

ASX RELEASE

19 June 2023 | ASX: KAR

Update on Baúna production and FY23 guidance

Production from Karoon’s 100% owned and operated BM-S-40 production license restarted on 9 May 2023 BRT (Brasilia Time). Since then, production has averaged approximately 33,000 bopd and remains on track to stabilise at approximately 33,000 – 35,000 bopd by 1QFY24 before entering a more gradual natural decline phase through FY2024 and beyond.

As a result of the extensive inspection and maintenance work carried out over a six week period during April and May 2023 and the current phase of production ramp up, Karoon has decided to defer the planned July 2023 maintenance shutdown to 3QFY24. Deferring the shutdown will also provide more time to co-ordinate and optimise the programme of works to be carried out and minimise the disruption to production.

Based on the ramp up to date, FY23 production guidance has been revised to 7.0 – 7.1 MMbbl and FY23 Temporary Export Tax guidance has been reduced to \$15-19m¹ (pre-tax).

All other FY23 cost & capex guidance remains unchanged. Updated guidance is shown in the table below:

Full Year FY2023 Guidance¹	Previous guidance²	Updated guidance
PRODUCTION (MMBBL)	7.0 - 7.7	7.0 - 7.1
COSTS		
Unit Production Costs (US\$/bbl) ³	15 – 17	No change
Other Operating Costs (US\$ million) ⁴	19 – 23	No change
Business Development, share-based payments & Neon studies (US\$ million)	10 – 12	No change
Finance costs and interest (US\$ million) ⁵	9 – 10.5	No change
Unit DD&A (US\$/bbl) ⁶	11 – 13	No change
Temporary export tax ⁷	18 -24	15-19
INVESTMENT EXPENDITURE (US\$ MILLION)		
Intervention and Patola Projects	195 - 205	No change
Neon evaluation	50 – 60	No change
Petrobras contingent consideration ⁸	85	No change
Other Plant and Equipment	2 – 4	No change

1) Guidance is subject to various risks (including those “Key Risks” set out in Karoon’s 2022 Annual Report).

2) Prior guidance as detailed in ASX Release dated 27.4.23 “March 2023 Quarterly Report”

3) Unit Production Costs: based on daily operating costs associated with Baúna Production, excluding government royalties.

4) Other Operating costs: includes staff costs, IT, corporate costs and non-oil and gas related depreciation, excludes

¹ Pre-tax basis and based on an indicative realised oil price of US\$77.99/bbl. Note that this is not oil price guidance.

- government royalties, social investments in lieu of tax and foreign exchange gains/losses.
- 5) Finance costs and interest include fees and debt interest.
 - 6) Excludes depreciation on FPSO right-of-use asset capitalised under AASB 16 'Leases', which is included as part of Unit Production Costs.
 - 7) This is on a pre-tax basis. It is based on an indicative realised oil price of US\$77.99/bbl. Note that this is not oil price guidance.
 - 8) Relates to contingent consideration paid to Petrobras in January 2023.

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

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
Patricia Odenbreit
M: + 55 21 96674-6403
E: karoon@inpresspni.com.br

SHAREHOLDING ENQUIRIES:

Computershare
Tel: 1300 850 505

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. 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.