

ASX RELEASE

3 April 2024 | ASX: KAR

Approval to drill Who Dat East and South exploration wells in the US Gulf of Mexico and CY24 Capex Guidance

Karooon advises that LLOG, as Operator, has confirmed that the Who Dat East and Who Dat South Joint Ventures have approved the drilling of the Who Dat East appraisal/exploration well and the Who Dat South exploration well, located offshore in the US Gulf of Mexico. The total cost of the two wells is expected to be US\$67-77 million net to Karoon.

Who Dat East

Who Dat East lies approximately 27 kilometres east of the Who Dat Floating Production System (FPS). The Who Dat East well, MC 509-1 (LLOG), is expected to spud in the first half of April 2024, using the Noble Valiant drill ship. The aim of the well is to delineate a discovery made in 2001, and test additional targets in the Middle Miocene section.

The well is designed to test five main reservoir intervals and, subject to the results, may be suspended as a potential future producer. Who Dat East is estimated to contain 17 MMboe of gross unrisks 2C Contingent Resources (5.4 MMboe net to Karoon on a Net Revenue Interest (NRI) basis, which is after Government and other royalties) and 35 MMboe of gross unrisks 2U Prospective Resources (10.7 MMboe net to Karoon on a NRI basis), with an aggregate geological probability of success estimated to be 62%¹.

The well will be drilled as a deviated hole with a total measured depth of approximately 7,925 metres and will take approximately 56 days to drill and evaluate.

The Who Dat East JV participants are:

LLOG (operator)	40%
Karoon	40%
Westlawn	20%

Who Dat South

The Who Dat South prospect is located approximately 11 kilometres southwest of the Who Dat FPS. The Who Dat South exploration well, MC 545-1 (LLOG), is expected to spud towards the end of the second quarter of CY24, using the Seadrill West Neptune drill ship.

The objective of the well is to test two targets in the Miocene section, with the shallower target being similar to the reservoir in the G-1 well in Who Dat. The Who Dat South prospect is estimated to contain 31 MMboe of gross unrisks 2U Prospective Resources (7.6 MMboe net to Karoon on a NRI basis), with the geological probability of success estimated to be 52%¹.

The well will be drilled as a deviated hole with a total measured depth of approximately 7,425 metres. It is expected to take approximately 50 days to drill and evaluate.

¹ As assessed by independent expert Netherland Sewell and Associates, Inc (NSAI) as at 31 December 2023. See page 4 of this report for the basis of calculation of Reserves and Resources and pages 12 – 19 of Karoon’s TY23 Annual Report for full details, including the Governance and Competent Persons Statement. Karoon is not aware of any new information or data that materially affects these estimates and all material assumptions and technical parameters remain unchanged.

The Who Dat South JV participants are:

LLOG (operator)	40%
Karooon	30%
Westlawn	30%

2024 Capex Guidance

Following the Joint Ventures' agreement to drill the Who Dat East and Who Dat South wells, Karoon's total committed capex for CY24 has increased by US\$67-77 million, to US\$117-134 million. The Who Dat East exploration drilling costs include a 2 for 1 carry (capped at US\$23 million).

Contingent capex of US\$33-43 million relating to the Who Dat West exploration well (which includes the remaining carry of US\$16 million) is still subject to JV approval.

