



27 February 2025

Company Announcements Office
ASX Limited

Dear Sir / Madam

2024 Sustainability Report

Enclosed is Karoon Energy Ltd's 2024 Sustainability Report.

This announcement was authorised by the Board of Directors.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Daniel Murnane', with a long horizontal flourish extending to the right.

Daniel Murnane
Company Secretary

2024 Sustainability Report



About Karooon Energy

Karooon is an international oil and gas exploration and production company, listed on the Australian Stock Exchange, with operated assets in the Santos Basin, Brazil and non-operated assets in the Gulf of Mexico, United States. We aim to provide energy safely, reliably, and responsibly in order to create lasting benefits for all our stakeholders.

Karooon's foundation producing asset is the 100% owned Baúna Project located in the southern Santos Basin, Brazil and comprising the Baúna, Piracaba and Patola oil fields. The facilities are located in ~300m water and approximately 220km offshore. In addition, 2024 saw the first full year of production from our second operational investment, an approximately 30% non-operated equity share in the Who Dat assets. The Who Dat facilities are located in ~800m water depth in the Gulf of Mexico, offshore Louisiana, United States of America.

Karooon Energy is headquartered in Melbourne, Australia, and has operational offices in Rio de Janeiro, Brazil, and Houston, United States of America.





SCOPE OF THIS REPORT

This report outlines the sustainability performance and strategy of Karoon Energy Limited (Karoon) for assets owned and operated by Karoon, including the Baúna Project (100%) and non-operated Who Dat (30%). This report, statistics and annual data therein cover the period 1st January 2024 – 31st December 2024.

The people-related data included in this report, such as safety performance data, refer to workers associated with our operated assets, including contractors. It does not include people-related data associated with non-operated assets. Safety, Process Safety and Environment performance of non-operated assets is addressed under ‘Performance and Achievements’ in the appropriate section.

For emissions related data, such as Scope 1 and 2 emissions, the data included in this report reflects activities and assets under our operational control, such as the Baúna Project, as well as our interest in the Who Dat asset, which are reported on a net working interest basis.

All monetary amounts reported are in United States (US) dollars, unless otherwise stated.

Karoon uses the term ‘sustainability’ when referring to the five pillars of our sustainability strategy: ‘health, safety and security, ‘climate’, ‘people and culture’, ‘community’ and ‘environment’. Throughout this report, sustainability can refer to any one of these items and may be used interchangeably with each of these terms. Each use of the term sustainability should be understood in this context and in the specific context of the topic discussed.

The metrics in this report should be read in conjunction with the footnotes and glossary in this report.

REPORTING FRAMEWORKS

Karoon’s fourth Sustainability Report continues to align with the International Petroleum Industry Environmental Conservation Association (IPIECA) Sustainability Reporting Guidelines and Global Reporting Initiative (GRI) Standards. Additionally, this report has been prepared considering the Australian Sustainability Reporting Standards (ASRS), S1 and S2, which applies to Karoon from 1 January 2025 onwards.

EXTERNAL ASSURANCE

PricewaterhouseCoopers (PwC) have provided limited assurance on Karoon’s total Scope 1 and Scope 2 emissions, total emissions intensity, safety statistics for operated assets and the surrender of voluntary carbon units (VCU’s) to offset emissions. Their report is available on page 47.



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INTRODUCTION

The Company is pleased to present the 2024 Sustainability Report, including Karoon's first full year of operations at the Who Dat production asset in the Gulf of Mexico.

Karoon prioritises safety above all else. In 2024, Baúna's safety performance fell short with four recordable injuries, including two LTIs, a deterioration relative to 2023 performance. We believe all incidents and injuries are preventable and have previously demonstrated that this can be achieved. We will enhance our vigilance, implement additional safety initiatives and strengthen existing controls in collaboration with our contractors.

There were no recordable safety incidents associated with the Who Dat operations.

The Company has continued its focus on further developing Process Safety Management and understanding. However, during 2024 there were two Tier 2 gas release events, compared to none in 2023. In response, further improvements in facility maintenance, inspection and Process Safety awareness will be undertaken during 2025, working in close collaboration with the FPSO contractor.

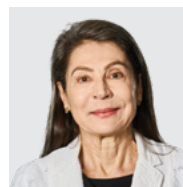
Overall environmental performance remained good, with no significant incidents during the year. However, poor operational reliability at the Baúna Project resulted in higher gas flaring than planned. Improving the reliability of the FPSO is a high priority and is expected to materially reduce gas flaring in 2025.

Our commitment to remain Carbon Neutral for Scope 1 and 2 emissions through the use of carbon offsets was met with the surrender of 204,071 verified carbon units (VCUs), fully covering emissions from 1 July 2022 to 31 December 2023. Our ability to meet future commitments was further strengthened with the execution of a five year agreement with Suzano S.A., to supply 100,000 high quality afforestation, reforestation and revegetation (ARR) credits per year.

Karoon has a strong record of engaging with and supporting those communities in which we operate, through our social and community programs. In 2024 our program in Brazil expanded to include four voluntary and eighteen incentivised projects, half of which were continued partnerships. This shows the importance we place on building lasting relationships with communities and local organisations.

In 2024, the Company reviewed its sustainability strategy and committed to continuing to minimise emissions where practical and to fully offset its operated Scope 1 and 2 emissions. In addition, recognising that future growth is likely to also increase absolute emissions, the Company will aim to reduce emissions intensity by 30% by 2032 from a 2021 baseline.

The review considered many factors including current asset operational performance and potential future growth, as well as advancements in offshore emissions reduction technology. Consequently, the Company has updated its commitment to achieving 'Net Zero by 2050 or sooner' for Scope 1 and Scope 2 emissions, replacing the previous target of 2035, while continuing to focus on reducing absolute emissions where practical and economical. Our Climate Transition Action Plan (CTAP) which will be developed in 2025, will specify Karoon's approach and pathway to achieving Net Zero by 2050.



A handwritten signature in black ink, appearing to read 'Luciana Rachid'.

Luciana Rachid
Chair of the
Sustainability
and Operational
Risk Committee



A handwritten signature in black ink, appearing to read 'Julian Fowles'.

Julian Fowles
CEO and Managing
Director



US\$142.9

Contribution to the Brazilian, Australian and US economies in wages, royalties, levies and taxes as well as social and community and environmental programs²



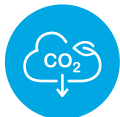
0.77

Total Recordable Incident Rate (TRIR per 200,000 hours)¹



127,996

Absolute Emissions (Scope 1 and 2, tCO₂e)²



11.7

Emissions Intensity (Scope 1 and 2, kgCO₂e/boe)²



100%

Scope 1 and 2 Emissions offset 2023 (%)²



4.4

Flaring (% of gas produced)¹



2

Tier 1 & 2 Process Safety Events²



5.4

Oil in Water (ppm)¹



US\$2.4m

Contribution to Social and Communities (\$ amount, voluntary and incentivised)¹

1. Operated assets.

2. Operated assets and non-operated assets on an equity basis.



THE WAY WE WORK

Over the past twenty years Karoon has significantly evolved as a business, from our start as an exploration company in 2004, to a production company with the acquisition and operation of the Baúna Project and associated fields in 2020, and the acquisition in late 2023, of a non-operated interest in our second producing asset, Who Dat, in the Gulf of Mexico.

Both offshore Brazil and the USA offer exposure to industry leading operations and technology, high quality oil and gas Reserves, and low emission intensity production. Our existing assets reflect Karoon's aspiration to grow through strategic investment in such assets as we build our pathway towards Net Zero.

Karoon's priority is to safely, reliably and efficiently deliver value adding production and over the long term to grow as a business, leveraging opportunities to add high quality, high value, low emission intensity assets to our portfolio. Our six Strategic Pillars, 'Sustainability and ESG; Operational Excellence; Organic Growth; Inorganic Growth; Organisational Culture and Design; and Funding' support this aspiration.

A key consideration influencing Karoon's approach to sustainability is to meet and exceed where practical the evolving regulatory requirements and policy environment in the regions in which we operate. As Australia introduces mandatory climate-related reporting requirements, and Brazil introduces a 'Cap-and-Trade' emission trading system, Karoon is adapting to these changing conditions and aligning the Company to meet both local and global standards.

While Karoon's strategy is evolving to meet the needs of a growing international business, the values and priorities of the Company remain unchanged.



OUR PURPOSE

To provide energy safely, reliably and responsibly, creating lasting benefits for all our stakeholders.

OUR VISION

To be a leading, independent international energy company that adapts to a dynamic world in an entrepreneurial and innovative way.

OUR MISSION

To empower our people to deliver safe and reliable operations and build scale in a socially responsible and sustainable manner.

OUR VALUES

Guide how we operate as a business and underpin everything we do.



Safety is our highest priority, a state of mind in respect of personnel, community, and the environment.



Integrity is honestly doing what is right and what we say we will do.



Collaboration is working together, to achieve our goals and striving for better outcomes for all stakeholders.



Commitment is following through on our promises with focus, passion, and dedication.



Respect is actively listening to, harnessing, and embracing different backgrounds, cultures, thoughts, and ideas.

SUSTAINABILITY STRATEGY

2024 marked the successful completion of Karoon's 2021 strategic plan. Under this plan, eleven sustainability targets were set, of these, eight have been fully achieved, two remain in progress and only one has not progressed due to market and business changes.

The second half of 2024 saw the development of the next phase of Karoon's sustainability strategy, working closely with Karoon's executive leadership team and Board of directors to develop a sustainability strategy that supports the business, demonstrating continuous improvement and a positive impact. The original five pillars, namely health, safety and security, climate, people and culture, environment and community remain very relevant for us as a business and continue to be the framework on which our sustainability strategy is constructed.

Health, Safety and Security

1. Personal Safety

Karoon remains committed to managing our operations in a way that puts the health, safety and security of people first.

Our focus is to continue to mature our safety systems and to work collaboratively with our contractors and partners to reduce the risk of a serious injury for our workers. This includes focusing on hazard identification, risk management and incident investigation, as well as introducing physical improvements in our work environments.

2021 SUSTAINABILITY STRATEGY RESULTS

Goal	Progress
Implementation of identified emission reduction opportunities	✓
Identification of additional emission reduction opportunities	➔
Carbon neutral for scope 1 & 2 emissions through the use of carbon offsets	✓
Focus on R&D projects supporting sustainability and emission reduction	✓
Long term agreements (5 years) in place for the purchase of offsets (VCU's)	✓
Equity investment in carbon credit generating projects	—
Establish an internal carbon price	✓
Executive remuneration linked to sustainability objectives	✓
Annual climate change reporting using the TCFD framework	✓
Assurance on Scope 1 and 2 emissions	✓
30% female participation on the Board and in senior management by 2025, 50% female employees across Karoon Group	➔

- ✓ Achieved
- ➔ In progress
- Not progressed

In addition, we will continue to strengthen and promote a positive safety culture on all our facilities and across our business. During 2025 there will also be a focus to promote understanding of Karoon's 'Golden Safety Rules' which are specifically designed to minimise serious or fatal injuries. In 2024 Karoon introduced a Learning Management System (LMS) in our Brazilian operations, which aims to embed transparency, accountability and consistency for training. Eventually this will be rolled out throughout Karoon's business.

Building on the progress made in 2024 in improved event reporting classification, risk management, auditing and control verification, 2025 will focus on enhancing safety, integrity and reliability, with further development of processes, procedures and staff capability.

2. Process Safety

The implementation of a Process Safety Management (PSM) program will strengthen operational risk management, Safety Critical

Equipment maintenance, verification of key controls, and compliance with regulations and industry standards, thereby reducing risk of process safety events and ensuring safe operations.

3. Cyber Security

To further assist management in achieving the desired strategic objectives, Karoon will enhance production modelling and planning systems by integrating modern technology solutions, including big data architecture and advanced computational methods, to drive more informed, data-driven decision-making while ensuring the integrity and security of our information. Karoon's recently upgraded global network, infrastructure, communication, collaboration and cybersecurity architecture has been designed and deployed to support and protect the business today and future growth opportunities. New offices and acquisitions are a simple 'plug and play' activity to have them securely connected and collaborating

across Karoon. Global data centre partnerships are in place to support future infrastructure and cloud computing needs, as well as provide robust backup and recovery services to maintain business continuity.

To drive business improvement, we will implement several near-term opportunities, including to:

- Develop a cross-functional, company-wide, digital transformation strategy.
- Establish big data architecture and a data integration platform to effectively and purposefully collect Karoon data.
- Complete cybersecurity control measures, a technology framework, and a management system to meet the National Institute of Technology and Standards (NIST) 3.0 framework.
- Adopt AI toolsets such as language models (LM) for general productivity and machine learning (ML) for efficiency and productivity across reservoir and exploration datasets.



Building on the progress made in 2024 in improved event reporting classification, risk management, auditing and control verification, 2025 will focus on enhancing safety, integrity and reliability, with further development of processes, procedures and staff capability.

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Climate

Karoon's long term target is to become a Net Zero Company for Scope 1 and 2 emissions, meaning a substantial reduction in operating carbon emissions over a given period, complemented by offsets for any residual emissions. As part of a sustainability strategy review, the Company elected to adopt a revised target of 'Net Zero by 2050 or sooner' for Scope 1 and 2 emissions in order to reflect the Company's growth strategy, practical and economic opportunities to reduce emissions offshore, and alignment with industry norms and global trends.

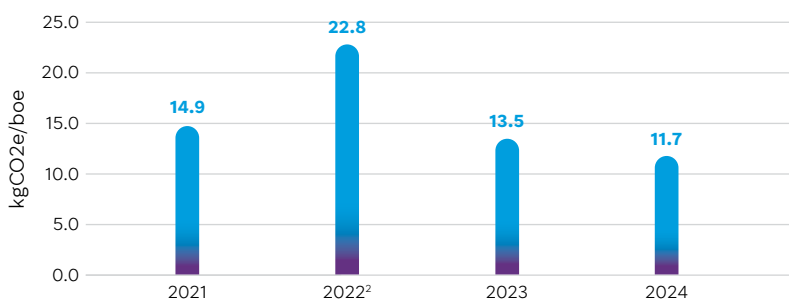
This change recognises the operating lessons we have learnt over the last four years as an operator and the unique challenges associated with decarbonising existing upstream assets due to their location and the environment in which they operate, as well as changes in our industry and the broader environment.

