

2026 FIRST QUARTER REPORT

For the period ending 31 March 2026

28 April 2026 | ASX: KAR



KEY HIGHLIGHTS

- **Maintained safe and reliable operations, with zero recordable injuries and Baúna FPSO efficiency of 96% in 2026 first quarter (1Q26).**
- **Produced 1.96 MMboe (Who Dat on net revenue interest basis (NRI)) and generated US\$128.2 million sale revenue, reflecting higher realised prices offset by lower production and timing of shipments.**
- **Baúna FPSO maintenance, revitalisation and well activities progressing to plan. Who Dat production remediation underway, with 55-75% of curtailed production expected to be restored by mid-2026.**
- **Baúna FPSO operatorship transition advancing, with completion expected by mid-2026, and expected to enhance operational control, production up-time and cash margins.**
- **Progressing strategic initiatives, including the Who Dat East development (investment decision expected in mid-2026) and optimisation of Neon development concept to improve capital efficiency.**
- **Maintained strong balance sheet with net debt of US\$180.6 million at the end of 1Q26, supporting capital investment and ongoing returns.**
- **2025 final dividend of 3.1 AUD cents per share fully franked paid on 31 March 2026 and 9.0 million shares bought back during 1Q26. More than 12% of issued capital purchased since 2H24, enhancing earnings per share.**
- **Based on current expectations, anticipate higher free cash flow in 2H26, with majority of 2026 capital expenditure and maintenance work weighted to 1H26, driving higher production and less capital outflows in 2H26.**
- **CY26 production guidance unchanged, capex guidance increased by US\$39-48 million to include acceleration of potential additional sidetrack at Who Dat into CY26.**
- **Evaluating Brazil's temporary (~120 day) windfall export tax effective 12 March 2026 (12% of revenue on exported volumes, 7.92% after tax).**

Karooon's CEO and MD, Ms Carri Lockhart, said:

"The first quarter of 2026 was marked by major oil price volatility, due to the increase in geopolitical risk in the Middle East and disruptions to regional energy infrastructure and shipping through the Strait of Hormuz. This led to materially higher oil prices in March, with the average 1Q26 realised price for both Baúna crude and Who Dat liquids rising 16% compared to 4Q25. Combined with lower volumes, primarily due to the Who Dat riser issue and maintenance-related downtime at Baúna, Karoon generated sales revenue of US\$128.2 million.

Over the quarter, we paid the final 2025 dividend of 3.1 AUD cents per share, which was fully franked, and the Company purchased 9.0 million Karoon shares at an average price of A\$1.78 per share (a total cost of US\$11.3 million), demonstrating our disciplined approach to capital allocation and shareholder returns.

Operationally, we delivered excellent safety and operational performance despite a heavy work scope. The transition of the Baúna FPSO operatorship from Altera&Ocyan (A&O) to Karoon, and planned Baúna FPSO work campaign, maintenance shut down and well workover scopes at SPS-92 and PRA-2 in Brazil are currently progressing to plan. The Company anticipates these activities will result in improvements in FPSO efficiency to consistently within our 90-95% target range. If achieved, this will contribute to operating cost savings, enhancing the strong cash flows and cash margins already being generated by Baúna.

In March, ANP (the Brazilian oil and gas regulator) approved Karoon's Operating Management System (OMS) for operating the Baúna FPSO. The transition from A&O will be completed in the second quarter of 2026 following the facilities flotel maintenance campaign. This will be a major milestone for the Company.

In the US, in February, one of the Who Dat risers developed a minor leak, resulting in approximately 15,000 boepd (gross) production being shut in. The operator, LLOG, is progressing remediation activities aimed at reinstating 55-75% of curtailed production by around mid-year, pending regulatory approval, with the remaining production capacity expected to be restored in 2H27. Operations to sidetrack the A1 well are underway, with the well scheduled online in 2Q26. A second production well sidetrack is being accelerated into 2H26, subject to final technical review, JV and regulatory approvals, which, if approved, would also help partially mitigate natural decline in 2027. Consequently, our 2026 full year Who Dat production forecasts are unchanged, albeit they are expected to be at the low end of the range.