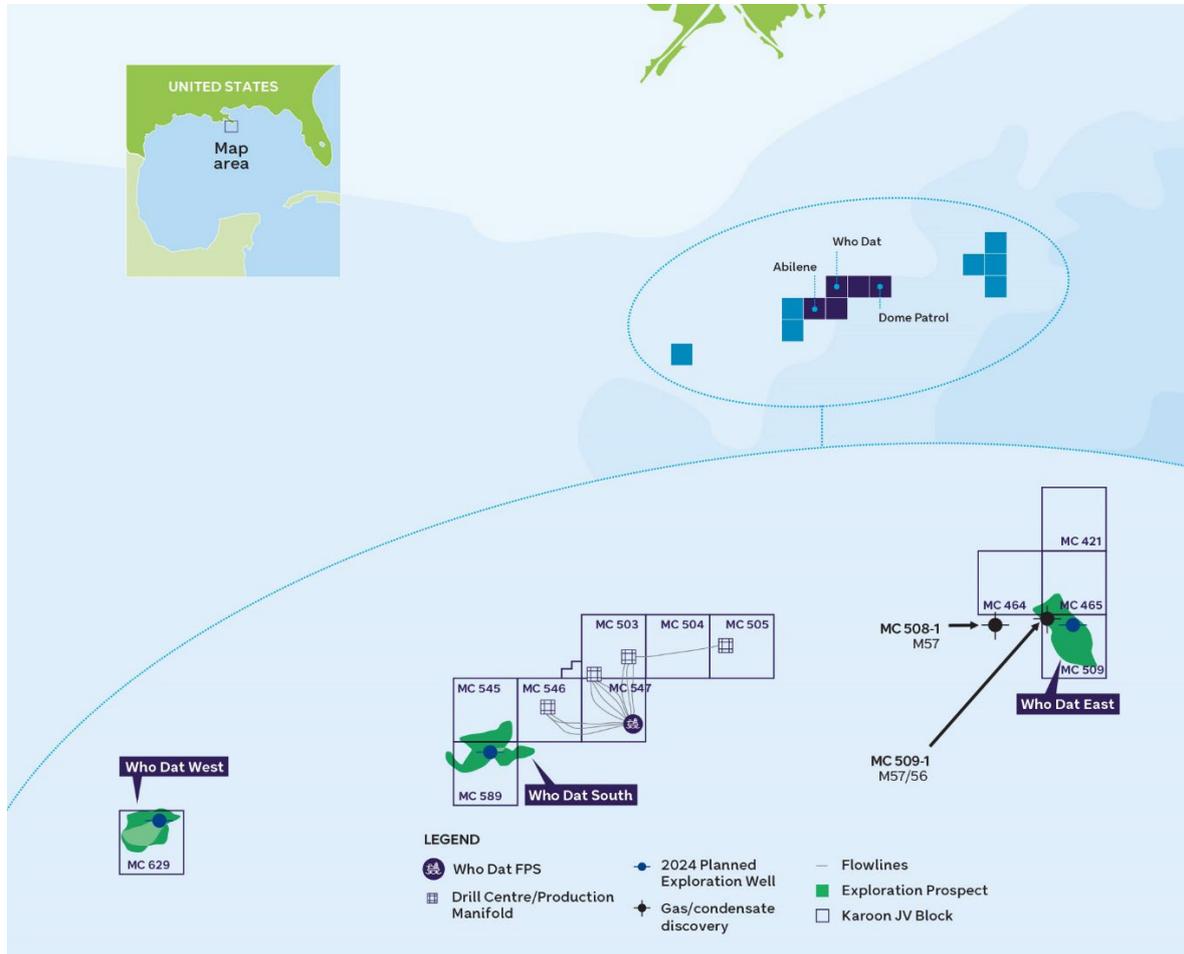
The total estimated cost of the three well Gulf of Mexico drilling program, of US\$100-120 million, and all other guidance provided on 29 February 2024 is unchanged².

Guidance for Calendar Year 2024¹		Prior	Revised
Investment Expenditure			
Neon	US\$m	13-14	Unchanged
Other capex ²	US\$m	17-18	Unchanged
Who Dat ³	US\$m	20-25	87-102
Total Capex	US\$m	50-57	117-134
Contingent Capex	US\$m	100-120	33-43

1. Guidance is subject to various risks (including those "Key Risks" set out in Karoon's TY23 Annual Report and Appendix C in the ASX release dated 16.11.23 "Acquisition of interest in the US Gulf of Mexico").
2. Includes Signature Bonuses expected to be paid to ANP.
3. Excludes exploration capex yet to be approved by the JV, which is expected to be US\$33-43 million (net to Karoon), including the remaining carry.

² Refer to slide 22 in ASX release dated 29.2.24 "Transition Year Financial Report".

Location Map



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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NOTES ON CALCULATION OF RESERVES AND RESOURCES

Reserves and Resources estimates are prepared in accordance with the guidelines of the Petroleum Resources Management System (SPE-PRMS) 2018 jointly published by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE).

All statements are net to Karoon's interests as of 31 December 2023 and use a combination of deterministic and probabilistic methods. For Reserves and Resources associated with assets in Brazil, Karoon's reported net share is based on the Working Interest for each license. For Reserves and Resources associated with assets in the USA, Karoon's reported net share is based on the Net Revenue Interest for each license, well or reservoir.

Resource volumetric estimates in MMboe have been rounded to one decimal place. Gas volumes are converted to barrels of oil equivalent (boe) on the basis of 6,000 scf = 1 boe.

The reference point for Reserves calculation is at the fiscal meter situated on the respective production facility.

Undeveloped Reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

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

Karoon 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.

Karoon'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.