

ASX RELEASE

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Baúna SPS-92 production restart and 2026 guidance updated

Baúna production

Production has been restored from the SPS-92 well at Baúna following a successful well intervention to replace the electrical submersible pump (ESP). SPS-92 is currently producing at a rate of 8,600 bopd, taking total Baúna Project production to approximately 20,500 bopd, prior to natural decline. A further production uplift of 1,000 – 2,000 bopd is expected once the PRA-2 well is brought back on-line, with operations to reconnect the umbilical now underway.

SPS-92 background and Capex guidance update

In August 2025¹, the SPS-92 well experienced a partial ESP failure, reducing the daily production rate to approximately 4,500 bopd. Karoon proactively performed a rig-based well intervention which successfully returned SPS-92 to production and reinstated this high-margin production stream. Final intervention costs were higher than originally anticipated, reflecting weather-related downtime, wellbore debris and equipment-related non-productive time encountered during execution. However, these factors did not affect the successful restoration of production.

As highlighted in the ASX release dated 16 June 2026, Karoon has reviewed its 2026 investment expenditure estimates. Baúna capex guidance has increased due to the higher SPS-92 intervention costs. Who Dat capex estimates have decreased following updated project estimates and contingencies, while Neon costs have increased slightly for necessary engineering and commercial work to advance the project to the next Decision Gate, commencing FEED engineering.

2026 investment expenditure (US\$ million)	Prior guidance	Revised guidance
Baúna ²	61 - 74	89 - 97
Who Dat ²	76 - 94	72 - 85
Exploration and appraisal (Neon, Santos Basin)	9 - 11	14 - 16
Other capex ²	3 - 4	3 - 4
Total capex	150 - 183	178 - 202

With the Baúna FPSO revitalisation and major well intervention campaign now substantially complete, Karoon expects materially lower sustaining capital requirements at Baúna over the next few years, with only modest ongoing investment anticipated (excluding new growth projects).

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

"Consistent with our stated commitment coming into 2026, Karoon strengthened and safeguarded its Baúna operations on time. Successfully completing the FPSO flotel revitalisation campaign and restoring production from SPS-92, with exceptionally strong HSE performance, marks our transition from a period of high investment to one of expected strong cash flow generation. We enter the second half of 2026 with

¹ See ASX release dated 24 August 2025 "Production guidance lifted despite issue with SPS-92 downhole pump at Baúna Project, Brazil".

² Notes to the 2026 investment expenditure guidance are set out on page 2 of this release and should be read in conjunction with the table.

materially higher production and a stronger operating platform.

While the SPS-92 intervention cost exceeded our original estimate, it has restored a high-margin, low break-even production well. At a Brent oil price of US\$60–70 per barrel, targeted FPSO production efficiency of 90–95% and annualised operating cost savings of US\$30–40 million post the FPSO transition, we expect Baúna to generate strong operating cash flow. The capital we invested this year strengthens the long-term value of Baúna and reinforces our confidence in maintaining its low operating cost breakeven and cash-generating capacity.

Our focus remains on outstanding HSE performance, restoring PRA-2 and maintaining FPSO production efficiency within our 90–95% target range, which we have recently exceeded. In addition, we continue improving the operating model excellence and driving additional operating cost savings associated with the completed operatorship transition and across the organisation.”

This announcement was authorised for release by the Board of Karoon Energy Limited.

Notes to 2026 investment expenditure table

The following notes should be read in conjunction with the 2026 investment expenditure guidance on page 1:

1. Guidance is subject to various risks (including those set out in the 2025 Annual Report).
2. Baúna capital expenditure. The costs of the FPSO revitalisation campaign in 2026 are excluded from this table and guided separately.
3. Who Dat capital expenditure. CY26 capex includes the A1 and G1 sidetracks, but does not include Who Dat East, with expenditures contingent on a positive development decision.
4. Totals may not add due to rounding.

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.