

ASX RELEASE

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Restart of Baúna production; currently above 32,000 bopd

Karooon advises that production from its 100% owned and operated BM-S-40 production license restarted on 9 May 2023 BRT (Brasilia time) following the completion of maintenance works on Train 1 of the two production trains on the FPSO, Cidade de Itajaí. Train 2 production restarted on 11 May 2023 BRT, following a planned gradual ramp-up of Train 1 and the completion of Train 2 maintenance works.

Production from BM-S-40 is currently above 32,000 bopd from six of seven production wells, including the two Patola wells, with daily rates continuing to ramp up. Peak rates above 40,000 bopd are targeted over the next week, representing flush production after the shut-in. Production is then expected to decline to a stabilised rate of approximately 33,000 – 35,000 bopd within a few weeks before entering a more gradual natural decline phase through FY2024 and beyond.

Karooon advises that the annual maintenance shutdown is still planned to take place in July, although the scope and timing are being examined to determine if the shutdown can be deferred, given the work that has already taken place.

All FY2023 guidance items are unchanged from the revised guidance provided on 27 April 2023¹.

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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¹ ASX Release dated 27.4.23 “March 2023 Quarterly Activities Report”.

ABOUT KAROOON 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.