On our organic growth opportunities, the Who Dat JV is in the final review stages of the Who Dat East development plan, ahead of a potential Final Investment Decision around mid-year 2026. At Neon, a comprehensive reassessment of the project aimed at optimising the development concept and achieving a lower capital design is advancing well. Constructive engagements have been held with FPSO providers on fit for purpose cost effective solutions.

At the end of March, Karoon had net debt of US\$180.6 million, comprising US\$169.4 million in cash and US\$350 million drawn debt. The balance sheet is well positioned to fund our work program priorities and we will remain disciplined in our capital management, as outlined in our capital allocation framework. With the majority of 2026 capital spend and work activity planned in 1H26, we expect to deliver stronger free cash flow in the second half of the year.

During the quarter, Eric Williams and Mark Mick joined Karoon as Chief Financial Officer and Chief Commercial and Technical Officer, respectively. Both have extensive oil and gas industry experience and significant expertise in their fields. I would like to take the opportunity to again thank Ray Church, Roland Hamp and Stephen Power, who will not be relocating to Houston, for their substantial contributions to Karoon.

In summary, Karoon's assets are high quality, with globally competitive production costs, forecast to be US\$12-15/boe in 2026¹. We are well positioned to continue capturing value from higher oil prices, given 95% of our production is oil or liquids based, and we have significantly progressed the Baúna capital program, which is expected to deliver strong performance in the second half of the year onwards. We remain focused on operational execution, cost control and capital allocation, to create maximum value for our shareholders."

¹ Based on daily operating costs associated with Baúna and Who Dat production. Excludes carbon costs and non-oil and gas related depreciation and is based on Karoon's Net Working Interest production. Excludes one off FPSO transition costs and corporate office relocation costs.

OPERATIONAL & FINANCIAL SUMMARY¹

		Dec 25	Three months ended		Mar 25
			Mar 26	% Change	
Production					
Baúna					
Oil	MMbbl	1.72	1.56	-9	1.67
Who Dat^{2,5}					
Oil, condensate & NGLs (NWI ³)	MMbbl	0.63	0.40	-37	0.64
Natural gas (NWI ³)	Bcf	1.01	0.48	-52	1.34
Total Who Dat (NWI ³)	MMboe	0.80	0.48	-40	0.86
Total Who Dat (NRI ⁴)	MMboe	0.65	0.38	-42	0.69
Total (Baúna & Who Dat NWI)	MMboe	2.52	2.04	-19	2.53
Total (Baúna & Who Dat NRI)	MMboe	2.37	1.94	-18	2.36
Sales					
Baúna					
Oil	MMbbl	1.99	1.47	-26	1.48
Who Dat⁵					
Oil, condensate & NGLs (NRI ⁴)	MMbbl	0.54	0.31	-43	0.50
Sales gas (NRI ⁴)	Bcf	0.74	0.35	-53	1.00
Total	MMboe	0.66	0.38	-42	0.67
Total sales	MMboe	2.65	1.85	-30	2.15
Revenue					
Baúna					
Oil	US\$m	122.2	104.4	-15	108.9
Who Dat					
Oil, condensate & NGLs (NRI ⁴)	US\$m	30.7	21.1	-31	35.2
Sales gas (NRI ⁴)	US\$m	3.2	2.7	-16	4.5
Total	US\$m	33.9	23.8	-30	39.7
Total revenue	US\$m	156.1	128.2	-18	148.6
Average realised prices					
Baúna oil	US\$/bbl	61.53	71.12	+16	73.76
Who Dat oil, condensate and NGLs	US\$/bbl	57.06	65.92	+16	70.02
Who Dat sales gas	US\$/mcf	4.29	7.64	+78	4.47

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 1Q26 was 1.56 MMbbl, producing at an average rate of 17,350 bopd, down 7% compared to 18,752 bopd in 4Q25. Production during the period reflected natural reservoir decline together with intermittent rate reductions due to the flotel-supported planned and unplanned maintenance activities. 1Q26 FPSO efficiency (actual production divided by forecast reservoir production, excluding scheduled shutdowns) was 96.1%.

Three cargoes were lifted during the period, totalling 1.47 MMbbl, with the cargoes delivered to refineries in North America and Europe. Sales volumes were lower than production due to timing of shipments, with a cargo lifted in early April. The average realised price for the cargoes sold was US\$71.1/bbl, 16% higher than the average realised price in the prior quarter, reflecting the increase in global oil prices.

