

## ASX RELEASE

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### Baúna royalty rate reduction approved

The Board of the Brazilian Government oil and gas regulator, the Brazilian National Agency for Petroleum, Natural Gas and Biofuels (ANP), has approved Karoon's updated Baúna Area development plan, which includes the intervention work recently completed and the ongoing Patola development, and has agreed a reduction in the royalty rate on the incremental production from the BMS-40 license.

This decision is expected to be formalised in the government gazette in the next few days and will be subject to signing an amendment of the current concession contract.

Once formalised, the reduced royalty rate will apply to all incremental production from the Baúna, Piracaba and Patola fields resulting from the investments in the Baúna interventions and the Patola development when compared to the previously anticipated base production profile without these investments. The royalty to be applied will be at a rate of 7.5% for the incremental production up to 50% higher than the base production profile and 5% for any incremental production more than 50% above the base production profile. For the base production profile the historical 10% royalty rate will continue to apply. Once formalised, the updated royalty rates are expected to take effect from the beginning of the month after the intervention programme was completed, ie October 2022.

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

*"To encourage the ongoing development of mature oil and gas fields, ANP has reduced royalty rates on a number of late life fields onshore and offshore Brazil. We are delighted that ANP has recognised the major investment that Karoon is making to revitalise the Baúna field. The successful Baúna field intervention campaign and the Patola development, which is currently underway, are aimed at doubling production from the field. The incremental revenues generated from this major investment will benefit all stakeholders."*

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.