

## Commitment to drill Neon control well(s)

Karoon Energy Ltd (ASX:KAR) is pleased to announce that it has committed to the drilling of a control well and, subject to the results of that well, a second control well in the Neon oil discovery, offshore Brazil. This decision is based on extensive pre-development studies which have determined that a potential development of the Neon discovery presents a potentially attractive investment option for Karoon.

The drilling strategy has been designed with the specific goal of reducing subsurface uncertainty to a sufficient degree to enable progress towards a potential Final Investment Decision (FID).

Subject to the receipt of required environmental licences, the new well or wells, internally named Echidna-2 and Echidna-3, are currently planned to be drilled at the conclusion of the Patola Development campaign.

The Neon light oil discovery was drilled by the Echidna-1 well in 2015 in licence BM-S-1037<sup>1</sup>. The discovery is located 50-60km north-east of the Company's producing Baúna oil field at a water depth of approximately 300 metres, with light (39° API) oil tested at a facility constrained stabilised flow rate of 4,650bbls/day.

Commenting on the decision to commit to the Neon drilling campaign, Karoon Energy's Chief Executive Officer and Managing Director, Dr Julian Fowles, said:

*"Today's decision to proceed with the drilling of up to two Neon control wells is a further exciting step for the Company as we continue to progress our growth opportunities, and reflects the hard work and dedication of our teams in Australia and Brazil. The drilling at Neon will help us to further evaluate the commerciality of a potential Neon field development with a focus on seeking to maximise oil recoveries in the most cost effective and value adding manner. If subsurface uncertainties can be sufficiently reduced, Neon provides Karoon with the potential for a standalone development or a tie-back to our existing operations at Baúna. A potential Neon development will, like all other organic and inorganic growth options for Karoon, be assessed through a rigorous and disciplined technical and commercial*

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<sup>1</sup> For further information regarding the Echidna-1 exploration well production test result, please see the ASX announcement, dated 7 May 2015, entitled "Echidna-1 Exploration Well Progress Report No 4, Facility Constrained Production Test Flows Oil at 4,650 bopd".

process with a view to maximising value for our shareholders and pursuit of our carbon neutral future.”

Figure 1 – Location Map and Neon Schematic

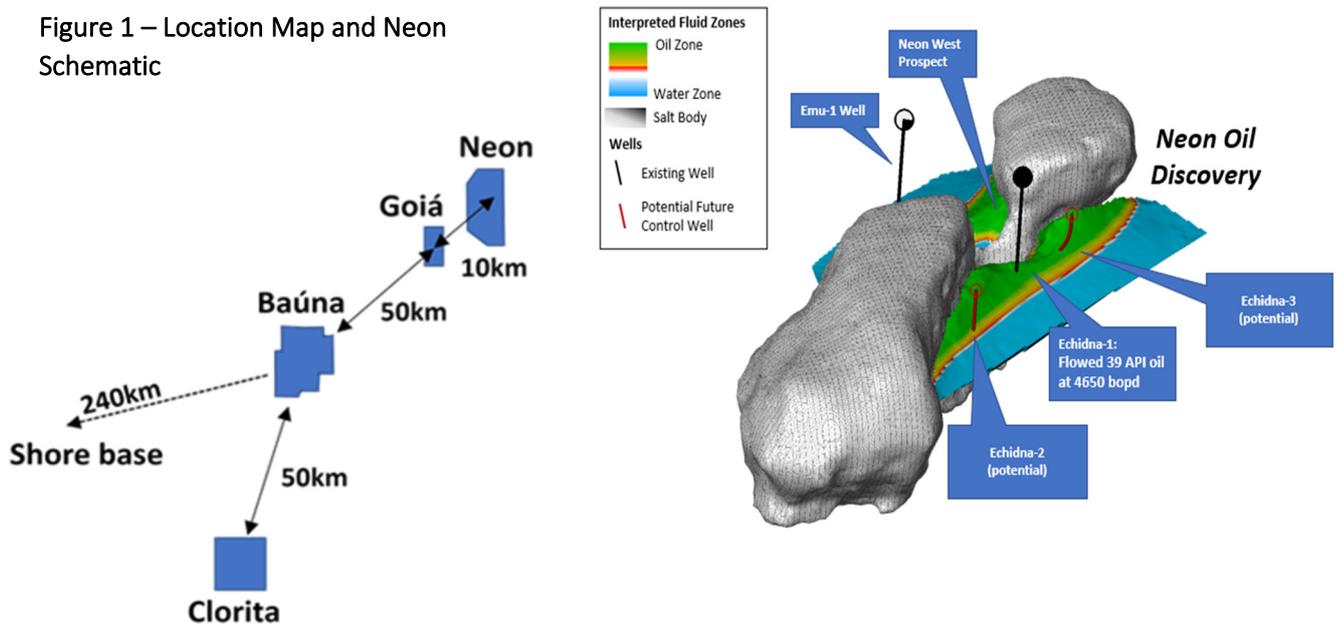


Figure 2 – Neon Contingent Resources<sup>2</sup>

	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	30	55	92

This announcement was authorised by the Board of Karoon Energy Ltd.

<sup>2</sup> Contingent resource volume estimates presented for Neon and Goiá were disclosed in the 8 May 2018 ASX announcement “Resources Update” and published in the 2021 Annual Report. Karoon is not aware of any new information or data that materially affects these resource estimates and all material assumptions and technical parameters underpinning the estimates in the relevant ASX announcement continue to apply and have not materially changed.

**For further information on this release, please contact:**

<b>Investors:</b>	<b>Media:</b>	
Ann Diamant SVP Communications and Investor Relations Mob: +61 407 483 128 Email: <a href="mailto:ADiamant@karoonenergy.com.au">ADiamant@karoonenergy.com.au</a>	<b>Australia</b> <i>P&amp;L Corporate Communications</i>  Ian Pemberton Mob: + 61 402 256 576 Email: <a href="mailto:ian.pemberton@plcorporate.com.au">ian.pemberton@plcorporate.com.au</a>	<b>Brazil</b> <i>InPress Porter Novelli</i>  Andrea Blum Mob: + 55 21 98105-9338  Patricia Odenbreit Mob: + 55 21 96674-6403 Email: <a href="mailto:karoon@inpresspni.com.br">karoon@inpresspni.com.br</a>
<b>Shareholding enquiries:</b>		
Computershare Tel: 1300 850 505		

**About Karoon Energy Ltd**

Karoon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil and Australia and is an ASX listed company.

Karoon aims to be an agile and sustainable global energy company delivering profits through a high quality portfolio of production, development and exploration assets. The Company seeks to provide energy to an ever-changing world, creating value for our shareholders and the broader community.

## **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.