Regulatory acceptance of Karoon's Operating Management System (OMS) was received during the quarter, and the Transfer of Control of the FPSO is expected to occur by mid-year.

The flotel-supported maintenance and revitalisation campaign, which commenced on 6 February 2026, is targeted for completion in June 2026. Inspection scopes have been completed on the processing trains. The 28-day FPSO planned full shutdown for facility maintenance, inspections and upgrades, including the hull inspection and production header replacement, commenced on 14 April 2026 (BRT).

Final contracts were signed for a semi-submersible drilling rig and support vessels, and environmental approval received for an intervention on the SPS-92 well to replace the downhole Electrical Submersible Pump (ESP) which partially failed in 2025. This work commenced in mid-April and the well is expected to be back online by mid-2026, subject to successful completion of activities.

PRA-2 activities, which include recovering and repairing the subsea control umbilical that disconnected at the FPSO, are planned to commence in May. Depending on the condition of the umbilical, once it is inspected, and a successful reconnection, Karoon is aiming to bring the PRA-2 well back online by mid-2026.

The SPS-92 and PRA-2 well repairs are expected to add 4,000 – 5,000 bopd to Baúna Project daily production.

WHO DAT ASSETS, OFFSHORE GULF COAST, US

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

Gross Who Dat production in 1Q26 was 1.67 MMboe compared to 2.68 MMboe in 4Q25, producing at an average rate of 18,300 boepd, 37% lower compared to 29,100 boepd in 4Q25. Production for the quarter on an NRI basis was 0.38 MMboe (0.65 MMboe NRI in the prior quarter). Facility uptime was 100%, while well uptime was 58%.

The lower volumes were due to the one of the two risers connected to the E-manifold being shut in when it developed a minor leak in February. Subsequently, the adjacent riser was also shut in, to fully isolate production from the leaking riser, resulting in the loss of approximately 15,000 boepd (gross) of production from seven wells.

Subject to the successful execution of activities planned by the operator to commence in early May, approximately 55-75% of the production is expected to be reinstated by mid-year by diverting hydrocarbons through the other E-manifold flowline and riser and through optimisation work. The balance is expected to be restored in 2H27 as, following inspections, it has been determined the impacted riser will need to be replaced. The timeframe for reinstatement is subject to the manufacture of a replacement riser and contracting necessary equipment and services.

Operations to sidetrack the A1 production well commenced in early April, with the sidetrack expected online in 2Q26, subject to successful completion of activities. Another sidetrack is being accelerated to be drilled in 2H26, subject to final technical assessment, and JV and regulatory approvals. If approved, this will help mitigate the impact of the riser issue on Who Dat 2026 and 2027 production.

The average realised price for Who Dat liquids (including oil, condensate and NGLs) was US\$65.92/bbl, 16% higher than the previous quarter, in line with the increase in global oil prices and wider differentials for Mars-benchmarked crudes. The Who Dat average realised gas price was US\$7.64/mcf, up 78% on the previous quarter, reflecting an increase in Henry Hub benchmark pricing in January due to early seasonal demand.

COMMERCIAL AND CORPORATE

CAPITAL EXPENDITURE¹

US\$m	Dec 25	Three months ended		Mar 25
		Mar 26	% Change	
Exploration and appraisal	20.8	7.6	-63	1.9
Development, plant and equipment	23.2	31.9	+38	50.4
Total	44.0	39.5	-10	52.3

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

Total capital expenditure (on an accruals basis) for 1Q26 was US\$39.5 million, of which US\$31.9 million was spent on development, plant and equipment. This included US\$25.6 million on the flotel and associated

activities at the Baúna FPSO and US\$3.3 million relating to the SPS-92 well activities. Exploration and appraisal capex of US\$7.6 million included the Esmeralda signature bonus of US\$6.4 million.