In the medium term, as Karoon grows, CO₂ emissions from our producing assets will increase. To balance this, we aim to reduce emission intensity through improved practices and new technologies. Although Karoon is already below the Oil and Gas Climate Initiative (OGCI) industry target of 17 kgCO₂e/boe¹, we aim to improve further.

Since 2021, we've reduced emission intensity by 21%, from 14.9 kgCO₂e/boe to 11.7 kgCO₂e/boe in 2024. Future reductions will focus on steady operations, efficiency, and emission reduction technologies, guided by our Climate Transition Action Plan (CTAP) to be developed in 2025, along with selective growth opportunities.

In addition to these two primary goals, the Company is dedicated to remaining Carbon Neutral for Scope 1 and 2 emissions. This will be achieved through the use of carbon offsets (see Metrics & Targets, page 22), with a focus on higher quality and higher permanence carbon credits. This has been an essential part of the Company's sustainability strategy

Emission Intensity
(Annual; Scope 1 & 2)



since becoming an operator. The commitment to improving the quality of the credits used and expanding to include non-operated assets on an equity basis reflects the Company's commitment to continuous improvement.

Karoon recognises that while technology to reduce emissions from offshore production is evolving, it is not yet always economically viable for existing offshore facilities. Proven technology is being trialled by the offshore industry and it is expected that significant developments will make it more economical for new assets by the 2030s and beyond.

Karoon continues to invest in research and development that supports sustainability initiatives, particularly operational efficiency through the application of Artificial Intelligence (AI) technology. Karoon's next target is to develop Karoon's Climate Transition Action Plan (CTAP) in 2025 and establish a clear decarbonisation pathway for the Company that will include existing and emerging technology, operational efficiency and process improvement, and reduction of fugitive emissions.

People and Culture

Karoon's commitment to People and Culture is reflected in our Company Mission. We believe that supporting the wellbeing of our people, and promoting an inclusive and diverse culture promotes safety, engagement, and productivity. We aim to attract

and retain the best people and have the right skills and capabilities in place to support future work needs.

Our OneKaroon culture is centred upon supporting a thriving workforce and our employee programs are designed to reflect the needs of all employees including the provision of flexible working schedules and work-life balance programs.

In 2024, we implemented employee programs aimed at supporting positive employee engagement, reducing turnover, and increasing individual accountability to support high productivity.

Diversity and inclusion is a key priority for Karoon and is reflected in our target of at least 30% participation of women on the Board, in Senior Leadership positions, and 50% across the entire Karoon network. Ensuring pay equity and the absence of any gender bias in our recruitment and remuneration processes is equally a significant priority at Karoon.

Community

Karoon remains committed to supporting the communities in which we operate and on supporting gender and social equality, advancing education, and fostering positive socioeconomic change.

Under our strategy we have set two key commitments. The first is to ensure that as the business continues to grow, we continue to build and improve our community support.

1. <https://www.ogci.com/carbon-intensity-target>.

2. 2022 Scope 1 emission intensity includes emissions associated with Patola development and Neon control well drilling.

The percentage of voluntary social contributions will increase from 0.03% to 0.05% in 2025 and be set at 0.1% of forecast annual sales revenue by 2027.

The second is to broaden our social program to encompass all regions in which Karoon has a presence, whilst maintaining a primary focus on support in Brazil and applying the lessons learnt there into our other business locations.

Environment

Karoon is committed to minimising the impact of its operations on the environment. Our focus is firstly to minimise and reduce where feasible our emissions and discharges, aiming to outperform regulatory environmental targets and ensuring comprehensive monitoring of air emissions and water discharge. We will also continue to focus on waste reduction and disposal opportunities.

Lastly, we maintain and practice appropriate pollution response and control plans, which meet or exceed local regulatory requirements.

KAROON'S SUSTAINABILITY PILLARS

Sustainability Pillar

Target



Health, Safety and Security

- Continue to mature our safety systems and to work collaboratively with our contractors and stakeholders to reduce the risk of a serious injury for our workers.
- Build a culture of awareness and understanding of the hazards that our workers face every day.
- Personal safety TRIR target of 0.4 (per 200,000hrs).
- Process safety target of zero for Tier 1 or Tier 2 Process Safety Events.
- Achieve a 3.0 rating in the NIST Cyber Security Framework (CSF 2.0) maturity model.



Climate

- Deliver Net Zero for Scope 1 & 2 emissions by 2050 or sooner.
- Reduce Scope 1 and 2 emissions intensity 30% by 2032 from a 2021 baseline.
- Remain Carbon Neutral for Scope 1 & 2 emissions through the use of certified carbon offsets on an equity interest basis, whilst improving the quality and permanence of credits.
- Deliver Karoon's Climate Transition Action Plan (CTAP) and establish a clear decarbonisation pathway for the Company that will include technology, process improvement and fugitive emissions reduction.
- Align on an industry near zero fugitive methane emissions initiative.
- <1.5% volume of gas flared, as a percentage of gas produced.



People and Culture

- 30% female participation on the Board and in senior management, and 50% female employees across Karoon Group.
- Ensure the voluntary turnover of female employees is similar to the overall Karoon Group percentage turnover.
- Ensure pay equity for all employees.
- Make flexible working arrangements available to all employees.



Community

- Voluntary social contributions to be set as 0.1% of annual sales revenue by 2027.
- Broaden our social contribution to encompass all regions in which Karoon has a presence.



Environment

- Outperform regulatory environmental targets and ensuring comprehensive monitoring of air emissions and water discharge.
- Focus on waste reduction and disposal, with the aim of increasing recycling and reuse and reducing disposal to landfill.

CORPORATE GOVERNANCE

Karoon understands the importance of a robust and dynamic governance framework ensuring decisions on Sustainability strategy, risks and opportunities are considered alongside other business decisions and that proper processes are applied to establish targets, develop initiatives and monitor performance.



Karoon's Board of directors meets at least six times annually to provide oversight and feedback to its committees and executive leadership team on strategic direction, risk management, performance and governance across all six organisational pillars, including sustainability. The Board is also responsible for determining Karoon's short term (STI) and long-term incentive (LTI) plans. In 2024 sustainability and climate metrics formed a key component of Karoon's corporate remuneration structure, with 10.5% of STI outcomes attributed to sustainability (See Annual Report Remuneration page 53).

Oversight of Sustainability performance and strategy is undertaken with input from Karoon's Board via the Sustainability and Operational Risk Committee (SORC). The SORC's charter specifies the committee's responsibilities to the Board, areas of oversight and strategic direction, and balancing the priorities of the five pillars of sustainability.

Meeting at least twice annually, the SORC sits within Karoon's broader governance structure alongside the Audit, Risk and Governance Committee (ARGC) & People and Culture Committee (PCC). These committees support the Board in ensuring management's delivery of organisational objectives and targets that are aligned to strategic planning and the outlook of other areas of the business.

The SORC has responsibility to ensure that the Company has the skills, experience and competencies required to address key sustainability challenges and to deliver the desired outcomes. The monitoring of appropriate policies, plans and resources is carried out via the monitoring of regulatory requirements, technology developments, industry and sector best practices, and emerging global trends.

The SORC also oversees Karoon's sustainability strategy, ensuring that targets align with Karoon's broader strategic plan and are given the appropriate support and focus. In 2026 this will include Karoon's first CTAP which is planned to be developed in 2025 and published in 2026.

The SORC develops, reviews and maintains policies related to sustainability, safety, the environment and risk. In 2024 this included the introduction of Karoon's first Human Rights Policy, which is aligned with the UN Guiding Principles on Business and Human Rights. SORC managed policies and statements are publicly available through Karoon's website (karoonenergy.com) and include:

- Diversity Policy
- Health, Safety, Security & Environment (HSSE) Policy
- Human Rights Policy
- Sustainability Policy
- Risk Management Policy
- Anti-Bribery, Fraud and Corruption Policy (ABFC) Policy
- Speak Up Policy
- Whistleblower Protection Policy
- Modern Slavery Statement

The Executive Leadership Team (ELT) is responsible for implementing Karoon's sustainability strategy and reporting on progress to the SORC. These initiatives include the pursuit of strategic sustainability objectives, monitoring of performance and the monitoring of climate related risks. Karoon's assessment of climate related risk has broadened in 2024 with a more detailed assessment of climate transition risk and opportunities in line with Karoon's broader Enterprise Risk Management (ERM) system.

TRANSPARENCY AND ETHICS

Karoon is committed to transparent and ethical business operations at all levels, as detailed in our corporate Anti-Bribery, Fraud & Corruption policy (ABFC) which is overseen by the ARGC. Through the measures outlined within the ABFC Karoon aims to maintain a maximum degree of integrity and transparency regarding payments to governments, third parties and contractors, in addition to ensuring all personnel and informed of potential risks, whilst upholding a high standard for ethical conduct. The ABFC Policy provides guidance to stakeholders, outlines standards of conduct and expectations of all employees and contractors of Karoon, whilst specifying recourse and corrective actions in the event of any ethical breaches.





HEALTH, SAFETY AND SECURITY

For Karoon, ensuring health, safety and security remains at the forefront of everything we do. Safety is a core value of the Company and the first of the five Pillars of sustainability, encompassing personal safety, health and wellbeing, process safety and cyber security.

OUR APPROACH

Karoon promotes a shared 'duty of care' and interdependent safety culture with a proactive approach to safety management, that aims to deliver continuous improvement. In all areas we work in close collaboration with our contractors and project partners.

Karoon's safety systems are implemented across all disciplines within the business with a focus on continuous improvement, using a 'Plan, Do, Check, Act' quality cycle approach. A collaborative approach is undertaken with contractors, suppliers, partners and peer organisations encouraging hazard reporting and lessons learnt, identifying opportunities to improve industry performance and implement best practice.

This is undertaken in line with policies, standards and procedures set out in our Operating Management System (OMS). Under OMS, inspections, audits and risk assessments are carried out throughout the business from production and logistics activities through to our onshore offices, verifying controls are effective and regulatory requirements are met.

Karoon maintains a robust governance and risk management framework to identify and mitigate risks to as low as reasonably practicable (ALARP) and will not proceed with

any activity until safety risks are reduced to an acceptable level. With our contractors we adopt a thorough approach to hazard identification and risk assessment, which is a vital tool in preventing harm to people, the environment and assets. The outcomes of the Hazard Identification and Risk Management process are used in setting objectives, optimising project activities, maintenance, inspections, testing, emergency procedures, identifying areas requiring monitoring and audit, and determining HSSE training & competency requirements.

PERFORMANCE AND ACHIEVEMENTS

In 2024, we did not meet our expectations for safety performance, with two Medical Treatment Cases (MTC's), two Lost Time Injuries (LTI's) and 9 High Potential Incidents at the Baúna Project. Three of the injuries occurred during maintenance activities and the fourth was associated with manual handling during FPSO re-supply activities.

These and other events were investigated to identify their root causes, with three key themes and areas for improvement being identified, namely; failure to properly deenergise and isolate equipment, line of fire body positioning and manual handling and movement.

As a result of learnings from 2024 a key initiative is to relaunch Karoon's Golden Safety Rules, as well as an increased focus on risk and hazard identification and building maturity into our work planning and permitting systems. The Golden Safety Rules represent an established and industry wide approach to preventing serious injury and fatal incidents.

There were no recordable injuries associated with the Who Dat operations.

Process safety performance was also disappointing, with two Tier 2 events at our Baúna FPSO. Both events involved a loss of primary containment (LOPC) of hydrocarbon gas. In both instances the control systems and the teams involved responded as per procedures and the events were quickly controlled. Work in the second half of the year has focused on reducing the risk of recurrence and this remains an area of ongoing focus in 2025.

In the second half of 2024 Karoon invested in initiatives to digitise and automate our Operating Management System (OMS) processes. This included a system to manage legal requirements and compliance audits in Brazil, and a Learning Management System (LMS) to enable improved delivery and monitoring of training across the business. While Karoon aspires



0.77
Total Recordable
Incident Rate
(TRIR per 200,000 hours)¹



0.38
Lost Time Injury Rate
(LTIR per 200,000
hours)¹



0
Fatalities¹



2
Lost Time Injuries¹



2
Medical Treatment Cases¹



0
Restricted Work Injuries¹



9
High Potential Incidents¹



2
Tier 1 or 2 Process Safety
Incidents¹

to exceed legal and regulatory expectations, these initiatives aim to ensure that all the minimum requirements are always met during our operations.

In our Brazil office, Karoon has established the Internal Accident Prevention Commission (CIPA), with the primary goal of preventing safety

incidents and work-related illnesses, ensuring that work is consistently aligned with the preservation of life and the promotion of workforce health. In October, the Karoon Rio de Janeiro office organised a 'Week for Prevention of Accidents at Work' (SIPAT) featuring a range of initiatives and lectures promoting health and safety values.

Safety performance at the non-operated Who Dat facility continued to demonstrate what can be achieved, with no recordable incidents and no Tier 1 or 2 Process Safety events reported in 2024. Safe operations at Who Dat will continue remain a priority in 2025.

1. Operated assets.

EMERGENCY & CRISES RESPONSE

Karoon recognises the need to be appropriately prepared to respond to a potentially wide range of unplanned incidents. To address this, Emergency Response Teams (ERT), an Incident Management Team (IMT) and Crisis Management Team (CMT) are established in Brazil and Australia to implement emergency and crisis response plans, working together with our contractors, regulatory authorities and other stakeholders.

For major hazards, Karoon and our contractors have specific emergency plans defining response strategies, communication flows and procedures. Among these, Karoon is responsible for planning and executing the Oil Spill Response and Medical Evacuation (MEDEVAC) plans for Baúna. Drills and training is periodically planned and executed to maintain a state of readiness to respond. For example, under the Baúna Oil Spill Response Plan, Karoon conducts annual drills with IBAMA, the Brazilian regulatory agency.

