

ASX RELEASE

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Baúna Project Reserves Upgraded¹

- **13.7 MMbbl increase in Baúna Project 2P Reserves after 1H25 production, reflecting Baúna FPSO acquisition, facility operating life extension, and better reservoir performance than anticipated.**
- **Baúna Project 2P Reserves are 35% higher at 30 June 2025 than at 31 December 2024.**
- **Baúna Project economic field life extended by seven years to 2039, limited by the current Production Concession expiry¹.**
- **Baúna Revitalisation and Life Extension projects initiated, with forecast expenditure of approximately US\$55-65 million in 2026 and US\$80-90 million over the period 2030-2034.**
- **2P recoverable volumes have increased by 120% since Karoon acquired Baúna in November 2020².**
- **AGR has performed an independent evaluation (Competent Person's Report - CPR). The CPR Reserves are within 5% of the Reserves in this release.**

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

"One of the key drivers underpinning the 1H25 Baúna FPSO acquisition was the potential to reduce future operating costs, which would allow us to access some or all of the existing Contingent Resources.

A comprehensive analysis has now been completed, which has confirmed that, with our expected new cost structure and implementation of life extension plans, the economic life of the Baúna Project can be extended by approximately seven years, from 2032 to 2039, when the Production Concession expires. In addition, over the past 18 months, the Baúna decline rate has been lower than our expectations, indicating a higher Ultimate Recovery from the project.

Consequently, 2P Reserves as at 30 June 2025 were revised upwards to 52.7 MMbbl, which is 35% higher than at 31 December 2024. With the majority of 2C Contingent Resources having been moved into the Reserves category, 3.0 MMbbl remained in the 2C Contingent Resource category at 30 June 2025 (11.2 MMbbl at 31 December 2024), based on production extending to 2040, the end of the assessed facility operating life.

The Reserves upgrade highlights the material value that has been added by the Baúna FPSO purchase and the continued strong performance of the Baúna Project reservoirs."

Baúna Project Reserves and Contingent Resources Review

Karoon has reassessed the Reserves and Contingent Resources for the Baúna Project as at 30 June 2025. This follows completion of the acquisition of the Baúna FPSO, the Cidade de Itajaí, on 30 April 2025 and lower production decline rates than anticipated over 2024 and 2025 to date.

¹ The Baúna Project comprises the Baúna, Piracaba and Patola fields in Concession BM-S-40 offshore Brazil. Reserves and Resources are as at 30 June 2025 and are based on revised technical and commercial assumptions after completion of the Baúna FPSO acquisition.

² Based on Reserves as at 30 June 2025 and Reserves reported at the time of acquiring Baúna (see ASX release dated 9.11.20 "Baúna - Competent Persons Report Summary"), excluding production during the calculation period.

The studies included an assessment of the following:

- An updated reservoir performance, modelling and activities outlook.
- Removal of Altera&Ocyan (A&O) FPSO charter costs, leading to a reduction in minimum economic production rates.
- An updated assessment of long term operating costs.
- Updated assessment of field abandonment costs.
- The Production Concession expiry date of February 2039.

As a result, 2P Reserves have been revised upwards by 17.6 MMbbl. After production of 3.9 MMbbl for the first half of 2025, 2P Reserves as at 30 June 2025 were 52.7 MMbbl, compared to 39.0 MMbbl at 31 December 2024.

2C Contingent Resources have reduced from 11.2 MMbbl to 3.0 MMbbl over the same period. This reflects an upwards revision of 5.5 MMbbl, less the transfer of 13.7 MMbbl to the 2P Reserves category. The reassessment of Contingent Resources was based on the potential to produce until the assessed end of the facility operating life of 2040.

AGR (ABL Group Norway AS), an internationally recognised expert in petroleum resources evaluation, has performed an independent evaluation (CPR) of the Reserves. The Reserves presented in the CPR are within 5% of the Reserves presented in this release.

2P recoverable volumes have increased by 120% since acquisition of the asset in November 2020, before taking into account production over that period.

Baúna Project Reserves Reconciliation	Oil & Condensate (MMbbl)		
	1P	2P	3P
Reserves as at 31 December 2024¹	33.3	39.0	46.7
Acquisitions and divestments	-	-	-
Revision of previous estimates	0.0	3.9	0.6
Transfer to/from Reserves	4.0	13.7	17.1
Extensions and discoveries	-	-	-
Production	(3.9)	(3.9)	(3.9)
Reserves as at 30 June 2025	33.4	52.7	60.5

1. As reported in Karoon 2024 Annual Report.

All Reserves are in the Developed volumes category and are 100% owned by Karoon.

Baúna Project Contingent Resource Reconciliation	Oil & Condensate (MMbbl)		
	1C	2C	3C
Contingent Resource as at 31 December 2024¹	8.7	11.2	16.4
Acquisitions and Divestments	-	-	-
Revision of Previous Estimates	(1.9)	5.5	4.5
Transfer to/from Reserves	(4.0)	(13.7)	(17.1)
Extensions and Discoveries	-	-	-
Contingent Resource as at 30 June 2025	2.8	3.0	3.8

1. As reported in Karoon 2024 Annual Report.

The Contingent Resources represent potentially recoverable volumes which are not yet technically mature and/or commercially viable. All Contingent Resources are 100% owned by Karoon.

Key Assumptions

Karoon expects to invest US\$55-65 million in an FPSO revitalisation campaign in 2026, and approximately US\$80 – 90 million (in 2025 \$) for life extension activities between 2030 and 2034. The life extension CAPEX is expected to include two flotel campaigns and associated equipment upgrades.

In conjunction with expert third parties, abandonment costs, including the full demobilisation of the FPSO, have been reviewed. Due to the inclusion of the FPSO, as well as changes in scope, activity durations and vessel rates, abandonment costs have increased from US\$174.9 million in 2032, to US\$260.0 million in 2039.

Notes on the estimation of Reserves and Resources, related governance and the Competent Person's Statement are shown on page 4 of this release.

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

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

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Notes on Calculation of Reserves and Resources

Reserves and Resources estimates are prepared in accordance with the guidelines of the Petroleum Resources Management System (SPE-PRMS) 2018, jointly published by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE).

Oil and gas Reserves and Resources 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 Resources estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further data become 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 Resources estimates are by nature forward-looking statements and are the subject of the same risks as other forward-looking statements.

In respect of the Baúna Reserves announced today, the revised volumes are based on analysis of historical and forecasts reservoir and facility operational performance, and forecast costs and economic conditions, taking into account key uncertainties, the Production Concession expiry date (2039), and planned and possible operational events, such as well workovers.

In respect of the Baúna Contingent Resource estimates announced today, the revised estimates are based on the same analysis as for Reserves but limited by the assessed facility operating life of 2040.

Governance and Competent Person's Statement

All resources statements in this announcement have been reviewed by members of Karoon's Reserves Committee, which has considered and assessed all proposed changes and additions to the Company's resources (as set out in this release), considering advice and contributions from subject matter experts and external consultants.

All resources statements in this report are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Martin Austgulen, SVP New Business, Karoon Energy Limited. Martin Austgulen is qualified in accordance with ASX listing rule 5.41, being a member of the Society of Petroleum Engineers (SPE) and has consented in writing to the inclusion of resources in the format and context in which they appear.

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 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.