CASH, LIQUIDITY AND CASH FLOWS

US\$m	Three months ended			Mar 25
	Dec 25	Mar 26	% Change	
Cash	206.1	169.4	-18	190.8
Drawn debt	(350.0)	(350.0)	0	(350.0)
Net cash/(debt)	(143.9)	(180.6)	+26	(159.2)
Undrawn available facilities	340.0	283.3	-17	340.0
Total liquidity	546.1	452.7	-17	530.8

At 31 March 2026, Karoon's net debt position was US\$180.6 million, comprising US\$169.4 million in cash and cash equivalents and US\$350.0 million of drawn debt. Total liquidity at 31 March 2026 was US\$452.7 million. The US\$340 million Reserves Based Lending (RBL) facility amortised to US\$283.3 million of available funds on 31 March 2026 and will step down to US\$226.7 million on 30 September 2026, in line with the semi-annual redetermination facility reduction schedule and straight amortising facility profile to maturity². This facility remains undrawn.

Cash inflows during the quarter consisted of proceeds from the sale of hydrocarbons of US\$126.1 million. Major cash outflows included operating costs, royalty payments and capital investments, as well as US\$10.9 million spent on share buybacks over the quarter and US\$15.6 million relating to the 2025 fully franked final dividend paid on 31 March 2026. In addition, the fourth Petrobras contingent consideration amount, of US\$27.4 million, was paid in January 2026. Only one further payment is outstanding, which will be paid in January 2027, with the amount subject to the average Brent oil price over 2026.

Post quarter end, Fitch Ratings affirmed Karoon's credit rating at 'B', the outlook was revised to Negative while the bond rating was affirmed at 'B+'. Fitch's ratings reflect Karoon's low cost production base, solid liquidity position and absence of near-term debt maturities, offset by operational disruptions at the production assets and anticipated natural production decline. The Negative outlook reflects Fitch's view of risks to production sustainability and project timing, as restoring production activities occur at Baúna and Who Dat. This rating does not affect Karoon's capital or funding position.

ON-MARKET SHARE BUYBACK

During the quarter, Karoon continued the second phase of the previously announced US\$75 million on-market share buyback program, comprising an investment of up to US\$25 million³. Over the quarter, the Company purchased 9.0 million Karoon shares at an average price of A\$1.78 per share (a total cost of US\$11.3 million). The Board intends to complete the current US\$25 million buyback tranche prior to re-evaluating the Company's capital allocation priorities. This will take into account several factors, including the substantially higher oil prices and potential capital project demands, in line with Karoon's balanced approach to capital allocation.

HEDGING

The Company's RBL includes minimum commodity hedging requirements when drawn. However, as the facility is currently undrawn, Karoon has no hedges in place but retains discretion to hedge, if appropriate.

BRAZILIAN EXPORT TAX

On 12 March 2026, the Brazilian Government announced that it had introduced a new export tax on crude oil sales. This, together with abolishing tax on diesel, reflects a desire by the Government to capture and transfer

² Details set out in the ASX Release dated 16 November 2023.

³ See announcement dated 25 September 2025.

to society part of the recent extraordinary gains in oil prices, while helping mitigate the economic effects of the oil price shock.

The export tax will be levied at a rate of 12% of the total value of exports, effective from 12 March, and is presently expected to last for 120 days. The tax will be applied on the sales invoice and will be payable 60 days after the invoice date. The 12% export tax is deductible against tax, reducing the impact on NPAT to 7.92%. None of Karoon's cargoes in the first quarter of 2026 attracted the export tax.

Karoon is working with the peak industry body, Brazilian Petroleum Institute (IBP), regarding the industry's response to the export tax and is also pursuing legal options relating to the tax. There are no other impacts from the export tax, such as hedging or liquidity obligations, on the business.

CHANGE IN KEY MANAGEMENT PERSONNEL

During the period, the following changes took place at Board and senior management level:

- Mr Fernando Borges was appointed as an independent, Non-Executive Director.
- Mr Tadeu Fraga, who was appointed as an independent, Non-Executive Director in 2022, has stood down for personal and family reasons.
- Mr Eric Williams succeeded Ray Church as Executive Vice President (EVP) and Chief Financial Officer (CFO). Mr. Church served in the role for more than 4.5 years.
- Mr Mark Mick was appointed EVP and Chief Commercial and Technical Officer (CCTO). This role covers the responsibilities of Stephen Power, former EVP Commercial and Roland Hamp, EVP Technical. Mr Hamp will remain with the Company until 30 June 2026 to ensure continuity during the transition of the Baúna FPSO.