Training remains core to ensuring a safe working environment. All employees, contractors and senior management undergo a safety induction upon joining the Company or commencing work. A training needs analysis (TNA) has been completed for all Karoon Brazil employee roles and a new online Learning Management System has been implemented to ensure visibility and accountability for training. Training content is regularly reviewed, incorporating feedback and the evolution of safety standards with new content delivered online and through regular in-person workshops.

PERFORMANCE MONITORING

Onboard the Baúna FPSO, daily performance monitoring, incident reporting and audits are managed by Karoon's Company representatives, assisted by HSSE Advisors who visit the facility regularly to conduct assurance audits and ensure all safety functions are running smoothly. These are supplemented by regular senior management visits to the facility.





CYBER SECURITY

Sustaining resilience through adaptive cyber security practices

Karoon understands the importance of cybersecurity for operational stability and long-term shareholder value and throughout CY24 initiatives were geared towards building adaptability, resilience and proactive risk management. Karoon focused on strengthening the fortification of our digital assets against the evolving threat landscape while positioning us for future growth.

Over the past year, Karoon has implemented targeted measures to mature the Company's security posture and is committed to achieving NIST Cybersecurity Framework Maturity Level 3. This commitment builds on the existing compliance framework, with the Essential 8 maturity model and adhering to privacy regulations across all jurisdictions where we operate. These frameworks guide our practices and ensure our readiness to adapt as regulatory requirements and business priorities evolve.

Resilience and Business Continuity

Our cybersecurity operations are designed to proactively identify and address potential risks to Karoon. We have enhanced our incident response capabilities by establishing a dedicated Security Operations Centre, enabling swift and effective responses to emerging threats. Additionally, Cyber Incident and Risk Management are now fully integrated into our enterprise risk and crisis management frameworks.

Advancing a Culture of Cyber Awareness

A core component of Karoon's cybersecurity strategy is fostering a culture of cyber awareness across the business, through continuous education on emerging threats, including advancements in AI-driven attack vectors. Karoon have raised awareness at all levels, ensuring our workforce remains vigilant. Throughout 2024 employees have been exposed to an annual campaign of awareness and capability, inclusive of 1 to 1 training, regular monthly simulations and training exercises, in addition to fortnightly training opportunities.

Our expanded phishing simulations and other training initiatives have reinforced employee engagement and readiness, a cornerstone of our holistic security approach.

Maturing Governance and Flexible Architecture

In 2024, Karoon enhanced our governance practices to ensure that cybersecurity policies are responsive to both current risks and future growth. The establishment of a centralised Information Security Management System (ISMS) and regular operational reviews have elevated visibility across the organisation, enabling consistent and proactive management of cyber risks. Our flexible infrastructure and global monitoring capabilities provide a scalable, adaptable platform that can support Karoon's strategic direction, regardless of changes in market focus or regulatory environments.

Karoon's strong cybersecurity commitment is based on solid governance, flexible architecture, and proactive threat mitigation. These efforts ensure our resilience and ability to meet shareholder expectations while protecting our operations.

CLIMATE

Karoon recognises the critical role of the energy sector in addressing climate change and is committed to responsibly managing our emissions while contributing to a lower-carbon future. Our approach focuses on reducing our environmental footprint, enhancing operational efficiency, and reducing our emission intensity.

OUR APPROACH

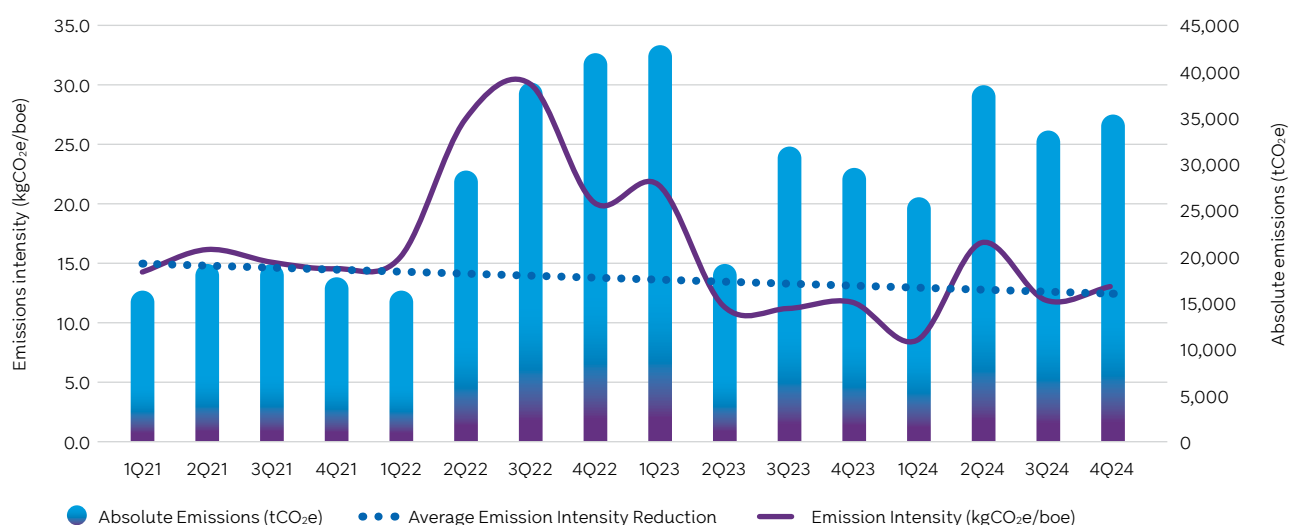
Karoon recognises the challenge that climate change represents, particularly for our industry, and as such the importance of minimising the impact of business operations on the environment. Climate is one of Karoon's five Sustainability Pillars and is a consideration in business

activities. Given the nature of our business, managing Karoon's impact on climate is key to the business strategy now and in years to come.

While Karoon works toward our Net Zero by 2050 or sooner target, the Company is committed to remaining Carbon Neutral for Scope 1 & 2 emissions. Karoon have achieved

this in 2024 through high quality, Verra certified carbon off-set purchases, a measure in place since our first production year in 2021. This target of Scope 1 & 2 Carbon Neutrality applies to all assets, both operated and non-operated, on a net equity basis.

Scope 1 & 2 Absolute Emissions and Emission Intensity¹



1. Emission intensity increased in 2Q 2022 to 1Q 2023 due to work associated with the Baúna wells workover activities, the Patola development and Neon control well drilling which were accounted for as Scope 1.



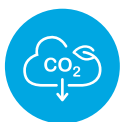
127,937 tCO₂e
Scope 1 Emissions²



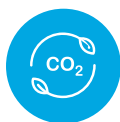
59 tCO₂e
Scope 2 Emissions²



4,651,475 tCO₂e
Scope 3 Emissions¹



11.7 kgCO₂e/boe
Emissions Intensity
(Scope 1 & 2)²



100%
Carbon Neutral
Scope 1 & 2 offsets for
2023 through the use
of offsets²



1,544 tCO₂e
Avoided Emissions¹

PERFORMANCE & ACHIEVEMENTS

Emissions

Karoon's absolute Scope 1 and Scope 2 emissions increased year on year from 123,802 tCO₂e in CY2023 to 127,996 tCO₂e in CY2024. The addition of the lower emission intensity Who Dat asset helped to limit this increase and our Scope 1 and Scope 2 emissions intensity of 11.7 kgCO₂e/boe remained significantly below the OGCI industry target of 17 kgCO₂e/boe³.

Key factors leading to this increase were:

- The addition of a full year of production from the Who Dat asset.

- Downtime of key equipment in 2Q and 3Q at our Baúna FPSO requiring additional safety flaring which increased from 1.94% in 2023 to 4.38% of gas produced as well as additional diesel consumption to replace natural gas in electricity generation.
- Unavailability of production from SPS-88 at the Baúna FPSO.
- Shut-in for planned maintenance activities at both Baúna and Who Dat.
- Two shut-ins at the Who Dat facility associated with hurricanes, Francine and Helene in September, which resulted in both a reduction in production and increased unplanned safety flaring.

- The safety shut-in of the Baúna FPSO in December following the failure of a second mooring line.

Operational reliability has had the most significant impact on emission performance in 2024. This is being managed through enhanced maintenance activity completed in 2H 2024 as well as planned maintenance in 1H 2025, which will address the core reliability. Additionally, the planned reactivation of SPS-88 will see increased production at the Baúna FPSO, which will help lower emissions intensity.

An error in the calculation of emissions from flaring was also identified in 2024 that resulted in an over estimation in previous years, this has been corrected for 2024.

1. Operated assets.

2. Operated and non-operated assets.

3. <https://www.ogci.com/carbon-intensity-target>.

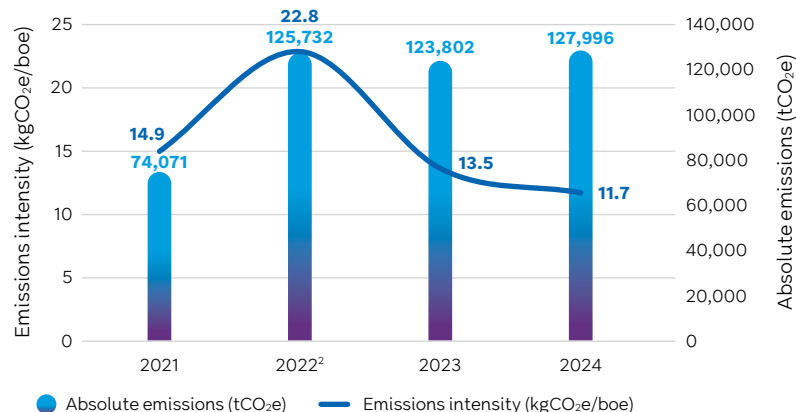
Carbon Neutral (Scope 1 and 2)

Karoon's commitment to remain Carbon Neutral for Scope 1 and Scope 2 emissions continued with the offsetting of emissions for July 2022 to December 2023:

- Scope 1 emissions for Karoon's financial year, July 2022 to June 2023, were offset through the surrender of 142,025 VCUs in March 2024, with a further 62,046 VCUs surrendered in September 2024 to offset emissions from July to December 2023.
- Scope 2 emissions for 2023 were offset for our Brazilian office and shore based activities through the purchase of International Renewable Electricity Certificates (iRECs) in January 2024 and surrender of VCU's in March 2024. Our Melbourne head office continued to purchase 100% renewable electricity.

To ensure Karoon's ongoing ability to maintain our commitment to be Carbon Neutral for Scope 1 and 2 as well as our commitment to continuing to improve the quality of offsets used, in December 2024 Karoon entered into a 5 year agreement with Suzano S.A, in Brazil, for the purchase of ARR credits from their Horizonte project. Combined with our existing agreements this secures a pipeline of carbon offsets to meet Karoon's forecast emissions for the next five years.

Scope 1 & 2 Absolute Emissions and Emissions Intensity¹



Projects

In addition to the strategic review and scenario analysis previously mentioned, 2024 saw the completion of several projects under our strategic plan as well as implementation of systems and initiatives to support our revised strategy. Key outcomes of these were:

1. Karoon purchased 151,373 VCU's (carbon offsets) from the Hiwi project in March, a REDD+ project that Karoon partnered with in 2023, and 61,200 VCU's in June from the Tambopata REDD+ Project in Peru. This enabled Karoon to offset emissions from operations from 1 July 2022 to 31 December 2023.
2. Commencement of a decarbonisation review of Karoon's Baúna asset. Siemens Energy were engaged to conduct the assessment, identifying opportunities to reduce emissions from existing operations. Phase 1 of the initiative has been completed; shortlisting focus areas based upon a dual criteria of potential difficulty and potential financial returns. Three key opportunities have been identified and phase 2 is planned for completion in 1H 2025.
3. Implementation of the software platform Sphera in 2024, supporting consistent, accurate management of climate and environmental data. Sphera provides greater transparency and analysis of data as well as positioning Karoon for emerging reporting and verification requirements under ASRS reporting requirements.



1. Operated assets.

2. 2022 Scope 1 emission intensity includes emissions associated with Patola development and Neon control well drilling.

CARBON PROJECTS

Hiwi – CarboNext

In 2023 Karoon committed to a five year off-take agreement to acquire verified REDD+ (Reducing Emissions from Deforestation and Degradation) credits from the Hiwi project located in Bujari, in the northern region of Brazil. This area has significant deforestation risk through the expansion of the cattle industry and from 2001 to 2022, Bujari lost 77.4 thousand hectares of tree cover, equivalent to a 27% decrease.

The Hiwi project aims to protect more than 20,000 hectares of tropical forest in the region. In addition to fitting under the Verra verified carbon standard (VCS), the project has also been certified under the Climate, Community, Biodiversity (CCB) standard, ensuring co-benefits to local communities.

In March 2024 Karoon received our first verified carbon credits from the project, these credits along with credits from the Tambopata project in the Tambopata-Bahuaja biodiversity reserve in Peru, were used to offset Scope 1 emissions from Karoon's 2022-23 financial year.

Horizonte – Suzano

In December 2024, Karoon committed to a 5 year off-take agreement with Suzano for verified carbon credits generated at their project, Horizonte de Carbono Project, located in the municipality of Três Lagoas, in the Cerrado biome of Brazil. Restoration work commenced in 2023 based on the methodology of afforestation, reforestation and restoration (ARR) and certified by Verra.

The Horizonte project involves the implementation of an integrated landscape, which combines the planting of fast-growing species, in this case, eucalyptus, with the planting of native species in areas intended for conservation and environmental restoration.

Environmental restoration includes activities to control erosion processes and rehabilitate degraded areas, control exotic species, promotion of natural regeneration, and planting of native species.



CLIMATE GOVERNANCE

Karoon maintains a focus on climate-related risks, opportunities, strategy and targets within the broader Sustainability Pillar. Climate specific risks, opportunities, targets and strategy are reviewed by the SORC and Board. During decision making, issues for each Sustainability Pillar are considered both independently and in relation to other pillars, including any trade-offs or conflicts.

