

ASX RELEASE

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Approval of first phase of US\$75 million on-market share buyback

The Karoon Board has approved an on-market share buyback of up to 20.8 million shares, or approximately US\$22 million.

This represents the first phase of the US\$75 million of additional on-market buybacks intended for 2025, announced on 30 January 2025.

Over the past eight months, Karoon has bought back and cancelled 52.3 million shares for a total US\$50 million, at an average price of A\$1.47 per share. Completion of the first phase of the US\$75 million buyback would take the total amount invested in Karoon shares to US\$72 million (approximately 73.2 million shares). This is equivalent to approximately 10% of issued capital, in compliance with the Corporations Act s257B, which restricts on-market buybacks beyond 10% of issued capital in a twelve month period.

Karoon intends to seek shareholder approval via ordinary resolution at the 2025 Annual General Meeting to be held on 22 May to buy up to an incremental approximately US\$53 million which, together with the first phase of approximately US\$22 million, would complete the US\$75 million 2025 buyback program.

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 remain undervalued. The on-market share buybacks remain contingent on several factors, including ongoing compliance with Karoon's credit agreements, the prevailing share price and market conditions.

Karoon's Chairman, Peter Botten said:

"The Board continues to believe that Karoon's shares are undervalued. This presents an excellent opportunity to buy back and cancel Karoon shares, adding value to remaining shareholders. Assuming that this next phase buyback and the intended additional US\$53 million on-market share buyback 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 capital discipline and investing in the highest returning opportunities including buying back our own shares and / or reinvesting in our business, while also retaining a strong balance sheet and liquidity position, will help build long term shareholder value."

This announcement has been authorised by the Board of Karoon Energy Ltd.

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

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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.

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 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.