

ASX RELEASE

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Karooon completes acquisition of interests in the US Gulf of Mexico (GoM)

Karooon completed the acquisition of interests in the US GoM from LLOG Exploration Offshore, LLC and LLOG Omega Holdings (collectively LLOG) on 21 December, Houston time. These include a 30% working interest in the Who Dat and Dome Patrol oil and gas fields and associated infrastructure, an approximately 16% working interest in the Abilene field and varying interests in adjacent exploration acreage¹. The effective date of the transaction is 1 October 2023.

On completion, Karoon paid US\$684 million to LLOG (comprising the purchase price of US\$720 million less a US\$36 million deposit already paid)². In addition, payments totalling US\$15 million were made in establishment and underwriting fees relating to the debt and equity processes. The closing payment was funded by a US\$274 million drawdown on the Company's US\$340 million new debt facility, US\$312³ million raised from a fully underwritten equity issue and the balance from existing cash reserves.

Karooon has received the economic benefit of the 30% interest in the acquired assets since 1 October 2023. Cash flow net to Karoon between the effective date and completion was US\$0.1 million, with funds generated from operations used to finance Karoon's share of an infill development program which is currently underway.

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

"We are delighted to have completed the Who Dat acquisition. This transaction is expected to be both value and earnings accretive for Karoon. The Who Dat and Dome Patrol fields are low cost producing assets with near and medium term expansion opportunities, located in a prolific, world class hydrocarbon basin in a stable and well understood regulatory and fiscal jurisdiction."

The transaction provides a number of strategic benefits to Karoon, including increased scale and both asset and geographic diversification. This long life producing asset, together with the appraisal and exploration opportunities, will also help offset the natural decline from the Baúna Project in Brazil.

We look forward to working closely with LLOG, a well respected and established offshore GoM operator, and the other joint venture partners to optimise the value of the Who Dat assets."

This announcement has been authorised by the Chief Executive Officer and Managing Director of Karoon Energy Ltd.

¹ Refer to ASX release dated 16.11.23 "Acquisition of Interests in GoM and Offer" for Karoon's interests in the exploration permits.

² The acquisition also includes a combined carry of US\$39.2 million on a 2 for 1 basis associated with the Who Dat exploration permits.

³ The equity issue was completed based on an AUD/USD exchange rate of 0.65. This compares to the assumption of 0.625 in the ASX release dated 16.11.23 "Acquisition of Interest in GoM - Investor Presentation".

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, the United States of America 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. Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.