The Sustainability function, headed by the Group Sustainability Manager, reports to the Board and Executive Leadership Team (ELT) on climate-related risk management, strategy development and implementation, target setting and tracking. This includes managing carbon offset purchase agreements, carbon accounting and reporting requirements, climate related risk assessments, and the development of decarbonisation and emissions reduction initiatives. In-Country sustainability and management teams take direct responsibility for the operational implementation of Karoon's strategy on a day-to-day basis as well as identification and implementation of further decarbonisation opportunities.

In 2024, Karoon has strengthened its focus on climate-related risk management, strategy and target-setting, for example by amending the SORC charter and Sustainability Policy to include specific consideration of climate-related risks and opportunities.

CLIMATE STRATEGY

Three significant events have influenced Karoon's climate strategy in 2024;

1. The successful completion of Karoon's 2021 sustainability strategy as discussed in the Sustainability Strategy section of this report (page 8).
2. The acquisition of a non-operated equity interest in the Who Dat asset in December 2023, which added natural gas to our product portfolio as well as entry into the Gulf of Mexico, a low emission intensity basin. This addition allows Karoon to continue to reduce our emission intensity in the short term while positioning us for long term low emission opportunities. It has also necessitated a review of Karoon's approach to emission reporting, with the addition of an equity share approach under the GHG Protocol.
3. Legislative changes in the two regions of operation, Australia and Brazil. In Australia, the passing of mandatory climate related disclosures legislation under the Australian Sustainability Reporting Standards (ASRS2) applies to Karoon from 1st January 2025. In Brazil the legislative approval of a Brazilian Greenhouse Gas Emissions Trading System (SBCE) will be phased in over the next five years.

These events as well as broader trends within our market and peers have been considered when defining our metrics, targets and forward climate strategy.

Metrics

As part of Karoon's ongoing climate related strategy, performance is monitored and benchmarked, with targets set to reflect Karoon's performance, sustainability strategy and areas for improvement. In doing so Karoon considers industry standards and best practice, regional and global regulatory requirements, and the relevant requirements of global initiatives on climate, such as the Paris Agreement and the UN Sustainable Development Goals. Emissions inventories are prepared in accordance with the technical specifications of The GHG Protocol surrounding Scope 1, 2 & 3 greenhouse gas emissions.

In 2024 Karoon has included the GHG Protocol 'equity share approach' for reporting of emissions associated with non-operated assets, including Who Dat, on a Net Working Interest (NWI) basis. Karoon's 100% owned and operated Baúna asset will continue to be reported using the 'operational control approach', aligned with the Brazilian GHG Protocol and Agencia Nacional do Petroleo, Gas Natural e Biocombustiveis (ANP reporting requirements). Including both approaches ensures accurate reporting of all emissions associated with our operations regardless of control.

For climate, the two primary metrics monitored are absolute overall Scope 1 & 2 emissions in tonnes of carbon equivalent (tCO₂e), and emissions intensity (kgCO₂e/boe), which uses produced volume as a normaliser. These two metrics allow Karoon to set consistent and relevant targets, accurately track progress, benchmark, forecast and ultimately reduce overall emissions from various sources across the business.

Targets

Karoon has reviewed its targets across short, near and long-term time horizons. This was done to more closely align the business with industry best practice and strengthen commitment to climate performance whilst maintaining strong business performance.

Climate targets were developed with the intention of keeping Karoon's performance in line with the Paris Agreement, UN Sustainable Development Goals and the legislative requirements in the locations Karoon operates, predominantly ASRS S2 and ISSB S2. Targets have been set using calendar year 2021, Karoon's first as an operator, as a baseline, and some preexisting targets have been reassessed. Methane and Fugitive emissions targets have been developed in line with Australia, Brazil and the United States adoption of the Global Methan Pledge.

SUSTAINABILITY TARGETS

Target	Timeframe	Metric of success	Details
Net Zero by 2050 or sooner	2050 (or sooner)	tCO ₂ e (Absolute)	A 'Net Zero by 2050 or sooner' for Scope 1 and Scope 2 emissions aligns Karoon with industry and global standards.
Emissions intensity	2032	kgCO ₂ e/boe (Intensity)	Reduce Scope 1 and Scope 2 emission intensity by 30% by end-2032 from a 2021 baseline.
Carbon Neutral for Scope 1 & 2 emissions	Ongoing	tCO ₂ e (Absolute)	Achieved from CY2021 onwards via use of verified carbon units (VCU's). From 2024 onwards this includes joint venture emissions on a NWI basis.
<1.5% Flaring	Ongoing	% (Absolute)	<1.5% of flaring as a percentage of gas produced.
Near Zero fugitive methane	2030	KgCO ₂ e/boe (Intensity)	Align on an industry near zero fugitive methane initiative.



FORWARD LOOKING STRATEGY

To achieve the climate targets set under Karoon’s revised sustainability strategy, several key short term initiatives have been prioritised:

- **Operational Reliability;** the most significant opportunity to reduce emissions across Karoon’s existing operations in the short term is to ensure stable and reliable operations are maintained. This was highlighted in 1Q 2024 where Karoon achieved an emission intensity of 8.2 kgCO₂e/boe across our business.
- **Remain Carbon Neutral;** Covering Scope 1 and 2 emissions through the use of carbon offsets. Karoon is also committed to improving the quality of credits, expanding our portfolio to include Afforestation, Reforestation & Revegetation (ARR) credits as well as existing REDD+.
- **Research and Development;** to achieve Net Zero for Scope 1 and 2 emissions by 2050 will require significant progress in the use of technology in offshore environments. Karoon remains committed to continuing to develop our knowledge and capacity in this area with a focus on technology that could further reduce our emissions.
- **Growth opportunity climate criteria;** Development of a set of climate criteria as part of future growth considerations. Under these criteria, new developments or acquired assets will aim to have a lower emission intensity, ensuring overall intensity continues to reduce. Acquired assets will also aim to develop decarbonisation programs aligned with Karoon’s Sustainability Strategy within 18 months of acquisition.

- **Fugitive emission reductions;** Karoon’s initial target is to reduce flared gas volumes to <1.5% of total gas volumes produced. Additionally, the Company will review opportunities to participate in industry partnerships and commitments to reduce fugitive methane emissions. Both of these initiatives will be detailed in Karoon’s CTAP.

We will also continue to monitor longer term sustainability opportunities relevant to our core business, such as new and emerging emissions reduction technology, alternative low carbon energy sources, and Carbon Capture Utilisation and Storage (CCUS) opportunities.

Ultimately, Karoon’s updated sustainability strategy aligns the business with our peers and global expectations, and Karoon is employing a suite of initiatives and programs to achieve this, whilst remaining on course to meet business needs and shareholder expectations.

Climate Related Risks and Opportunities

Understanding climate related risks and opportunities relevant to our business and industry are an important component of Karoon’s approach to sustainability, and continues to inform Karoon’s strategic planning. Whilst the ARGC oversees business risks in a broader context, the SORC provides focused oversight on sustainability and climate related risks.

In 2024 Karoon engaged external consultants ERM to undertake a comprehensive review and analysis of alternative future scenarios and climate-related transition risks and opportunities.

This analysis used the industry recognised International Energy Agency (IEA) Low Carbon Transition Scenarios to provide three unique scenarios (shown on the following page) based upon current stated policies (STEPS), announced pledges (APS) and Net Zero Emissions (NZA) forecasts. These scenarios simulated potential future states for Karoon based upon theoretical government policy adoption and forecast global trends. Following Karoon’s broader enterprise risk management system, material climate related transition risks for Karoon were shortlisted and analysed under each IEA scenario, identifying potential impacts and time frames in a range of potential future states.

Transition Risks and Opportunities
Analysis of future scenarios identified a preliminary list of ‘identified’ industry risks and opportunities holding potential impacts upon the business. This broader list was then focused upon the issues which hold the greatest potential impact for Karoon. This short list underwent further in-depth analysis.

SCENARIOS

Scenario	Anticipated warming	Policy basis
STEPS	2.4°C by 2050	Maintenance of current policy settings globally, inclusive of those under development currently. Business as usual scenario and not aligned with Paris Agreement.
APS	1.7°C by 2050	Alignment with TCFD & IFRS S2 recommendations. Assumes countries reach climate pledges in full and on time. This alignment also follows Paris agreement
NZE	1.5°C by 2050	Alignment with TCFD, IFRS S2 & Paris Agreement. Highest risk given the assumption of most ambitious policies and measures on climate. Paris Aligned

IDENTIFIED TRANSITION RISKS & OPPORTUNITIES

	Category	Risk/opportunity	Potential business impact
Risks	Policy and Legal	<ul style="list-style-type: none"> Carbon Price/Tax introduction (Medium) Methane & CO₂ emission reduction mandates (High) Increased mandatory (and voluntary) disclosure requirements (Medium) Increasing litigation or other legal action (Medium) 	<ul style="list-style-type: none"> Increased operating costs & requirements Increased reporting requirements Potential legal/financial penalty impacts
	Market	<ul style="list-style-type: none"> Decrease in demand of fossil fuels (High) Increase in cost of raw materials (Low) Increase in cost of carbon credits (Medium) 	<ul style="list-style-type: none"> Impact to revenues/growth potential Increased costs of supplies, raw materials & inputs
	Reputation	<ul style="list-style-type: none"> Reduced access to capital (High) Negative Stakeholder Action (High) 	<ul style="list-style-type: none"> Financial stakeholders change in priorities, limiting access to funding/investment.
Opportunities	Resource Efficiency	<ul style="list-style-type: none"> Measures to reduce energy use (Low) 	<ul style="list-style-type: none"> Reduced operational costs through retrofitting of assets
	Energy Source	<ul style="list-style-type: none"> Use of low emission energy sources (Low) Use of supportive policy incentives (Medium) Use of low carbon technologies (Medium) Carbon offset use (High) 	<ul style="list-style-type: none"> Decreased energy costs through renewable use/associated gas. Decreased operational costs through government incentives Reducing emissions/intensity at assets. Combat potential carbon price/tax impacts Keeping up with/leading development and sophistication of offset markets
	Products and Services	<ul style="list-style-type: none"> Development of a separate CCS business line (Medium) 	<ul style="list-style-type: none"> Purchase/investment of CCS projects, revenues through sales to 3rd parties Complement ongoing offset purchase program, potentially replace purchases, reducing costs.
	Market	<ul style="list-style-type: none"> Increased access to new markets (Low) Potential government incentives to operate in new markets (Low) Use of Carbon Credits to Differentiate Market Position (Medium) 	<ul style="list-style-type: none"> Sales into geographies not currently accessed

Low No risk treatment required and no ongoing review required.

Medium Consider risk treatment, identify gaps and action plans.

High Risk and appropriate treatment to be identified.

ANALYSED TRANSITION RISK & OPPORTUNITIES

	Category ¹	Impact	Scenario Risk Rating ^{1,2}			Timeframe	Potential actions/controls
			STEPS	APS	NZE		
Risks	Carbon Pricing	Critical (\$100 million by 2050)	Medium	High	High	Long Term	<ul style="list-style-type: none"> Price Pass-through Carbon credits acquisition to lower carbon emissions Carbon reduction initiatives to reduce offset costs.
	Methane Reduction Mandates	Low (<10m\$)	Medium	Medium	Medium	Short Term	<ul style="list-style-type: none"> Fugitive methane assessment to ensure understanding of fugitive emissions Reductions initiatives for existing and new assets Monitoring policy landscape to remain informed on incoming requirements
	Reduced Demand for Oil	Major-Critical (\$30.5 - \$300M)	Low	High	High	Short to Long Term	<ul style="list-style-type: none"> Possibility of Diversification to other fuels (For example, Natural Gas produced at Who Dat) , Competitive advantage gained from 'low intensity' oil through emphasis on Carbon Neutrality/offsets Diversification to emerging markets where demand is comparatively higher
	Cost of Carbon Credits	Minor-Critical (\$6.7M- \$114.9M) (annual cost)	Medium	N/A	High	Long Term	<ul style="list-style-type: none"> Reduce reliance on carbon credits through absolute emissions reduction. Given voluntary nature, reduce purchases.
	Negative Stakeholder Action	Major-Critical (>\$100M)	Medium	Medium	High	Short to Long Term	<ul style="list-style-type: none"> Maintain demonstration of intent on climate performance/Net Zero
Opportunities	Use of Carbon Credits to Differentiate Market Position	Minor-Significant	Low	Medium	High	Short to Long Term	<ul style="list-style-type: none"> Identifying high integrity sources of carbon offset credits & procure at beneficial rates vs forecasted prices. Monitor voluntary carbon offset markets continuously
	CCS Business Unit	Significant (>10M\$ annually)	Medium	High	High	Long Term	<ul style="list-style-type: none"> Joining relevant industry groups to support/lobby for development of relevant frameworks in Louisiana/GoM to support CCUS in depleted oil fields.

Low No risk treatment required and no ongoing review required.

Medium Consider risk treatment, identify gaps and action plans.

High Risk and appropriate treatment to be identified.

1. Karoon operates solely in the off-shore oil & gas industry, risks & opportunities deemed material for Karoon are focused on this sector.

2. Climate transition and physical risks are assessed in line with Karoon's corporate risk assessment framework. Risks and opportunities are assessed based on likelihood and potential impact, with ratings informed by corporate risk registers.

Physical Risks:

In addition to the transition risks potentially impacting the business, Karoon also recognises the risks associated with physical climate change. The key physical (acute) climate related risks which have the potential to have the most significant impact Karoon are:

- Increased frequency & intensity of extreme heat (measured in number of days & heat above regional averages)
- Increased frequency & size of forest fire events (Supply chain & Shore bases)
- Increased frequency & intensity of tropical storm events (Both on and offshore)
- Potential Sea level rise

These risks have the potential to disrupt Karoon's production, operations and efficiency, to damage physical assets and endanger staff and stakeholders. As such each risk

is addressed in line with Karoon's Enterprise Risk Management (ERM) system, graded based upon likelihood and potential impact, and assigned control measures where appropriate.

