

## ASX RELEASE

25 June 2024 | ASX: KAR

### Drilling and Operational Update

- **The Baúna Project restarted production on 11 June 2024 BRT as scheduled.**
- **Who Dat production is currently averaging over 40,000 barrels of oil equivalent per day on a gross basis.**
- **SPS-88 is currently on track to return to production in 3Q24, subject to regulatory approvals and finalising contracts. Potential industrial action at IBAMA, Brazil's environmental regulator, is being monitored.**
- **The Who Dat East appraisal / exploration well reached a Total Depth of 7,670 metres without intersecting significant additional hydrocarbon zones and is currently being suspended as a potential future production well. The well intersected a total net pay of 45 meters measured depth.**
- **Who Dat East Contingent and Prospective Resources are expected to be updated in late 2024/early 2025 pending full analysis of well data and further studies.**

### Baúna operations update

#### Restart of production

Production from Karoon's 100% owned and operated BM-S-40 production license restarted on 11 June 2024 BRT (Brasilia Time) following a scheduled three week annual maintenance shutdown. Daily production peaked at over 31,000 barrels of oil per day (bopd) on 13 June 2024 BRT and is projected to stabilise at approximately 25,000 bopd in line with expectations, prior to natural decline resuming. Based on current production levels, Karoon expects production from the Baúna Project for the quarter ended 30 June 2024 to be between 1.3 and 1.4 million barrels of oil.

99% of the work planned was completed during the scheduled shutdown as well as several additional scopes of work. A heightened programme of maintenance continues on the FPSO following the shutdown. FPSO reliability is expected to improve during the remainder of 2024.

#### SPS-88

Preparations to commence the SPS-88 well intervention currently remain on schedule and include finalisation of commercial agreements, inspections and regulatory approvals. However, recently announced potential industrial action by workers from Brazil environmental agency IBAMA may delay necessary regulatory approvals and is being monitored closely for any potential impact on the timing of the SPS-88 intervention. 2024 Baúna Project production guidance remains unchanged at 7.5 – 9.0 million barrels of oil as Karoon still expects SPS-88 online in 3Q24. Total cost for the SPS-88 intervention remains unchanged at US\$20-30 million<sup>1</sup> and the field operation is expected to take three weeks<sup>2</sup>.

<sup>1</sup> Refer to ASX 19.4.24 "March Quarter Production Report".

<sup>2</sup> Refer to ASX 23.1.24 "CY24 production update and revised guidance".

## Who Dat

### Production

Gross production from the Who Dat assets is currently averaging over 40,000 barrels of oil equivalent (boe) per day. Karoon expects Who Dat production for the quarter ended 30 June 2024 to be approximately 0.8 million boe (on a Net Revenue Interest basis), in line with the previous quarter, assuming production remains at current levels.

The Who Dat Joint Venture is working closely together to identify and implement potential production optimisation opportunities including trialling higher gas rates from the G manifold while continuing to maximise oil production. The Joint Venture is also considering well intervention and sidetrack opportunities in the second half of 2024.

### Who Dat East drilling

The final logging for the Who Dat East exploration/appraisal well, MC 509-1 (LLOG) was completed on 17 June 2024 Central Daylight Time (CDT) after reaching a total depth of 7,670 metres measured depth (MD). The total aggregate net pay thickness of all drilled sections of the Mid Miocene turbidite sandstone targets was 45 metres MD, between 4,500 – 7,600 metres MD. The final hole section intersected minimal hydrocarbon bearing sands. Preliminary interpretation of wireline logging data indicates that the intersected pay intervals contain a high liquid yield gas condensate.

The forward plan for Who Dat East is to suspend the well as a potential future producer. Karoon's 2C Contingent Resource and 2U Prospective Resource estimates for Who Dat East will be reviewed based on further wireline log interpretation and laboratory analyses of samples and further studies to update the resource potential of the hydrocarbon zones identified. This is expected to be completed in late 2024/early 2025.

Karoon's share of the Who Dat East well costs is expected to be towards the upper end of the current guidance range of US\$50 – 56 million including a 2 for 1 carry (capped at US\$23 million)<sup>3</sup>.

The Who Dat East well, located in MC 509-1 lease area, is 27 kilometres east of the Who Dat Floating Production System, in a water depth of approximately 1,300 metres. The Who Dat East Joint Venture participants on a Working Interest basis are as follows:

LLOG (operator)	40%
Karoon <sup>4</sup>	40%
Westlawn	20%

Chief Executive Officer and Managing Director, Dr Julian Fowles, commented:

*“Our technical teams have made good progress in ensuring we stabilise and improve production at both Baúna and Who Dat. The planned Baúna shutdown was completed within the schedule but unfortunately included a Lost Time Injury (LTI). This is the first recordable injury at Baúna in over 18 months. Together with our contractors we have taken steps to improve the focus on safety, as we believe all injuries can be prevented.*

*In the Gulf of Mexico we continue to work closely with our Joint Venture Partners to optimise production and to identify and potentially accelerate opportunities to maximise the value of the asset. The results of the Who Dat East Well are encouraging and have given us more data to evaluate the commerciality of a potential Who Dat East tieback development.”*

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

<sup>3</sup> Refer ASX Release 11.6.24 “Who Dat East Well Drilling Update”.

<sup>4</sup> Via a wholly owned Karoon group subsidiary.

## FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

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## 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.

## **ABOUT KAROON ENERGY LTD**

Karooon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil, the United States of America 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.