KAROON ENERGY

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ASX RELEASE

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# SPS-92 electrical fault, 2026 guidance update

On 21 September 2026 (BRT time), Karoon noted a fault on the monitoring system of the SPS-92 well at Baúna. The Company undertook a controlled shut down of the well on 22 September, to preserve pump integrity and investigate the system. Based on analysis and testing over the past few days, a fault has been confirmed in one of the three electrical phases in the newly installed power cable for the downhole Electrical Submersible Pump (ESP). The pump is now operating on two phases in a conservative manner to maintain safe and secure operations.

Karoon believes that a rig-based well intervention to replace the faulty cabling system will be required to reinstate full operability. The Company has an existing option over a suitable drilling rig and has commenced intervention planning, including securing permitting, equipment and services. Timing is dependent on securing the permit approvals and services. Karoon estimates that approximately 3,500 bopd will be deferred until the cable system is replaced. The production deferral is currently not expected to affect Baúna reserves.

Karoon maintains a comprehensive insurance program designed to mitigate the financial impact of a range of operational events, including equipment damage and associated losses of production income. While the Company continues to investigate the root cause of the SPS-92 failure and assess the event against the applicable policy terms, based on its current understanding and preliminary non-binding advice from its insurance advisers, Karoon believes its insurance program may partially offset the resulting loss of production revenue and reimburse substantially all costs associated with the required intervention and repair, subject to applicable deductibles, policy terms and final confirmation of coverage by insurers.

As a result of reduced SPS-92 output, Karoon has revised its 2026 full year Baúna Project production guidance from 6.0 – 6.7 MMbbl to 5.4 - 5.7 MMbbl, with the lower end reflecting a conversion to gas lift, if necessary. With Who Dat guidance unchanged, total production for CY26 is now expected to be 6.6 – 7.2 MMboe. Due to lower production and a relatively fixed cost base, unit production cost guidance for CY26 is now US$15 – 16/boe. All other guidance remains unchanged.

| Full year 2026 guidance | | Prior guidance | Revised guidance |
|---|---|---|---|
| **Production** | | | |
| Brazil | *MMbbl* | 6.0 – 6.7 | 5.4 – 5.7 |
| Who Dat (NRI) | *MMboe* | 1.2 – 1.5 | 1.2 – 1.5 |
| **Total Production** | ***MMboe*** | **7.2 – 8.2** | **6.6 – 7.2** |
| **Unit production costs (NWI)[1]** | *US$/boe* | **12 - 15** | **15 - 16** |

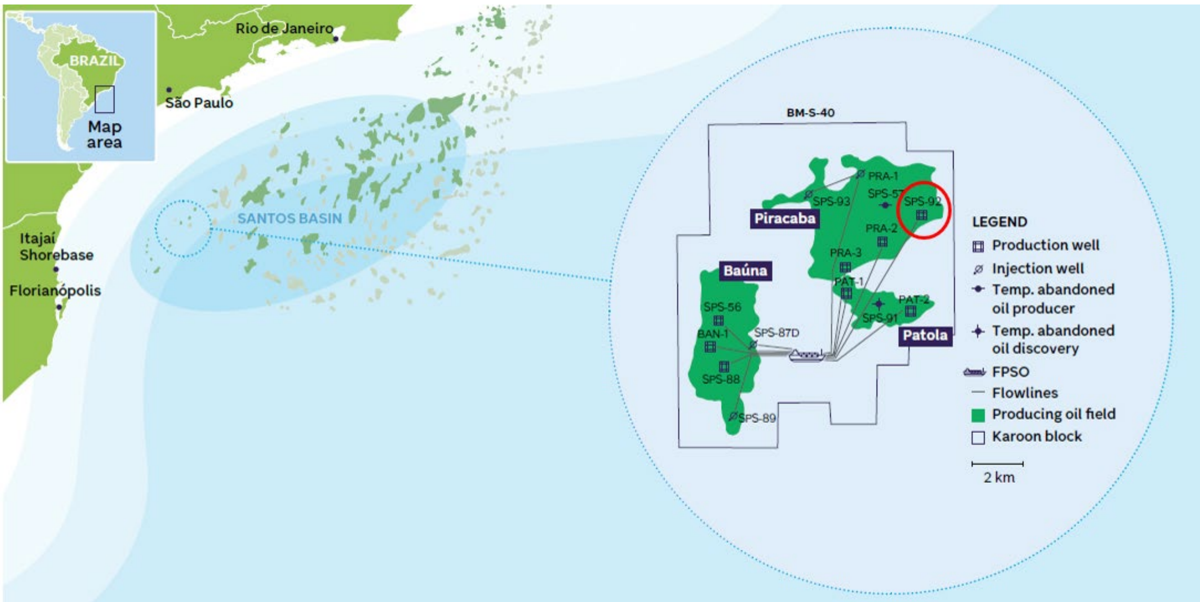
1. Unit Production Costs: based on daily operating costs associated with Baúna and Who Dat production. Excludes carbon costs and non-oil and gas related depreciation and is based on Karoon's Net Working Interest production. Excludes one off FPSO transition costs and corporate office relocation costs.

## Ms Carri Lockhart, Karoon's CEO and Managing Director said:

*"The electrical fault on SPS-92 is clearly very disappointing, especially given that this new ESP and cable system was in operation less than three months. Prior to the electrical fault, the well was performing in line with expectations, benefiting from increasing reservoir pressures following the resumption of water flood operations*

*Our key focus now is on planning the intervention and bringing SPS-92 back into full production to capture the deferred barrels, and maximising production from the other Baúna wells. In parallel, the Company is actively pursuing avenues for equipment warranty and insurance recoveries.*

*We will keep the market informed once we have more clarity on intervention timing."*




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

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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.

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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 and the United States of America.

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.