Research, Development & Innovation (RDI)

Under ANP regulations in Brazil, oil and gas producers are required to contribute 1% of annual gross revenue sourced from designated oil fields to research and development projects. In 2024, Karoon continued to focus on research and development projects with a sustainability outcome.

Karoon applies a set of selection criteria (including area of focus, partner organisation profile, application, value and Technology Readiness Level (TRL) to prospective projects. This ensures that selected projects align with Karoon's principles, are relevant to the industry and operations and provide a balance between obligation, investment and potential returns.

Since Karoon commenced our RDI program in 2022, the Company has committed to nine projects, of these two have been completed and seven are ongoing.

One of our completed projects was the development of methods and processes for the calculation of Scope 2 & 3 carbon emissions from offshore activities and a second nearing completion is the development of anticorrosive adhesives for paints applied on carbon steel using recycled PET materials.

In 2024 we introduced a focus on the use of artificial intelligence (AI) in the detection of production anomalies, risk monitoring, predictive maintenance and continuous improvement on critical equipment. Karoon also has projects focused on the combination of AI and technology to improve forecasting of regional ocean conditions and to monitor produced water in a marine environment.



PEOPLE AND CULTURE

Karoon values the unique contribution of people with diverse backgrounds, experiences, and perspectives. With approximately 150 permanent employees across Brazil, USA, and Australia, Karoon is committed to providing a workplace for employees and contractors which embodies the Company's values, allows Karoon's people to thrive and succeed in their work, and feel recognised and proud of the impact they make.

ONEKAROON CULTURE

Karoon's 'OneKaroon' culture comprises a set of shared values, beliefs, and practices that guide how the people within Karoon work together.

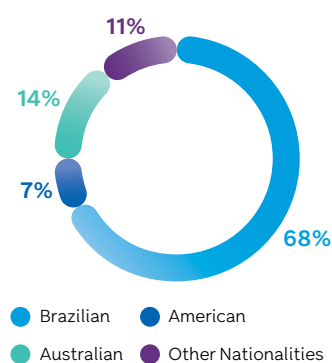
As the Company continues to grow, the OneKaroon culture is adapting and evolving to meet the needs of the Company and different employee groups. In 2024, this was expanded to include critical stakeholders, local communities, and business partners. Cultural development initiatives are informed by employee feedback, best practice principles, and local cultural insights and preferences.

Karoon introduced several initiatives in 2024 designed to foster employee engagement, support team collaboration, and continuing to build a unified culture across time zones and regions. In addition, a new employee program, promoting flexible working schedules and work-life balance was trialed in June 2024, and fully implemented later in the year. These initiatives were developed in response to employee feedback obtained through the inaugural Gallup Employee Engagement Survey in 2023.

EMPLOYEE ENGAGEMENT

Attracting and retaining talented employees with different backgrounds, skills, and experiences is fundamental to Karoon's performance. Karoon's employees represent 18 different nationalities, with most nationalities representing the countries in which Karoon operates.

Employee Nationalities



Promoting positive work experiences and employee wellbeing, the employee engagement plan implemented the 2024 Gallup Employee Engagement Survey, with results attesting to the high levels of employee engagement across Karoon.

The survey results identified opportunities to strengthen employee engagement, reduce turnover, increase individual accountability, and drive overall performance efficiency. New initiatives have been included in the 2025 Employee Engagement Action plan to further support positive employee engagement.

Karoon's confidential Employee Assistance Program (EAP) has been widely used by employees throughout 2024. Positive anecdotal feedback has been received from employees in relation to the strong value of this support service for employees.

In 2024 Karoon produced a 'Speak Up Policy' which encourages employees, contractors, and suppliers to raise problems or concerns early so that more serious incidents or consequences can be avoided. Speak up uses Karoon's existing Whistleblower and Grievance frameworks and makes a strong contribution to the OneKaroon culture by encouraging transparency, accountability, and a positive work environment in which employees feel safe to speak up without fear of recrimination. The Whistleblower Protection and Speak Up Policies have been widely promoted across the Company.



43%
Board who are female¹



41%
Workforce who are female¹



18
Nationalities represented
in our workforce¹

ORGANISATIONAL CAPABILITY

Karoon believes in investing in the growth of its employees through development programs to equip employees with the skills and capabilities needed to fully participate and grow in the workplace, and support them to perform at their best.

Karoon empowers employees to take ownership of their careers, and provide realistic growth pathways through individual development plans, and a range of development and learning

opportunities. These include industry specific training events, industry conferences, and bespoke courses designed to build capability. Karoon's senior leaders also mentor and coach high potential employees who are starting out in their careers within the oil and gas industry.

Throughout 2024, Karoon conducted numerous training programs to support respectful workplace behaviour and build managerial capability via the Franklin Covey program '6 Critical Practices of Leading a Team', which is a continuing internal initiative that commenced in 2022.

DIVERSITY, EQUITY AND INCLUSION

Karoon actively supports a diverse and inclusive workforce where the backgrounds, life experiences, and perspectives of its people help contribute to a stronger culture and Company performance. Karoon's values provide a strong foundation for a diverse and inclusive workplace, and this is critical to enable Karoon to access talent, markets, and economic opportunities.

1. Operated assets.

Karoon's Diversity, Equity and Inclusion (DE&I) targets are established by the Board in the Company's Corporate Governance Statement to ensure diversity, equity, and inclusion are integrated into every aspect of the Company's operations. In 2024, Karoon established the DE&I objectives depicted below.

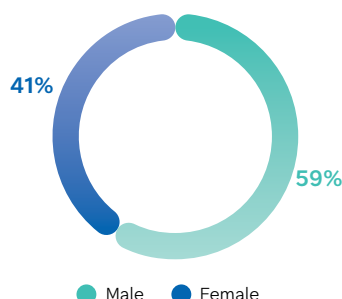
The first three DE&I objectives are dedicated to ensuring balanced gender representation across the business, including on the Board, within senior management, and across the entire workforce.

As of 31 December 2024, Karoon had 155 permanent employees, of which 41% were women. Karoon's Senior Leaders comprise 17% women, and Board participation rate of women has increased to 43%, following the appointment of two independent Non-Executive Directors in April 2024.

59% of Karoon's workforce comprise men and 41% women. This reflects a decrease of 1% in the participation rate of women from TY23.

Karoon ensures pay equity for all employees through the delivery of equal average pay for men and women for all job grades, a measure monitored and reviewed annually.

Gender Profile



A key priority for 2025 is to increase the representation of women in senior leadership roles, which remains a target from 2023 to be achieved.

To support this, women's initiatives are implemented throughout the business:

- In Brazil, an annual Women in Leadership Mentoring Program is in place, providing networking and growth pathways for female employees.
- Karoon recognises and commemorates International Women's Day, with leading academic and practitioner presentations and other knowledge sessions delivered throughout the year

- Karoon also conducts educational programs to support women, and build awareness among all employees of the types of violence women can encounter.

Karoon is an active supporter of LGBTQI+ communities, holding regular awareness and employee participation events to assist in ensuring a welcoming and inclusive environment exists for people of all genders, sexes, and sexualities.

To ensure hiring practices maximise candidate diversity, an educational program has been implemented to build hiring managers' awareness and understanding of the importance of ensuring diversity in candidate interviews. This was supplemented by the introduction of inclusive ways of working policies in 2024, comprising hybrid working and improved parental leave terms of employment.

Workplace Behaviour Training has also been undertaken across the Karoon network to reinforce the importance of positive workplace behaviours that support a healthy and inclusive workplace, free of harassment and bullying.

FY24 Diversity Objectives



1

Aim to achieve at least a 30% participation of women on the Board and Senior Leadership by 2025



2

Aim to achieve at least a 30% participation of women across the Karoon Group by 2025



3

Aim to ensure the percentage turnover of female employees is equal to or less than the overall Karoon Group percentage turnover



4

Make flexible working arrangements available to all employees



5

Monitor Karoon's recruitment and remuneration process for unintended gender bias



6

Ensure pay equity for all employees



7

Ensure at least one female candidate is considered when appointing a new Director or member of the Key Management Personnel (KMP)

HUMAN RIGHTS AND MODERN SLAVERY

Karoon's third Modern Slavery (MS) Statement was submitted in February 2024, in accordance with obligations under the *Australian Modern Slavery Act 2018*, and is available on Karoon's website. This report covered an 18-month period from July 2022 to December 2023, aligning to Karoon's transition to Calendar Year Financial Year reporting.

Karoon has continued to assess the risk of MS in its supply chain by expanding the use of the Fair Supply platform introduced in 2023, and implementing additional controls as part of our MS three-year action plan. Key achievements in 2024 included:

Governance & Policy

MS risk is overseen by the SORC and existing policies relevant to Modern Slavery were reviewed in 2024 to ensure appropriateness. Karoon also introduced its first Human Rights policy, aligned to the UN's Global Guiding Principles on Human Rights.

Procurement Risk Assessment and Due Diligence

Karoon commenced a review of existing procurement processes in 2024, including a review of active contracts for goods and services. Also, as a follow-on activity from the top 100 supplier risk assessments undertaken in 2023, specific Self Assessment Questionnaires (SAQs) were completed by 20 of Karoon's top suppliers. This represented 22% of Karoon's annual procurement spend and assisted in better understanding individual risks and controls.

Grievance mechanisms, response and remediation

As part of our Whistleblower Protection Policy, all suppliers, contractors and employees have access to grievance mechanisms via a third-party Whistleblower reporting service, which facilitates both named and anonymous reporting. Concerns can be raised via phone or email to Karoon's external reporting services (available in English and Portuguese), who will then pass the details of the report to Karoon's General Counsel

and Chair of the Audit, Risk and Governance Committee. During the reporting period, the Company did not receive any complaints or grievances classified as relating to modern slavery. Karoon acknowledges this does not exclude the possibility of modern slavery incidents within its operations and supply chain.

The Brazilian Federal government also manages a national grievance channel for reporting modern slavery. The Ipê System allows for anonymous reports, where the whistleblower provides information to assist with the government investigation and remediation process.

Karoon's next Modern Slavery Statement will be released in June 2025.



COMMUNITY

Karoon is committed to ensuring that successful social projects enhance the quality of life for both our people and the communities affected by our operations. We recognise that fostering transparent relationships with all our stakeholders is essential to fulfilling our responsibility of maintaining safe, reliable, and accountable operations.

OUR APPROACH

For Karoon Energy, social investment is a fundamental pillar of our sustainability strategy and the Company remains committed to building collaborative relationships and supporting the well-being of the communities in which we work. As Karoon grows, so will the Company's commitment to providing positive impact to these communities, which is highlighted by Karoon's increased funding and renewed commitment to existing projects in 2024.

PERFORMANCE AND ACHIEVEMENTS

Voluntary Projects

Karoon's voluntary projects are developed in collaboration with approved partner organisations, where Karoon takes a leading role in identifying and selecting appropriate initiatives. The Company ensures that these projects deliver sustained and meaningful value to the communities they aim to support, addressing pressing challenges and contributing to long-term positive change.



4
voluntary projects¹



US\$240k
Voluntary support¹



18
Incentivised projects¹






US\$2.1m
Incentivised support¹



1. Operated assets.
































Voluntary project	Project description	UN SDGs	Expenditure (US\$)
Redes da maré	Professional development for women and girls in Gastronomy. The project runs workshops on gender, citizenship & entrepreneurship, in addition to providing formal education, social development, classes in Portuguese, Textual production, Mathematics, Civics & Environment.	     	58,840
Pro-Crep*	Upgrades to electrical installations in Pro CREP's sorting area to increase operational capacity, ensure worker safety, protecting equipment, workers and the environment.	    	22,842
Revolusolar	Installation of roof-top solar energy models at the Solar Children of Light School*, expanding sustainable energy generation in the school & boosting social engagement. These installations will reduce electricity costs, provide training to ten solar electricians, provide education & culture workshops and train local institutions in managing the photovoltaic systems.	      	79,100
Reciclarte	Plastic recycling initiative promoting circular economy, entrepreneurship, income generation, and sustainability. The project established a plastic recycling station collecting plastic bottle tops and producing products with recycled plastic which were donated to the community and sold to generate additional income. The project provided education sessions on plastic recycling and reuse, as well as training a local cooperative to produce marketable recycled items, generating income and strengthening the community. The exhibition lasted 10 days and attracted 580 visitors to the centre (including 280 students from 3 local schools). At the completion of the project, equipment was donated to Pro-CREP.	   	80,000
			240,782


















Tax Incentivised Projects

Complimentary to Karoon's voluntary projects are the Company's incentivised projects. The incentive laws in Brazil aim to foster the social and cultural development of the country by encouraging private sector participation in financing initiatives that bring benefits to society. These laws allow the allocation of resources from taxes to fund public interest

initiatives in areas such as culture, sports, education, and health:

- Culture Incentive Law (Rouanet Law): includes projects in the areas of music, theatre, dance, exhibitions, historical heritage, and others.
- Sports Incentive Law: used in sports activities, training athletes, social inclusion through sport and others.
- Child and Adolescent Rights Fund: supports projects aimed at promoting and protecting the rights of children and adolescents.
- Elderly Fund: supports projects aimed at guaranteeing and defending the rights of the elderly.

