

ASX RELEASE

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Baúna Project update and production restart of SPS-88

Karooon advises that the SPS-88 well intervention has been successfully completed, with the well resuming production on 28 March Brasilia Time (BRT), sooner than anticipated due to earlier intervention vessel availability and a shorter duration operation than expected. Initial flow rates are in line with expectations, with the well currently producing at approximately 2,000 bopd on a restricted choke and gradually being opened further.

The Baúna Project, which was shut down on 7 March BRT for annual scheduled maintenance, recommenced production on 27 March BRT. Output has since ramped up to approximately 26,500 bopd, above pre-shut-in levels with the resumption of SPS-88.

Following a short period of flush production, natural decline of approximately 15% per annum is expected to resume.

The flotel (floating hotel) that has been moored adjacent to the Cidade de Itajaí (Baúna) FPSO since February is expected to remain on site until 6 April. The flotel has been used to accommodate additional manpower for an extended maintenance campaign, aimed at reducing the FPSO maintenance backlog and improving equipment reliability. The campaign, which took advantage of the annual planned maintenance shutdown, has largely taken place while the FPSO has been operating normally. Further backlog maintenance work is planned to take place over the balance of 2025 and into 2026 and may involve another flotel campaign during 2026.

The acquisition of the Baúna FPSO is progressing in line with the timetable issued on 27 February 2025. The transaction remains on-track to close at the end of April, with selection of the new operations and maintenance (O&M) contractor for the Baúna FPSO targeted to be completed by mid-year¹.

Production guidance remains unchanged at this time, but will be updated once Karoon assumes ownership of the FPSO, the new O&M contractor is selected and planning for the next phase of maintenance is completed. Updated 2025 cost guidance is expected to be provided once the terms of the new O&M contractor are known.

Dr Julian Fowles, Karoon's CEO and Managing Director said:

“Our program to improve the reliability and uptime of the Baúna FPSO is progressing well. FPSO efficiency in the first nine weeks of 2025, prior to the annual maintenance shutdown, was more than 95%, reflecting the 11,800 hours of work completed in late 2024 on critical production equipment. The flotel campaign has allowed us to complete an additional 71,000 hours on the next phase of activities to reduce the maintenance backlog and improve equipment redundancy.

While there is still some way to go to fully clear the maintenance backlog and establish reliable and consistent FPSO performance, the work completed in the current campaign, together with activities expected to take place once Karoon takes over ownership of the FPSO, should enable us to achieve our longer term FPSO efficiency target of 90 - 95%. Higher efficiency will have a positive impact on production outcomes.

We appreciate the efforts of our team and all the contractors involved in safely and efficiently delivering the flotel campaign, the annual shutdown and the SPS-88 intervention, ahead of schedule and within budget.”

¹ Refer ASX Release dated 27.1.25 “2024 Full Year Results & Investor Presentation”.

This announcement has been authorised by the CEO and Managing Director of Karoon Energy Ltd.

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

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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.

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