\$75 million on-market share buybacks are successfully completed, we shall have invested US\$125 million in Karoon shares over the 18 month period from July 2024 to December 2025.

We believe that maintaining a balance of returning capital to shareholders and reinvesting in our business, while also retaining a strong balance sheet and liquidity, will help build long term shareholder value."

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.

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