

ASX RELEASE

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Successful bid for blocks in Santos Basin through Brazilian bid round

Karooon participated today (13 December Brazil time) in the ANP 4th Permanent Offer Bid Round for Concession Contracts and was successful in its bid to secure 100% interests in two blocks in the Santos Basin, offshore Brazil.

The two deepwater blocks (S-M-1356 and S-M-1482) lie approximately 80 kilometres southeast of the Baúna Project, in 1,000 – 1,350 metres water depth. Formal granting of the blocks is expected to occur in the second quarter of 2024, subject to meeting certain conditions, the payment of a bid bonus of approximately US\$3.1 million and providing a minimum investment guarantee of approximately US\$10.0 million over seven years.

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

"Karooon is delighted to have been successful with its bid for these two deepwater blocks in the latest Brazilian bid round.

The award of the blocks is in line with Karooon's strategy to seek low-cost, near-field exploration and development opportunities.

Karooon has identified a lower Tertiary play in these blocks which is interpreted to be an extension of the existing Baúna-Neon hydrocarbon source and reservoir system. We believe that, following further detailed evaluation, these blocks may present attractive exploration prospects. Any prospect delineated is expected to be de-risked by seismic reprocessing and offset drilling activities by other parties, prior to a decision on potential drilling.

The terms of the bid include a bonus payment of approximately US\$3.1 million plus a minimum work program of US\$10.0 million, to be undertaken within seven years of the formal award of the blocks. The minimum work program largely comprises seismic reprocessing, with the specific timing of activities subject to more detailed planning. The bid did not include well commitments on either of the blocks.

The newly acquired blocks further strengthen Karooon's presence in the offshore Santos Basin."

This announcement has been authorised by the CEO/MD of Karooon Energy Ltd.

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

INVESTORS

SVP Communications and Investor
Relations

Ann Diamant
M: +61 407 483 128
E: ann.diamant@karoonenergy.com

SHAREHOLDING ENQUIRIES:

Computershare
Tel: 1300 850 505

MEDIA - AUSTRALIA

P&L Corporate
Communications

Ian Pemberton
M: + 61 402 256 576
E: ian.pemberton@plcorporate.com.au

MEDIA - BRAZIL

InPress Porter
Novelli

Andrea Blum
M: + 55 21 98105-9338

Daniela Melina
M:+ 55 21 99101-0248

Jacqueline Breitingner
M: +55 21 99465 9633

E: karoon@inpresspni.com.br

ABOUT KAROON ENERGY LTD

Karooon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil, the United States 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. Karoon'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 Karoon'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 Karoon and certain plans and objectives of the management of Karoon. 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 Karoon. Such statements may cause the actual results or performance of Karoon 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.