Project / organisation	Project description	UN SDGs	Incentive law
Generating Falcons¹	Social group workshops focusing on performing and visual arts for young people. Women's workshops on gender relations, women's rights and other social issues.	    	Cultural Incentive Law
Brazilian Theater Institute¹	Provides 160 young adults with theatre & production skills training.	  	Cultural Incentive Law
Lar Paulo De Tarso (Solar Children of Light)¹	Provides musical education for 300 children through various delivery methods, focusing on Brazilian musical cultural identity, in Cantagalo & Pavão-Pavãozinho.	 	Cultural Incentive Law
Bachiana Foundation¹	Training of 140 young people in classical music in São Paulo. The project provides 2 teachers delivering violin, viola & choral singing lessons.	  	Cultural Incentive Law
Agencia do Bem¹	Musical training, focusing on young people from low socio-economic backgrounds.	  	Cultural Incentive Law
Costal American Football Association¹	Project offers Flag Football (American football) to children from vulnerable communities & backgrounds with high social vulnerability. Project has educational and civic focus.	  	Sports Incentive Law
Guga Kuerten Institute¹	Project offers after hours classes in various sports, combining elements of Physical education, Psychology and Social service, perpetuating the activities of sport education centers.	   	Sports Incentive Law
Always Moving Institute	Soccer classes for children in socially vulnerable areas. Targeted at reducing school drop outs, preventing crime and violence and promoting leadership & active lifestyles.	  	Sports Incentive Law
Cesar Cielo Institute	Provides 8-18 year olds with swimming activities and education.	  	Sports Incentive Law

Project / organisation	Project description	UN SDGs	Incentive law
NGO Fighting For Peace	Martial arts classes for socially vulnerable children, focusing on women, and people with disabilities.	  	Sports Incentive Law
Lar Paulo De Tarso (Solar Children of Light)¹	Provides basketball & street basketball format workshops for young people in challenged communities of Pavão-Pavãozinho and Cantagalo.	   	Sports Incentive Law
ADID – Association for the Integral Development Of Down	Delivers a team of speech therapists, psychologists, social workers and pedagogues to provides literacy education to 120 children with Down Syndrome in socially at-risk areas.	 	Child and Adolescent Fund
Love Down	Funding the refurbishment of the Balneário Camboriú unit, enabling music and computer classes. Expansion of Physiotherapy room and supports employment and reduces waiting lists.	  	Child and Adolescent Fund
Happy Baby Nursery	Promotes eye health & inclusion in 1620 children and adolescents in socially vulnerable areas. Provides ophthalmological exams and distributes 324 prescription glasses in public schools in vulnerable areas.	  	Child and Adolescent Fund
Olga Kos Institute	Provides sport workshops to 60 children with intellectual disabilities in socially vulnerable environments.	 	Child and Adolescent Fund
AAPVR – Association of Retirees and Pensioners of Volta Redonda	Employs a multidisciplinary team of nurses, psychologists physical educators and nutritionists to provide biopsychosocial care for elderly residents at the institution. Aims to improve autonomy and mobility for daily living of the elderly.	  	Elderly Fund
Oasis Institute	Project promotes eye health & inclusion for 1620 elderly people experiencing social vulnerability. Provides ophthalmological exams and distributes 324 prescription glasses in at-risk communities.	  	Elderly Fund
Love Hospital¹	Funding for the treatment, prevention and research of cancer in the elderly.	  	Elderly Fund

1. Indicates projects being undertaken with organisations Karoon has previously partnered with.

Incentive law	Value	# Projects
Cultural Incentive Law (Rouanet Law)	1,088,000	5
Sports Incentive Law	524,000	6
Child and Adolescent Fund	270,129	4
Elderly Fund	271,885	3
	2,154,014	18

GOVERNANCE AND PROJECT SELECTION

Karoon's social investment structure consists of two channels that ensure the allocation of resources to social projects, aligned with the UN Sustainable Development Goals (SDG's) and the Company's Community Investment Guidelines:

- Voluntary funding: Represents the Company's direct investment from Karoon's post tax profit; and

- Incentivised funding: which allow part of tax due to be directed towards initiatives that promote social, cultural, sporting and educational development.

Karoon's support of voluntary projects has increased 140% since 2022, highlighting the Company's commitment to promoting community well-being and contributing to social development. Incentivised funding has increased year-on-year with a 21%, increase in 2024 from our previous year.

These initiatives provide Karoon with a valuable opportunity to engage directly with local communities, fostering strong relationships with key stakeholders in the regions where the Company operates. Through these projects, Karoon is able to enhance its social impact, gain deeper insights into community needs, and create a more inclusive, sustainable future for the people it serves.

Project/value	2022			2023			2024		
	\$US	% of annual revenue	Projects	\$US	% of annual revenue	projects	\$US	% of annual revenue	Projects
Voluntary Projects	100,280	0.02	3	148,620	0.02	3	240,782	0.03	4
Incentivised Projects	47,689		1	1,782,765	0.26	16	2,154,014		18

Selecting, Reviewing & Monitoring Projects

Aligning with the UN Sustainable Development Goals (SDG's), Karoon's voluntary and incentivised projects are steered by the Company's Community Investment Guidelines which provide the criteria for selection and processes for monitoring.

To be selected, projects must comply with the following criteria:

- Linked to an educational purpose;
- Providing a positive and lasting social impact on people's lives;
- Providing professional training to facilitate long term benefits;
- Supporting people to seek an improved quality of life, health and well-being;
- Quality of project proponent (including, if known, track record in delivery of similar projects) based on reputation and third party checks;

- Location relative to Karoon's operations;
- Compliance with Karoon's ABFC Policy.

In aligning project selection with the UN Sustainable Development Goals (SDG's), a hierarchy of preference is applied, dividing the goals into three tiers of priority, to ensure that the chosen projects have the greatest possible positive impact in the areas most relevant to its sustainability strategy.

When identifying and managing projects, Karoon employs a structured approach that includes selection, monitoring, and regular review to ensure alignment with strategic objectives:

First level of priority



Second level of priority



Third level of priority



COLACMAR CONGRESS

In August 2024, Karoon sponsored the 20th COLACMAR conference (Latin American Marine Science Conference) in Itajaí, Santa Catarina, attracting over 4,500 participants, focusing on marine sciences, sustainability and coastal development. The Company had a prominent presence, including a booth at the OceanTech Show, where it showcased its social projects and initiatives. Karoon was also represented at three symposiums and contributed to eleven published papers, interacting with industry peers and regulatory bodies such as IBAMA.

Karoon hosted lectures from several sponsored projects, such as Pro-CREP, Ateliê Tabuleiro, Pró-Preá, Learning with the Sea and PEA RUMO. Participants of the Amor pra Down Project distributed products from the Reciclarte project, highlighting Karoon's support for local and social initiatives and diversity.

Main Achievements:

- Karoon's was the only oil and gas Company represented at the conference.
- Strengthened Karoon's position as a leading investor in the region.
- Enhanced synergy among Karoon-sponsored social projects. Strengthened relationships with stakeholders.





ENVIRONMENT

Karoon is committed to safe, reliable, and responsible operations that minimise environmental impact and protect biodiversity.

We focus on continuous improvement, supported by environmental plans and monitoring to ensure compliance with regulations.

Our strong governance framework ensures our operations align with our environmental stewardship goals.

APPROACH

Karoon is committed to minimising the impact of our operations on the environment and continuously improving our environmental performance. We aim to understand the impact our operations have on the environment and communities in which we operate. This, as well as running projects and conservation initiatives to improve those areas, are an important aspect of our sustainability program.

PERFORMANCE AND ACHIEVEMENTS

2024 saw ongoing positive performance at the Baúna asset with no reportable spills or environmental incidents.

The Environment Pillar of Sustainability comprises two core activities that support these aims;

1. Projects and Initiatives, and Conservation; and
2. Monitoring and Measurement

PROJECTS AND INITIATIVES

Mandatory Projects

Mandatory projects are required under Brazilian offshore environmental licencing conditions which define and

monitor a Company's performance within their area of influence across communities, ecosystems and physical environments. Licencing applications undergo a process of environmental impact reports, technical reviews and public hearings, based on this process, specific social projects may be required to mitigate impacts from operations.

In Brazil, Karoon has nine active mandatory environmental projects aimed at mitigating the impacts of our activities. These projects provide a means for Karoon to both measure our impact and gain an understanding of key metrics, whilst mitigating any negative effects of the Company's activities.

Areas of focus areas include:

1. Marine environment monitoring (PMA)
2. Off-shore Waste management (PCP)
3. Wildlife & exotic species monitoring, management & conservation (PMAVE, PPCEX, PACS Arvoredo)
4. Education and awareness within the Company and throughout the supply chain (PEA, PEAT)
5. Safety, stakeholder relations, Emergency response and Oil Spill readiness (PCS, OSRP)

Macro Plan Projects

In Brazil, Karoon also contributes to The Macro-Regional Plan (Macro Plan) which promotes the integration of socio-environmental programs in the Campos, Santos and Espírito Santo basins. The initiative is managed by a committee, comprised of representatives from the operating companies, including Karoon, and IBAMA. It brings together methodology guidelines for implementing environmental programs, whether or not they are shared between the participating companies, aiming to complement or replace individual environmental projects, promoting an integrated approach.

Under this plan Karoon has five active projects:

1. Macro-regional Social Communication Program (PMCS)
2. Monitoring changes in the socio-economic profile of workers (PMST)
3. Monitoring Karoon's supply chain, looking at generation and disposal of waste (PMIR)
4. Air traffic monitoring from shore bases supporting maritime activities (PMTA)
5. Support and logistics vessel monitoring and assessment (PMTE)



0
Minor Spills
(Number of minor
spills to sea)²



0
Reportable Spills
(Number of reportable
spills to sea)²



62.6%
Non-hazardous
waste recycled
(% of non-hazardous
waste generated)¹



125,706 kg
Hazardous waste¹



4.4%
Produced gas flaring¹



34,698 tCO₂e
Total emissions from
flaring¹

Karoon also has three projects with their implementation format under discussion:

6. Analyses of potential vulnerabilities of impacted fisheries and fishing territories from production activities (PMCAP)
7. Investigating economic dependence of municipalities on oil revenues and potential socioeconomic impacts therein (PMCRP)
8. Macro-regional socioeconomic environmental Impact Assessment Program (PMAIS)

These projects are regularly reviewed and communicated to stakeholders.

CONSERVATION

In Brazil, in addition to mandatory projects under environmental regulation, Federal laws mandate the financial contribution from operating businesses to environmental conservation causes. In 2024 Karoon committed more than US\$1.8 million to support the maintenance and protection of State and Federal conservation areas:

- Arvoredo Marine Biological Reserve (SC) (Federal)
- Superagui National Park (PR) (Federal)

- Taim Ecological Station (RS) (Federal)
- Lagoa do Peixe National Park (RS) (Federal)
- Serra do Tabuleiro Ecological Park (SC) (State of Santa Catarina)

Through this array of Mandatory, Macro-Plan and conservation projects, Karoon seeks to mitigate and minimise any long-term environmental impacts from operations on wildlife, ecosystems or communities.

1. Operated assets.

2. Operated and non-operated assets.

MONITORING AND MEASUREMENT

Karoon focuses on six key areas which categorise environmental impacts, metrics, projects and plans. These areas of focus specify aspects of the physical environment which Karoon's activities may impact and where monitoring, mitigation & conservation efforts are needed:

1. Water
2. Environmental Incident Response
3. Emergency Response Capability
4. Waste Management
5. Biodiversity Monitoring
6. Socioeconomics

1. Water

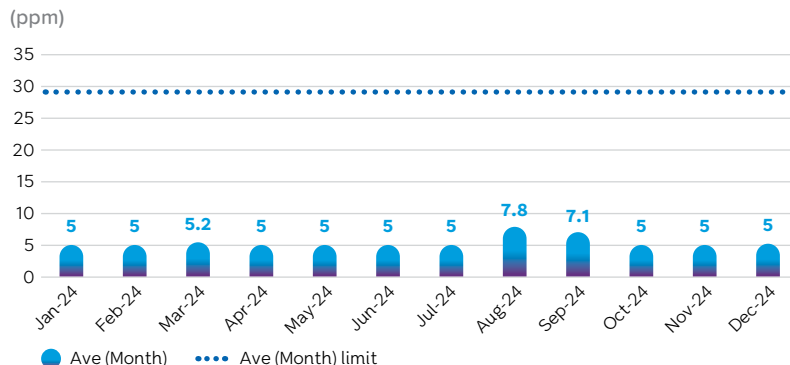
As an offshore operator, water and wastewater management is a critical consideration for Karoon with three key parameters monitored:

1. Produced Water Discharge
2. Sediment and associated planktonic and benthic biota
3. Monitoring and forecasting oil drift at sea

Karoon implements a daily monitoring program for discharge of produced water and oily water. The parameters for which are set by The National Brazilian Council for the Environment (CONAMA) and International Convention for the prevention of Pollution from Ship MARPOL) respectively.

In 2024 the volume of produced water was 10.4 MMbbls, up 12.7% from 9.2 MMbbls in 2023. Despite the increase, oil concentration levels in discharged produced water remained below the daily regulatory limit of 42 ppm and monthly limit of 29 ppm, with a monthly averaged of 5.4 ppm for the year overall.

Oil in Water – Produced Water¹



2. Environmental Incident Response

In 2024, Karoon continued to implement the requirements of the Oil Spill Response Plan (OSRP). This plan integrates elements of Safety, Risk management & Environmental monitoring, is a key document for effectively minimising damage in the event of an oil spill incident, overseen by CONAMA. Designed as an emergency response plan, the OSRP addresses the main environmental risk for offshore oil production: leakage of oil into the sea. During development of the plan risk analyses were conducted on all potential scenarios for accidental oil spills. For the Baúna FPSO, 19 scenarios were considered, with the worst-case being an oil spill at sea due to the sinking of the FPSO. Based on these scenarios, response plans were developed with cross-team collaboration, implementing a set of measures designed to mitigate risk, minimise impact and manage outcomes effectively. These outcomes are integrated into Karoon's risk management framework, and response teams involved in Baúna Field operations undergo regular drills, exercises and training sessions.

The OSRP implements a range of initiatives ensuring response readiness including standby availability of response action resources and support vessels, regular equipment maintenance, safety and training programs as well as the reinforcement of safety protocols.

These are complemented by Karoon's standing agreement with a well control services Company to address major incidents efficiently.

Karoon has implemented the Spilltrack System on support vessels. In the event of a significant oil spill this system monitors and forecasts oil drift at sea. The system provides us with access to oil dispersion modelling, trajectory monitoring of ocean surface oil slicks and current measurements along the water column. These tools provide integrated support to response vessels, enabling the best estimation of oil slick movement and optimising response efforts, minimising impacts.

3. Emergency and Crises Response Capability

In 2024, 2 training sessions were held in Brazil for the IMT, with a total workload of 32 hours. 25 trainings sessions and tactical drills were carried out in the support vessels.