POTENTIAL DEVELOPMENTS

BRAZIL – NEON, S-M-1037 (KAR: 100%, OPERATOR)

During the quarter, activities focused on progressing a re-engineered, lower cost development concept for Neon. Key work scopes were directed towards simplifying the overall development scheme, including the assessment of phased development options to reduce upfront capital, enhance capital efficiency and improve project robustness. Engagement with FPSO providers has been constructive, supporting the evaluation of fit-for-purpose and cost-effective solutions.

In parallel, the Company advanced other key workstreams, including reservoir studies, well design optimisation and continued engagement with subsea equipment suppliers.

Karoon continues to evaluate the farm down of an interest in Neon and surrounding licenses. Due to the potential changes in the development scheme, particularly a move towards a phased development of the resource and new topside options, the process is not currently being actively progressed. However, the Company does remain engaged with selected counterparties and retains flexibility and plans to re-enter and continue commercial farm-out discussions once development concept maturity is reached.

US GULF COAST - WHO DAT EAST (KAR: 40%), WHO DAT SOUTH (KAR: 30%), OPERATOR: LLOG

The Who Dat East project progressed during the period and a final assessment of project economics is underway, with the Joint Venture expected to consider a Final Investment Decision on Who Dat East around mid-2026.

At Who Dat South, the Joint Venture has commenced a seismic reprocessing project to assist with the optimisation of locations for a future potential development. This reprocessing will also help refine future infill locations at Who Dat.

In March, Karoon was advised by the Bureau of Ocean Energy Management (BOEM) that its bid for Mississippi Canyon Block 587, adjacent to Who Dat South, on which it was the apparent high bidder, had been rejected. A re-evaluation of the MC 587 block and a possible future lease sale bid will be considered over the remainder of the year. The next opportunity to bid would be the August 2026 Lease Sale.

EXPLORATION AND APPRAISAL

DEEPWATER SANTOS BASIN, BRAZIL

S-M-1356, S-M-1358, S-M-1482, S-M-1484, S-M-1603, S-M-1605 (KAR: 100%, OPERATOR), ESMERALDA (KAR: 100%, PENDING EQUITY INTEREST, OPERATOR)

During the quarter, Karoon progressed the award process for the Esmeralda block following its successful bid in the ANP 3rd Permanent Offer Cycle for Production Sharing Contracts. All required documentation for contract execution was submitted during the period and the associated signature bonus paid, with formal granting of the block expected in the second quarter of 2026.

The Company continued to progress technical evaluation across its deepwater blocks, with a focus on maturing regional understanding and refining prospectivity. Work during the period included ongoing interpretation of reprocessed seismic data, inversion work and progression of subsurface studies to support prospect definition and screening.

Planning for a farm-down of one or more of the deepwater blocks continued during the quarter, with the objective of completing this process ahead of future drilling. The timing and structure remain subject to ongoing technical work and operational planning.

SCHEDULE OF INTERESTS IN PETROLEUM TENEMENTS

Field/prospect/lead	Exploration permit/block	Basin	Operator	% interest held
Baúna, Piracaba, Patola	BM-S-40	Santos, Brazil	Karoon	100
Neon, Neon West	S-M-1037	Santos, Brazil	Karoon	100
Goiá	S-M-1101	Santos, Brazil	Karoon	100
Piracucá	S-M-974, 1038	Santos, Brazil	Karoon	100
Clorita	S-M-1537	Santos, Brazil	Karoon	100
Deepwater exploration	S-M-1356, 1358, 1482, 1484, 1603, 1605, Esmeralda ¹	Santos, Brazil	Karoon	100
Who Dat	MC 502, 503, W/2 504, E/2 546, 547	Mississippi Canyon, USA	LLOG	30
Dome Patrol	MC 505	Mississippi Canyon, USA	LLOG	30
Abilene	MC W/2 546	Mississippi Canyon, USA	LLOG	~16
Who Dat South	MC 545, 589	Mississippi Canyon, USA	LLOG	30
Who Dat East	MC 509, 421, 464, 465, 508	Mississippi Canyon, USA	LLOG	40

1. Formal award of the Esmeralda block is expected to occur in the second quarter of 2026, with the signature of the production sharing contract, following the submission of documentation to the ANP on 27 March 2026, including the proof of the signature bonus payment and the guarantee for the minimum work program.

