

ASX RELEASE

23 January 2024 | ASX: KAR

CY24 production update and revised guidance

Due to operational issues set out below, for the year ending 31 December 2024 (CY24), Karoon expects:

- Brazil production for CY24 to be in the range of 7.2 to 9.0 million barrels (MMbbl) compared to the previous range of 8.0 to 10.0 MMbbl¹.
- CY24 total production, including the Who Dat assets, to be in a range of 11.2 to 13.5 million barrels of oil equivalent (MMboe), compared to the previous range of 12 to 14.5 MMboe, with Who Dat guidance unchanged.
- Unit production costs for the 12 months to be in the range of US\$10.5 to US\$15.0 per boe, compared to the previous range of US\$9.0 to US\$14.0 per boe. This increase is driven by the reduced production and the intervention costs, partly offset by opex phasing.

All other CY24 guidance remains unchanged and is subject to the same assumptions as provided on 27 November 2023².

TY23 guidance remains unchanged.

CY24 Brazilian production update

During November 2023, Baúna Project production was impacted by operational issues relating to equipment in the gaslift dehydration unit on the FPSO. This led to the formation of hydrates in two wells that has impeded production rates. While one of the wells was returned to production within a week, the second well has been unable to be produced since late November 2023.

Karoon has been working with the operator of the FPSO to remediate these issues, resulting in the replacement of equipment in the gaslift dehydration unit and gas stimulation of the impacted well, SPS-88, which was completed on 20 January 2024. The topside issues have been resolved, and the hydrates are believed to have been removed by circulating fluids. However, the SPS-88 well has not been able to be returned to production due to what now appears to be a mechanical blockage in the well's Gas Lift Valve, part of the SPS-88 well completion.

Consequently, based on the current information, Karoon has determined that a well intervention is likely to be required to return SPS-88 to production. Karoon's current planning basis is that this work will be undertaken by a Lightweight Well Intervention Vessel (LWIV) and will take approximately 20 days to complete at a cost of US\$5-10 million (100% funded by Karoon). The timing of the intervention will be subject to the engagement of a LWIV and ancillary services and equipment, in addition to the receipt of all necessary regulatory approvals. The revised CY24 production forecast is based on Karoon's assumption that this work will be undertaken during the fourth quarter of CY24.

Overall, Baúna Project reservoir performance remains in line with previous market announcements. Based on the analysis of the cause of the production loss at well SPS-88 and the ongoing remediation plan, Baúna Project resources are not expected to be impacted.

¹ See ASX Release of 27 November 2023 'Macquarie UK Presentation', page 18.

Karooon's results for the quarter ending 31 December 2023 will be released on 29 January 2024.

This announcement was authorised by the Board of Directors 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, 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, Karooon Energy Ltd | PH: 613 9616 7500 | ABN 53 107 001 338 | www.karooneenergy.com Level 3, 6 Riverside Quay, Southbank

VIC 3006 Australia 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.