Throughout 2024, Karoon carried out 3 drills on an organisational scale: the first was a functional one, with no real mobilisation of resources, and included the participation of Altera&Ocyan, collaborating with Karoon Brazil's IMT and Group CMT in Australia; the second was a full deployment, with real mobilisation of resources. The third drill also involved real mobilisation of resources and had oversight and participation of IBAMA.

There were no incidents involving oil spill to the sea in Baúna Production Activity in 2024.

¹. Operated assets.

4. Waste Management

The Baúna FPSO asset runs a waste management plan, the Pollution Control Plan (PCP). The plan aims to eliminate waste where possible and where it can't be avoided to minimise pollution from onboard waste generation, land disposal, discharge of waste into the sea, and atmospheric emissions in line with IBAMA regulations.

Waste generated by the Baúna asset and support vessels is directed to treatment and disposal depending on its type, ensuring that the final disposal complies with best practice, standards and regulations.

Karoon's waste management program aims to ensure that all waste materials are separated at source and closely monitored throughout the disposal process:

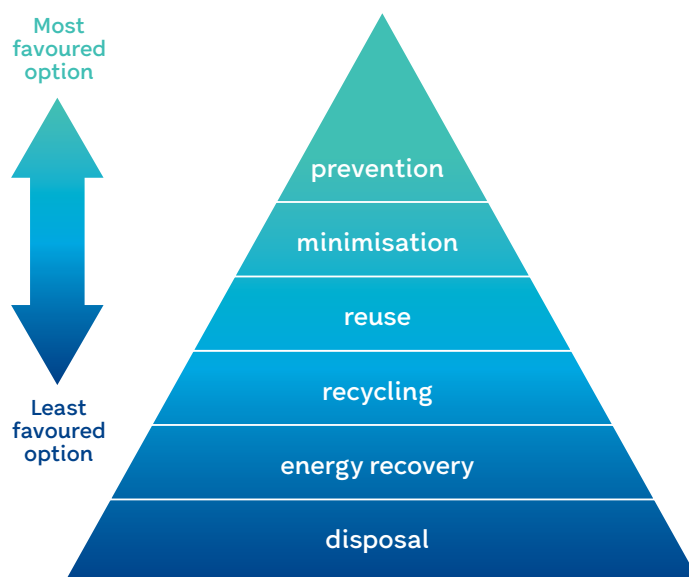
1. At-source separation, classification and storage according to the waste characteristics with details on the weight and type recorded.
2. Transportation to Karoon's shore base where it is weighed again and transferred to land-based transport, a Transport Waste Manifest (MTR) is generated for all waste types.
3. The receiving Company will check and weigh the waste again, verifying the integrity of the transfer process and then process it ensuring that the process was carried out according to legal and environmental requirements.

Waste is recorded and categorised based on categories defined in the Pollution Control Plan and aligned to the waste hierarchy:

- **Reuse** (re-refining) – mixing residual materials to create a new product, usually used as fuel for kilns in cement plants and further processing used oil (lubricating oil or oily water, after the water/oil separation) into high-quality oil.
- **Recycling** (re-refining) – transforming disposable solid waste into new raw materials and products.

Waste Management Hierarchy

Karoon follows the waste pyramid hierarchy when managing waste.



- **Energy recovery** (incineration, coprocessing and blending) – disposal through incineration at temperatures above 1,200°C, where the waste serves as a substitute for a fuel for energy recovery as well as blending with other materials for use as a fuel, commonly in cement kilns
- **Disposal** – final disposal where all other options have been exhausted, disposed in a manner to ensure materials do not cause harm to public health or the environment.

Year 2024

Non-hazardous waste (kg)	76,558
Energy recovery (blending)	8,815
Recycling	47,950
Landfill	19,793
Hazardous waste (kg)	125,706
Reuse	795
Recycling (re-refining)	40,880
Energy recovery (coprocessing and blending)	55,232
Disposal (Decontamination)	25,323
Disposal (Incineration)	1,275
Disposal (Landfill)	2,201

5. Biodiversity Monitoring

Biodiversity conservation, risk management and impact mitigation is a priority for Karoon. Our environmental management strategy includes assessing the potential impacts of operations on relevant ecosystems and species, as well as implementing environmental control and monitoring projects and programs.

‘Bio-invasion’ is a phenomenon important to offshore oil and gas activities. Species, particularly marine life, native to one region are transferred to new regions, becoming invasive. Increased industrial maritime activity has driven the transfer of aquatic species through ballast water or by fouling on vessels both along coastlines and across oceanic regions.

Foreign species to Brazil introduced in this manner have increased in recent years due to the growth of the offshore industry. To be considered an invasive species, exotic species must diminish local biodiversity by dominating habitat, show continuous population increases and be capable of causing social and economic impacts. Sun Coral is one such species Karoon’s projects focus on.

PREVENTION AND CONTROL OF EXOTIC SPECIES PROJECT

The Prevention and Control of Exotic Species Project (PPCEX) in Brazil focuses on preventing the introduction and spread of invasive exotic species, which present a threat to local biodiversity, and developing monitoring and management practices to mitigate these risks. Specifically, the project addresses biofouling and invasion of exotic species, with a particular emphasis on sun coral, which is one of the priorities of the Brazil Ministry of the Environment (MMA) under the National Strategy on Invasive Exotic Species.

Regular visual inspections using remote operated vehicles (ROVs) are conducted to monitor biofouling in the maritime area of operations (each 36 months) and the operational support vessels (each 15-18 months).

In 2024, visual inspection was carried out on the hull of both Baúna Project operational support vessels, the Martim Vaz and Alfanave Cabo Frio, with the aim of monitoring the presence of exotic biofouling species, with a focus on sun coral species. No sun coral species were identified on the vessels.

Karoon follows internationally recognised best practices to minimise the transfer of invasive exotic species. Our support vessels adhere to International Maritime Organization (IMO) Resolutions and guidelines for the control and management of biofouling on vessels.

Supplementing the PPCEX project, Karoon also runs the Rebio Arvoredo and Surroundings Sun Coral Action Plan (“PACS Arvoredo”) initiative, in collaboration with Federal University of Santa Catarina (UFSC), initiated in 2022. This project aims to increase understanding of the Sun Coral species in order to develop methods for prevention and control of the species across the Arvoredo Marine Biological Reserve (REBIO) and its surrounding areas off the coast of Santa Catarina.

As of December 2024, the project has totaled 73 days of research diving expeditions carrying out observation, monitoring and testing. Outcomes have included:

- Seasonal collections to understand growth and reproduction.
- Manufacture of prototype management tools for species control suited to the coral’s preferred ecosystem.
- Monitoring the impact and effectiveness of management tools inclusive of the development of a management protocol.
- 46km of reefs covered.
- 102 hours of autonomous diving.
- Technical meetings, result discussion and species management plan development based upon field findings.



6. Socioeconomics

Karoon’s socioeconomic programs aim to support integration with communities and stakeholders within the business’ area of influence, ensuring operations are conducted responsibly and sustainably. The Company adopts an approach focused on dialogue and collaboration, prioritising continuous improvement and compliance with socio-environmental requirements.

WORKERS’ ENVIRONMENTAL EDUCATION PROJECT

PEAT is the Workers’ Environmental Education Project which Karoon sponsors in Brazil, and consists of two courses: the Basic and Continuous Course. The project courses provide full training and education to workers on Karoon’s environmental licensing process, and all aspects of the Company’s environmental operating license.

Participation rates among relevant worker groups for the courses in 2024:	Enrolled	Approved	Participation %
Basic Course	92	81	88%
Continuous Course	210	183	87%

Exit surveys conducted on participants reflected overwhelmingly positive impacts:

- 76.1% of participants reported positive feedback on course material, workload and effectiveness.
- 89.5% of workers said they were able to make connections between the course content and their day-to-day work.
- 79.8% of workers identified ways to improve their work based on outcomes of the PEAT courses.
- 92.9% of workers said they were committed to environmental quality in their work.



DATA SUMMARY

	CY21	CY22	CY23	CY24
Health, Safety and Security¹				
Fatalities	0	0	0	0
High Potential Incidents	3	0	1	9
Lost Time Injuries (LTI)	1	4	0	2
Medical Treatment Cases	0	2	0	2
Restricted Work Cases	0	1	0	0
Work Exposure Hours	800,000	1,640,000	1,390,664	1,043,592
Total Recordable Injury Rate (per 200,000 hours)	0.25	0.85	0.0	0.77
Lost Time Injury Rate (per 200,000 hours)	0.25	0.48	0.0	0.38
Process Safety¹				
Tier 1 or 2 Process Safety Events	0	0	0	2
Climate²				
Scope 1 emissions (tCO ₂ e) ³	73,942	125,694	123,747	127,937
Operational Control	73,942	125,694	123,294	104,018
Equity Share ⁴	-	-	453	23,919
Scope 2 emissions (tCO ₂ e) ⁵	129	38	55	59
Operational Control	129	38	55	59
Scope 1 + 2 Total	74,071	125,732	123,802	127,996
Operational Control	74,071	125,732	123,349	104,077
Equity Share	-	-	453	23,919
Emissions Intensity (kgCO ₂ e/boe)	14.9	22.8	13.5	11.7
Scope 1 + 2 Offset Total ⁶	74,071	125,732	123,802	-
Scope 1 Offset	73,942	125,694	123,747	-
Scope 2 Offset	129	38	55	-
Scope 3 emissions (tCO ₂ e) ^{7,8,9,10,11,12}	1,000,886	2,679,198	3,941,858	4,651,475
Category 1 – Purchased Goods and Services	-	34,644	27,693	30,148
Category 2 – Capital Goods	-	1,908	17,169	
Category 4 – Upstream Transportation and Distribution	-	58,397	86,127	31,299
Category 10 – Processing of Sold Products	-	95,321	140,582	155,129
Category 11 – Use of Sold Products	-	2,487,457	3,668,604	4,432,731
Others	-	1,470	1,684	2,101
Environment				
Number of minor spills (to sea)	2	1	1	0
Number of incidents in offloading operations	0	0	0	0
People and Culture				
Gender Diversity (%)				
Board	17	17	17	43
Senior Leadership	26	26	17	23
Overall	50	46	42	41

Notes: **1.** Safety and Process Safety incident data includes operated and non-operated assets. Exposure hours and frequency rates reflect operated assets only. **2.** In line with GHG Protocol recommendations, Karoon applies both location and market based approaches to GHG Emission inventory calculation, including National Greenhouse and Energy Reporting (NGER) database emission factors for location based emissions factors. These factors are updated by the issuer regularly. **3.** Fugitive emissions for Bauna FPSO are calculated based on NGER Determination 2008 formulas and emissions factors for offshore oil and gas production fugitive emissions. Those for Who Dat producing asset are calculated in line with US EPA recommendations. **4.** Karoon reports emissions from the non-operated assets on a Net Working Interest (NWI) basis using data provided by the operating partner and appropriate emissions factors are applied. **5.** Scope 2 emissions for Brazilian operations are offset through the purchase of International renewable energy certificates (IREC). These offsets are purchased and surrendered subsequent to year end in respect to emissions generated during the period. Australian operations purchase certified 100% renewable electricity. **6.** Offsets purchased and surrendered subsequent to year end in respect of emissions generated in the period. **7.** Material Scope 3 emissions categories (Category 1,3,5,4,6,10,11, and 12) were calculated using, where appropriate, Spend, Fuel, Distance, Average data and Product energy consumption based methods, utilising newly available data to replace estimation methods used in previous years. **8.** 'Other' Scope 3 categories inclusive of categories 3, 5, 6 and 12. Categories 2, 7, 8, 9, 13, 14, & 15 assessed as not material to Karoon in 2024. **9.** Scope 3 emissions for 2024 increased 18% as a result of a 21% increase in production volume, with 95% of Scope 3 emissions associated with Category 11. **10.** Scope 3 Category 2 combined with Category 1 as there were no field works in 2024 and a reduced spend. Category 4 has reduced as emissions calculations are now based on actual fuel consumption, not estimated distance. Category 11 has increased due to increased production volume associated with Who Dat. **11.** Emissions resulting from support & logistics activities for Who Dat are classified as Scope 3 for Karoon. **12.** In line with the GHG Protocol guidance, emissions associated with contracted exploration, well development and well workover that were previously reported as Scope 1 have been classified as Scope 3, this reclassification has not been made retrospective and applies for 2024 and future emissions only.

FRAMEWORK INDEX

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2-5 External assurance	48, 49, 50	
2-7 Employees	28–31	5, 8, 10
2-9 Governance structure and composition	12,13,28,29,30	5, 10
GRI 201: Economic Performance 2016		
201-1 Direct economic value generated and distributed	5, 32, 35, 36	1, 2, 3, 4,5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17
201-2 Financial implications and other risks and opportunities due to climate change	24, 25, 26, 27	11, 13
GRI 303: Water and Effluents 2018		
303-1 Interactions with water as a shared resource	40	6, 14
303-2 Management of water discharge-related impacts	39, 40	6, 14
303-3 Water withdrawal	40	6, 14
303-4 Water discharge	40	6, 14
303-5 Water consumption	40	6, 14
GRI 304: Biodiversity 2016		
304-2 Significant impacts of activities, products, and services on biodiversity	42	12, 14, 15
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	18, 19, 20, 44	13
305-2 Energy indirect (Scope 2) GHG emissions	18, 19, 20, 44	13, 7
305-3 Other indirect (Scope 3) GHG emissions	44	13
305-4 GHG emissions intensity	18, 19, 22, 23	13
305-5 Reduction of GHG emissions	22, 23, 24	12, 13, 17
GRI 306: Effluents and Waste 2016		
306-3 Significant spills	39, 40	6, 14, 12
GRI 306: Waste 2020		
306-1 Waste generation and significant waste-related impacts	39, 41	11, 12, 14, 15
306-2 Management of significant waste-related impacts	41	11, 12, 14, 15
306-3 Waste generated	39, 41	11, 12, 14, 15
306-4 Waste diverted from disposal	41	11, 12, 14, 15
306-5 Waste directed to disposal	41	11, 12, 14, 15
GRI 401: Employment 2016		
401-1 New employee hires and employee turnover	28, 30	8
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	14, 15	3, 8
403-2 Hazard identification, risk assessment, and incident investigation	14, 15, 16	3, 8
403-3 Occupational health services	14, 15	3, 8
403-4 Worker participation, consultation, and communication on occupational health and safety	14, 15	3, 8
403-5 Worker training on occupational health and safety	14, 15	3, 8
403-6 Promotion of worker health	14, 15	3, 8
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	14, 15	3, 8
403-8 Workers covered by an occupational health and safety management system	14, 15	3, 8
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	28, 29, 30	5, 10
405-2 Ratio of basic salary and remuneration of women to men	28	5, 10
GRI 409: Forced or Compulsory Labor 2016		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	31	8, 16, 17
GRI 413: Local Communities 2016		
413-1 Operations with local community engagement, impact assessments, and development programs	32, 33, 34, 35, 36, 37	1, 2, 3, 4, 5, 8, 10, 16
GRI 414: Supplier Social Assessment 2016		
414-1 New suppliers that were screened using social criteria	31	5, 8, 12, 10, 16
414-2 Negative social impacts in the supply chain and actions taken	31	5, 8, 12, 10, 16

DISCLAIMER AND FORWARD LOOKING STATEMENTS

This report is part of Karoon's publicly available reporting suite including the:

- 2024 Annual Report
- 2024 Corporate Governance Statement
- Annual Modern Slavery Statement 2024

Karoon Energy Ltd (ABN 53 107 001 338) is the ultimate holding Company of all subsidiaries in the Karoon group. All references to "Karoon", "us", "we" and "our" refers to Karoon Energy Ltd and/or its subsidiaries.

