

ASX RELEASE

25 August 2025 | ASX: KAR

Production guidance lifted despite issue with SPS-92 downhole pump at Baúna Project, Brazil.

Karooon advises that on 13 August 2025 (BRT time), the Electrical Submersible Pump (ESP) located downhole in the subsea SPS-92 well at Baúna shut down due to the failure of one of three electrical cables supplying power downhole to the ESP motor. The SPS-92 well has produced approximately 8,500-9,000 bopd during August.

Partial production was restored on 18 August, utilising the remaining two electrical cables. The well is currently choked back and producing approximately 2,500 to 3,000 bopd. Karoon, together with the equipment supplier SLB, is investigating remediation options, with the expectation that this could result in a doubling of current rates. Based on the analysis and testing over the past few days, it is believed that a rig-based well intervention to replace the ESP will be required to reinstate full production.

Work to identify and contract a suitable drilling rig and planning for the intervention has commenced. Karoon already has a replacement ESP assembly and electrical power cable in stock. Other materials, as well as regulatory approvals, will be required and consequently the work is not expected to start until the second quarter of 2026 at the earliest.

While this issue will impact Baúna Project production until an intervention takes place, given the strong performance over the first half of 2025 until the SPS-92 electrical fault, Baúna production guidance for CY25 has been raised, from 6.7 – 7.7 MMbbl to 7.3 – 7.8 MMbbl. Together with narrowed Who Dat guidance (which is performing in line with expectations), total production for CY25 is now expected to be 9.7 – 10.5 MMboe.

Full year 2025 guidance		Prior guidance	Revised guidance
Production ¹			
Brazil	MMboe	6.7 – 7.7	7.3 – 7.8
Who Dat (NRI)	MMboe	2.3 – 2.8	2.4 – 2.7
Total Production	MMboe	9.0 – 10.5	9.7 – 10.5

1. Production assumes drilling results and expected future development projects, including well interventions, are delivered in accordance with their currently expected schedules

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

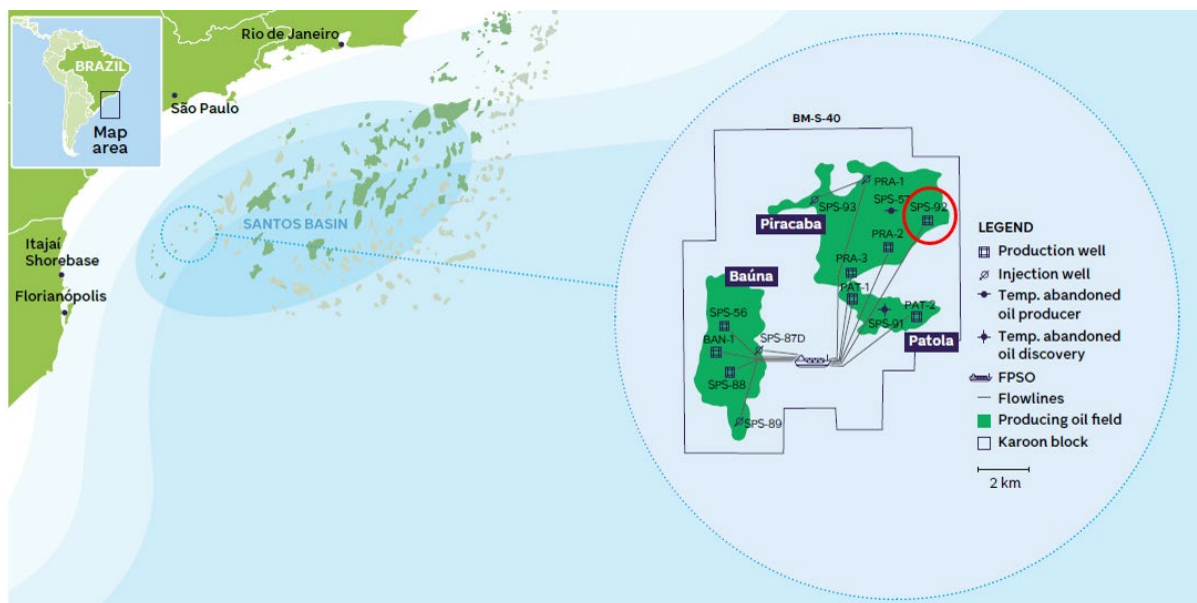
“The ESP in SPS-92 was installed in September 2022¹ as part of Karoon’s first intervention project at Baúna. The anticipated life of ESPs is generally three to four years and failure of the electrical cables and connections are not uncommon. While this issue has emerged earlier than expected, the potential replacement of the ESPs at SPS-92 and PRA-2 were part of our planning activities for 2026.

Fortunately, the pump itself continues to operate in line with expectations, although at a reduced rate due to the electrical fault, allowing us to continue to produce from the well for the time being.

Our key focus now is on planning the intervention, securing a suitable drilling rig and the relevant approvals required to replace the ESP. Based on initial market soundings, this is expected to take between 6 and 12 months.

¹ Refer ASX release dated 26.9.22 “Baúna Intervention Campaign Update”

We shall keep the market informed if there is any update to this timeframe.”



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

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

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Karoon Energy Ltd. is an ASX listed international oil and gas exploration and production company with assets in Brazil and the United States of America.

Karoon’s vision is to be a leading, independent international energy company that adapts to a dynamic world in an entrepreneurial and innovative way. Karoon’s purpose is to provide energy safely, reliably and responsibly, creating lasting benefits for all its stakeholders.