

ASX RELEASE

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Drilling Schedule Update

The Noble Developer drilling rig has finished drilling and completion activities on the Patola field. Installation of wellheads and Christmas trees on the two Patola development wells was finalised in early January 2023 and work is expected to commence shortly on installing the remaining subsea infrastructure, flowlines, umbilicals and other pipework required to connect the wells to the Cidade de Itajaí FPSO. Commissioning of the new facilities and first production from Patola is targeted to commence by the end of the first quarter of CY2023.

The drilling rig is now being mobilised to the BAN-1 well location, where an intervention to re-open a lower zone in the well that had previously been in production will take place. This is the fourth and final intervention, which was deferred in order to accelerate the Patola development drilling.

Karooon expects that there will be no material impact on the final Baúna intervention cost estimate, as previously provided to the market.

After the BAN-1 intervention is complete, and subject to the receipt of regulatory approvals, it is planned that the drilling rig will then move to the Neon field to drill the first of potentially two Neon control wells. Karooon is actively engaging with regulatory authorities to obtain the necessary Neon approvals in a timely manner, in order to minimise any potential standby time.

Dr Julian Fowles, CEO and Managing Director of Karooon, said:

“The Patola development is progressing well, with the drilling and completion phase of the project executed without any major safety or environmental incidents. Patola remains on track to commence production during the first quarter of CY2023.

The receipt of final environmental approvals for the Neon drilling has been impacted by the recent change of federal administration in Brazil. Consequently, we shall undertake the final planned intervention in the Baúna field, on BAN-1, prior to moving to Neon.”

A broader update on the Company’s activities will be provided in our December 2022 Quarter Report, which is due for release on **Tuesday 24 January 2023**.

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

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

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ABOUT KAROON ENERGY LTD

Karooon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil and Australia and is an ASX listed company.

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

FORWARD-LOOKING STATEMENTS

Petroleum exploration and production operations rely on the interpretation of complex and uncertain data and information which cannot be relied upon to lead to a successful outcome in any particular case. Petroleum exploration and production operations are inherently uncertain and involve significant risk of failure. All information regarding reserve and contingent resource estimates and other information in relation to Karooon's assets is given in light of this caution.

This announcement may contain certain "forward-looking statements" with respect to the financial condition, results of operations and business of Karooon and certain plans and objectives of the management of Karooon. Forward-looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this announcement. Indications of, and guidance on, future earnings and financial position and performance, well drilling programs and drilling plans, estimates of reserves and contingent resources and information on future production are also forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements as actual outcomes may differ materially from forward-looking statements. Any forward-looking statements, opinions and estimates provided in this announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise (including, without limitation, in respect of imprecise reserve and resource estimates, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling, demand for oil, commercial negotiations and other technical and economic factors) many of which are outside the control of Karooon. Such statements may cause the actual results or performance of Karooon to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements speak only as of the date of this announcement. Karooon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.