SUSTAINABILITY

Absolute emissions in 1Q26 were 23,665 tCO₂e, down 12% compared to 4Q25 (26,913 tCO₂e) due to lower production volumes. However, emissions intensity increased due to lower production volumes from both assets. The combined emissions intensity for the quarter was 11.2 kgCO₂e/boe, excluding field logistics and support activities (10.3 kgCO₂e/boe in 4Q25).

Total flaring for Karoon across both the Baúna and Who Dat assets on an equity basis was 2,922 tCO₂e for 1Q26, which was consistent with the previous quarter and approximately one third of flaring in the corresponding quarter of 2025. This reflected a performance improvement for the Baúna asset against the prior quarter, offset by an increase at Who Dat associated with downtime and safety flaring.

There were no material environmental incidents at either Baúna or Who Dat during the quarter.

Karoon has commenced its 2026 social investment program in Brazil. The Company's projects are aligned with the UN Sustainable Development Goals, aiming to enhance the quality of life for both our employees and the communities within our operational footprint.

During the quarter, Karoon Brazil's flagship voluntary project, Ambience for Creative Connections (ACC), made significant progress. Following interviews and technical visits, eight institutions were confirmed for transforming underutilised spaces into accessible, engaging and well-equipped environments for a range of educational purposes. All planned projects are expected to be completed by the end of 2026.

2026 FULL YEAR GUIDANCE

All 2026 Full Year guidance outlined in Karoon's 2025 Full Year Results and Investor Presentation dated 26 February 2026 remains unchanged except for Who Dat capital expenditure, which has increased from US\$37 – 46 million to US\$76 – 94 million, reflecting the cost of a second sidetrack well that is expected to be drilled in the second half of 2026, subject to final technical evaluation, contract execution and relevant JV and regulatory approvals. Production guidance is unchanged, albeit Who Dat production is expected to be at the low end of the guidance range.

Note that the CY26 guidance table below does not include the following items:

- US\$43 – 53 million of flotel costs expected to be incurred in 1H26.
- One off FPSO transition costs of US\$6 – 7 million.
- US\$3 - 4 million related to relocating corporate head office roles from Melbourne to the USA (Houston) and Brazil (Rio de Janeiro).

GUIDANCE 2026

		2026
Calendar year^{1,2}		
PRODUCTION³		
Brazil	MMbbl	6.0 – 6.7
Who Dat (NRI)	MMboe	2.1 – 2.5
Total production	MMboe	8.1 – 9.2
UNDERLYING OPERATING COSTS		
Unit production costs (NWI) ⁴	US\$/boe	12 – 15
Exploration expenses, Business Development, share-based payments	US\$m	10 – 14
Unit DD&A (NWI) ⁵	US\$/boe	15 – 17
Finance costs and interest (net of interest income) ⁵	US\$m	60 – 70
Other operating costs ⁶	US\$m	37 – 41
INVESTMENT EXPENDITURE		
Baúna ⁷	US\$m	61 – 74
Who Dat ⁸	US\$m	76 – 94
Exploration and appraisal (Neon, Santos Basin)	US\$m	9 – 11
Other capex ⁸	US\$m	3 – 4
Total capex	US\$m	150 - 183
Petrobras contingent consideration ⁹	US\$m	28

NOTES:

1. Numbers may not add due to rounding.
2. Guidance is subject to various risks (including "Key Risks" set out in the 2025 Annual Report).
3. Production assumes drilling results and expected future development projects, including well interventions, are delivered in accordance with their currently expected schedules and work scopes.
4. Unit Production Costs: based on daily operating costs associated with Baúna and Who Dat production. Excludes carbon costs and non-oil and gas related depreciation and is based on Karoon's Net Working Interest production. Excludes one off FPSO transition costs and corporate office relocation costs.
5. 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.
6. Other operating costs include 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.
7. The cost of the 2026 Baúna FPSO revitalisation campaign is guided separately.
8. CY26 capex includes the A1 sidetrack and a potential second sidetrack well, but does not include Who Dat East, with expenditures contingent on a positive development decision.
9. The 2025 Petrobras contingent payment was made in late January 2026 (see cash, liquidity and cashflows section).

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	The proportion of actual and potential efficiency 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 hydrocarbon 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.