

ASX RELEASE

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Second Patola well onstream at over 12,000 bopd, taking current Baúna production to more than 40,000 bopd

Karooon advises that the PAT-1 well, the second of two new production wells drilled into the Patola field in the BM-S-40 production license in Brazil (Karooon – 100%), was safely brought onstream on 27 March 2023 at an initial rate of more than 12,000 barrels of oil per day (bopd). Together with production from the PAT-2 well, which commenced production on 15 March, the current total production rate from the BM-S-40 license is now more than 40,000 bopd. Production rates are expected to decline over the coming weeks.

Karooon Chief Executive Officer and Managing Director, Dr Julian Fowles, said:

“The flow rates being seen from both PAT-1 and PAT-2 are materially above original expectations. Overall well flow rates are gradually stabilising on the FPSO, with total throughput now approaching the FPSO’s nameplate processing capacity of 80,000 barrels of fluid per day, maximising the efficiency of our operations. After an initial period of Patola flush production, we anticipate that total rates from BM-S-40 will decline to approximately 33,000 to 35,000 bopd over the next few weeks, prior to entering a more normal natural decline phase.”

All the vessels, equipment and operating teams that have been utilised for the Patola project will now be demobilised. I would like to thank all our staff, contractors and service providers for helping Karooon deliver its first major new oil field development without any material safety or environmental incidents, on schedule and within budget.”

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.