

ASX RELEASE

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Patola Development Update

Karooon Energy Limited (Karooon) is pleased to report that PAT-2, the second of two new production wells in the Patola field in the BM-S-40 production license in Brazil (Karooon – 100%), has been successfully drilled to a total depth of 2,313 metres utilising the Noble Developer drilling rig (formerly known as the Maersk Developer). Like PAT-1, PAT-2 encountered high quality Oligocene turbidite sandstones close to the prognosed depth, and preliminary interpretation of wireline log data has indicated net pay thickness in line with pre-drill expectations. Reservoir quality is better than predicted and closely aligned with PAT-1 and wells in the adjacent Baúna and Piracaba fields.

Remaining activities associated with the Patola development include the completion of both wells, installation of a subsea pipeline and umbilicals from Patola to the Cidade de Itajaí FPSO and tying the wells into existing riser slots on the FPSO. Completion of FPSO pipework to tie the wells into the main production stream will then be undertaken before the new facilities are commissioned.

First production from the Patola field is targeted to commence in the first quarter of CY2023, with a short plateau production rate of more than 10,000 bopd expected, prior to the onset of natural decline.

Following the Patola completion activities, it is planned that the Noble Developer drilling rig will move to the Neon field to drill the first of potentially two Neon control wells, subject to the receipt of regulatory approvals.

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

“Patola is Karoon’s first development project since taking over as operator of the Baúna concession. The first phase, drilling the wells, has been completed within schedule and budget. Most importantly there have been no material safety or environmental issues.

The majority of the materials for the next phase of the development are now either onsite or ready to be shipped to site. Subject to weather and other unforeseen delays, the project is on track to commence production in the first quarter of CY2023.”

This announcement has been authorised by the CEO and Managing Director of Karoon 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.