This report contains forward-looking statements that are subject to risk factors associated with the oil and gas and carbon capture and storage industries. It is believed that the expectations reflected in these statements are reasonable, but they may be impacted by a range of variables which could cause actual results or trends to differ materially. This includes, but is not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, gas commercialisation, development progress, operating results, loss of market, industry competition, environmental risks, carbon emissions reduction and associated technology risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in the jurisdictions in which Karoon operates, approvals, conduct of joint venture participants and contractual counterparties, cost estimates, reputational risk and social licence, stakeholder risk and activism.

The forward-looking information in this report is based on management's current expectations and reflects judgements, assumptions, estimates and other information available as at the date of the preparation of this report.

There are inherent limitations with scenario analysis. Scenarios do not constitute definitive outcomes. Assumptions may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by factors other than assumptions made. Except as required by applicable regulations or by law, Karoon does not undertake any obligation to publicly update or review any forward-looking statements, whether as a result of new information or future events.

Karoon's strategies and targets will adapt given the dynamic conditions in which Karoon operates. Readers should not assume that any particular strategies, targets or implementation measures are inflexible or frozen in time. No representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forward-looking information contained in this report.

Forward-looking statements do not represent guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Karoon's control and which may cause actual results to differ materially from those expressed in the statements contained in this report.

LETTER OF ASSURANCE



To the Board of Directors of Karoon Energy Ltd

Independent Limited Assurance Report on identified Subject Matter Information in Karoon Energy Ltd's 2024 Sustainability Report

The Board of Directors of Karoon Energy Ltd (Karoon) engaged us to perform an independent limited assurance engagement in respect of the identified Subject Matter Information in its 2024 Sustainability Report (the Sustainability Report) for the year ended 31 December 2024 (the 'Subject Matter Information').

Subject Matter Information and Criteria

The Subject Matter Information is set out in the table below:

Table 1 - Subject Matter Information

For the year ended 31 December 2024:

- Total Greenhouse Gas (GHG) emissions tCO₂e (Scope 1 and 2) – 127,996 tCO₂e
- Emissions intensity (Scope 1 and 2) (kgCO₂e/bbl) – 11.7 kgCO₂e/bbl
- Work Exposure Hours – 1,043,592 hours
- Tier 1 or 2 Process Safety Events – 2
- Total Recordable Injury Rate (per 200,000 hours) – 0.77
- Lost Time Injury Rate (per 200,000 hours) – 0.38

Other periods:

- Total carbon offsets (tCO₂e) surrendered in respect of 2021 emissions– 74,071
- Total carbon offsets (tCO₂e) surrendered in respect of 2022 emissions – 125,732
- Total carbon offsets (tCO₂e) surrendered in respect of 2023 emissions– 123,802

The criteria used by Karoon to prepare the Subject Matter Information is set out in the 'Scope of this Report' section within the Sustainability Report (the Criteria) published on the Karoon website, as at the date of the report.

The maintenance and integrity of Karoon's website is the responsibility of the management of Karoon; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Criteria when presented on Karoon's website.

Our assurance conclusion is with respect to the periods specified within Table 1 and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Sustainability Report.

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Responsibilities of management

Karoon management is responsible for the preparation of the Subject Matter Information in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to Karoon and the intended users; and
- designing, implementing and maintaining systems, processes and internal controls relevant to the preparation of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria, for the periods specified in Table 1.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.



In carrying out our limited assurance engagement we:

- made inquiries of the persons responsible for the Subject Matter Information;
- obtained an understanding of the process for collecting and reporting the Subject Matter Information;
- performed limited substantive testing on a selective basis of the Subject Matter Information to assess that data had been appropriately measured, recorded, collated and reported;
- undertook analytical procedures over the activity data utilised within the calculations and preparation of the Subject Matter Information; and
- considered the disclosure and presentation of the Subject Matter Information.

The Subject Matter Information includes offsets in respect of Karoon's emissions for 2021 of 74,071 tonnes of CO₂-e, in respect of Karoon's emissions for 2022 of 125,732 tonnes of CO₂-e and in respect of Karoon's emissions for 2023 of 123,802 tonnes of CO₂-e. We have performed procedures as to whether these offsets were surrendered during subsequent years (or when actual emissions are unknown before the year end, until the issuance of the assurance report post year-end), and whether the description of them in the Subject Matter Information is a reasonable summary of the relevant contracts and related documentation. We have not, however, performed any procedures regarding the external providers of these offsets, and express no conclusion about whether the offsets have resulted, or will result, in a reduction of 74,071, 125,732 and 123,802 tonnes of CO₂-e respectively.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Criteria, as it is limited primarily to making enquiries of management and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. In addition, GHG quantification is subject to inherent uncertainty because of evolving knowledge and information to determine emissions factors and the values needed to combine emissions of different gases.

The limited assurance conclusion expressed in this report has been formed on the above basis.



Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria for the periods specified in Table 1.

Use and distribution of our report

We were engaged by the board of directors of Karoon on behalf of Karoon to prepare this independent assurance report having regard to the criteria specified by Karoon and set out in this report. This report was prepared solely for Karoon for the purpose of providing limited assurance on the Subject Matter Information.

We accept no duty, responsibility or liability to anyone other than Karoon in connection with this report or to Karoon for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Karoon and if anyone other than Karoon chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Karoon receiving or using this report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Scott Thompson'.

Scott Thompson
Partner

Melbourne
26 February 2025

GLOSSARY

Term	Definition
AASB	Australian Accounting Standards Board.
Absolute Emissions	Climate related metric. Industry standard, measuring total mass of Greenhouse Gas Emissions created by working activities, expressed in carbon dioxide equivalent (tCO ₂ e).
APS	IEA developed future scenario; 'A scenario which assumes that all climate commitments made by governments and industries around the world by the end of August 2024, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, as well as targets for access to electricity and clean cooking, will be met in full and on time'.
ARR	Afforestation, Reforestation and Revegetation. A nature-based solution that results in carbon sequestration i.e. a carbon removals offset.
ASRS	Australian Sustainability Reporting Standard. Closely aligned with IFRS2, Australian mandatory reporting framework for Climate related disclosure, developed by the AASB.
Barrel or bbl	Barrel of oil, inclusive of condensate. A quantity of 42 United states gallons; equivalent to approximately 159 litres.
Baúna	Project Concession BM-S-40 containing the producing Baúna, Piracaba and Patola fields in Brazil.
Boe	Barrel of Oil Equivalent; equivalent to 1 bbl or approximately 159 litres; equivalent to 6000 cubic feet (Mcf) of natural gas.
Boepd/Bopd	Barrels of oil equivalent per day/Barrels of oil per day.
Carbon Transition Action Plan (CTAP)	A focused and coordinated set of actions to manage, reduce and mitigate GHG emissions, outlining strategic actions and programs an entity will undertake in order to transition to alignment with a low carbon economy.
Carbon Neutral	Condition in which, during a specified period of time, the carbon footprint has been reduced through greenhouse gas (GHG) emission reductions or GHG removal enhancements and, if greater than zero, is then counterbalanced by offsetting.
CO₂e	Carbon dioxide equivalent. The universal unit of measurement to indicate the global warming potential of each of the seven greenhouse gases, expressed in terms of the global warming potential of one unit of carbon dioxide.
CONAMA	National Brazilian Council for the Environment.
Emissions intensity (Scope 1 and 2)	Total Scope 1 and Scope 2 GHG emissions (kgCO ₂ e) divided by the total production (bbls) of the equivalent period.
Essential 8 Maturity	Australian Cyber Security Centre framework for cybersecurity threat protection. 8 Strategies across 4 maturity levels; Application control, Patch applications, Configure Microsoft Office Macros, User application hardening, Restrictive Admin Privileges, Patch Operating systems, Multi-factor Authentication, Regular Backup.
ETS	Emissions Trading System. A system of credit trading designed to incentivise reductions in GHG emissions.
Flaring	The controlled burning of gas produced from oil and gas reservoirs.
FPSO	Floating production, storage and off-loading facility.
FUNAI	National Foundation of Indigenous Peoples.
GHG	Greenhouse gas. Inclusive of Carbon Dioxide, Methane, Nitrous Oxide hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃), expressed in terms of the global warming potential of one unit of carbon dioxide.
GHG Protocol	'A Corporate Accounting and Reporting Standard of the GHG Protocol', developed by the World Resources Institute (WRI) covering Scope 1,2 and 3 emissions. Global standard for classifying, calculating and tracking emissions.
GreenPower	A Government accredited renewable energy product operated by NSW Government on behalf of NSW, Victoria and South Australia and offered through energy retailers.
GRI	Global Reporting Initiative. The GRI reporting framework sets out principles and indicators that organisations can use to measure and report their environmental, social and governance performance.
GWP	Global warming potential.
HPI or HiPo	High Potential Incident.
IBAMA	Brazilian Institute of Environmental and Renewable Natural Resources.
IEA	International Energy Agency.
IFRS	International Financial Reporting Standards.

Term	Definition
IFRS S1/S2	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, issued by the ISSB. Globally recognised reporting standards for disclosure of sustainability and climate related data.
IOGP	International Association of Oil and Gas Producers.
IPCC	Intergovernmental Panel on Climate Change.
IPIECA	International Petroleum Industry Environmental Conservation Association.
ISMS	Information Security Management System.
ISSB	International Sustainability Standards Board.
iREC	International renewable energy certificate .
IUAG	Associated Gas Utilization Index.
KgCO₂e per bbl	Kilograms of carbon dioxide equivalent per barrel of oil.
LTI	A fatality or lost work day case. The number of LTIs is the sum of fatalities and lost work cases, due to work-related injuries and according to IOGP definitions. This includes employees and contractors.
LTIR	Lost Time Injury Rate (per 200,000 hours).
MTC	Medical Treatment Case. An injury requiring prescribed medical treatment, which is beyond the scope of normal first aid. As per IOGP definitions.
Net Zero	A condition in which human-caused residual GHG emissions are balanced by human-led removals over a specified period and within specified boundaries, achieved by reducing emissions at their source and counter-balancing residual emissions through carbon dioxide removal.
NGER	National Greenhouse and Energy Reporting.
NZE	IEA developed future scenario. 'A scenario which sets out a pathway for the global energy sector to achieve net zero CO ₂ emissions by 2050. It does not rely on emissions reductions from outside the energy sector to achieve its goals. Universal access to electricity and clean cooking are achieved by 2030. The scenario was updated with the latest available data in 2024.'
Process Safety	Tier 1 Process Safety Events: A typical tier 1 process safety event is loss of containment of hydrocarbons greater than 500kg (in any one-hour period). Tier 2 Process Safety Events: A typical tier 2 process safety event is loss of containment of hydrocarbons greater than 50kg but less than 500kg (in any one-hour period).
REBIO	Marine biological reserve.
REDD+	Reducing Emissions from Deforestation and forest Degradation, as well as forest conservation, sustainable management of forests, and enhancement of forest carbon stocks.
SBCE	Sistema Brasileiro de Comércio de Emissões de Gases de Efeito Estufa. Brazil's GHG Emissions Trading System.
Scope 1 Emissions	Direct GHG emissions occurring from sources controlled or owned by the organisation includes direct emissions from operated assets, non-operated assets on an equity basis and field logistics activities in Brazil. Contracted exploration, well development, well workover and field logistics associated with non-operated assets and any other indirect emissions as defined in the GHG Protocol are considered Scope 3.
Scope 2 Emissions	Indirect GHGs released from purchased energy.
Scope 3 Emissions	Emissions occurring outside an organisation's boundary, but as a result of its actions.
STEPS	IEA developed future scenario; 'A scenario which reflects current policy settings based on a sector-by-sector and country-by-country assessment of the energy-related policies that were in place by the end of August 2024, as well as those that are under development. The scenario also takes into account currently planned manufacturing capacities for clean energy technologies.'
TCFD	Task Force on Climate Related Financial Disclosures.
tCO₂e	Tonnes of carbon dioxide equivalent.
TRI	The sum of fatalities, lost work day cases, restricted work day cases and medical treatment cases, due to work-related injuries, according to IOGP definitions. This includes employees and contractors.
TRIR	Total Recordable Injury Rate ((LTI + MTC + RWC) / 200,000 exposure hours).
UN SDGs	United Nations Sustainable Development Goals.
VER	Verified Emission Reduction. A type of traded carbon offset certification.
Work Exposure Hours	Total standard or actual hours worked by all employees and contractors during a specific period (e.g. month, quarter, year).

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