

**ASX RELEASE**

Issued 25 October 2019

**Not for release or distribution in the United States**

**Retail Entitlement Offer Booklet**

Attached is a copy of the Retail Entitlement Offer Booklet for the accelerated non-renounceable pro rata entitlement offer by Karoon Energy Ltd (ACN 107 001 338) (ASX:KAR) (**Karoon**), which was announced on Wednesday, 23 October 2019.

The Retail Entitlement Offer Booklet, including personalised entitlement and acceptance forms, will be despatched to eligible retail shareholders on Wednesday, 30 October 2019.

**Retail Entitlement Offer**

The retail component of the Entitlement Offer opens on Wednesday, 30 October 2019 and closes at 5.00pm (Melbourne time) on Tuesday, 12 November 2019.

In deciding whether to participate in the Retail Entitlement Offer, Eligible Retail Shareholders should read the Retail Entitlement Offer Booklet carefully.

Yours sincerely



**Scott Hosking**  
Company Secretary and Chief Financial Officer  
**Karoon Energy Ltd**



# Retail Entitlement Offer

Karoon Energy Ltd

ACN 107 001 338

1 for 1.06 accelerated non-renounceable pro rata entitlement offer of Karoon ordinary shares at an offer price of \$0.93 per New Share

The Entitlement Offer is fully underwritten

Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Tuesday, 12 November 2019

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for new ordinary shares in Karoon Energy Ltd. You should read this document carefully in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should call your professional adviser or the Karoon Offer Information Line if you have any queries.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.**



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# Important notes

This Information Booklet is dated Friday, 25 October 2019.

Defined terms used in these important notes have the meaning given in this Information Booklet.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non Traditional Rights Issues) Instrument 2016/84) which allows entitlement issues to be offered without a prospectus. As a result, this offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Karoon Energy Ltd ACN 107 001 338 (**Karoon**) and the Retail Entitlement Offer made publicly available, before taking up all or part of their Entitlement. **This information is important and requires your immediate attention.**

You should read this Information Booklet carefully in its entirety before deciding whether to participate in the Retail Entitlement Offer. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer in this Information Booklet.

## Future performance and forward looking statements

This Information Booklet contains certain forward looking statements with respect to the financial condition, results of operations, projects and business of Karoon and certain plans and objectives of Karoon. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance' and other similar expressions.

The forward looking statements, opinions and estimates contained in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are any statements about market and industry trends, which are based on interpretations of current market conditions. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Karoon and its officers, employees, agents and associates, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Any forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

## Past performance

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Karoon performance including future share price performance.

## Jurisdictions

This Information Booklet is intended for use only in connection with the Retail Entitlement Offer to Eligible Retail Shareholders with a registered address in Australia or New Zealand. This Information Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

## Not for release or distribution in the United States of America

This Information Booklet, or any accompanying ASX announcements or the Entitlement and Acceptance Form, does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase new ordinary shares in Karoon (**New Shares**) pursuant to the offer described in this Information Booklet (**Entitlements**) nor the New Shares have been, nor will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US State securities laws. In the Retail Entitlement Offer, the Entitlements and the New Shares will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

## Risks

Refer to the 'Key Risks' Section of the Investor Presentation included in Section 3 of this Information Booklet for a summary of certain general and Karoon specific risk factors that may affect Karoon.

## Taxation

There will be a tax implication associated with participating in the Retail Entitlement Offer and receiving New Shares or additional New Shares. Section 4 provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Karoon recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

## References to 'you', 'your Entitlement' and 'your Retail Entitlement'

In this Information Booklet, references to 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement' or 'your Retail Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders, unless the context provides otherwise.

## Times and dates

Times and dates in this Information Booklet are indicative only and subject to change. All times and dates refer to Melbourne time. Refer to the 'Key Dates' Section of this Information Booklet for more details.

## Currency

Unless otherwise stated, all dollar values in this Information Booklet are in Australian dollars (A\$).

# Letter from the Chairman

Friday, 25 October 2019

Dear Shareholder

On behalf of Karoon Energy Ltd (**Karoon**), I am pleased to invite you to participate in the recently announced 1 for 1.06 fully underwritten accelerated non-renounceable pro rata Retail Entitlement Offer of new fully paid ordinary shares in the capital of Karoon (**New Shares**) at an offer price of \$0.93 per New Share (**Offer Price**).

## Background

On Wednesday, 23 October 2019, Karoon announced its intention to raise approximately \$284 million to assist in funding the balance of the Baúna oil field acquisition costs. The proceeds of this raising, together with the expected benefit to Karoon of interim net cash flow adjustments arising from the Baúna oil field from 1 January 2019 and a loan drawdown of up to US\$275 million from our ING senior secured term loan facility, will enable the acquisition to be fully funded.

The \$284 million equity raising will occur through a placement to institutional investors of approximately \$67 million (**Institutional Placement**) and the Entitlement Offer of approximately \$217 million (together, the **Capital Raising**). The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Institutional Placement (together, the **Institutional Offer**) were successfully completed before trading in our shares recommenced on Friday, 25 October 2019. This retail offer booklet relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

## About the Baúna oil field acquisition

Karoon is excited by the transformational acquisition of 100% of the Baúna oil field and its ability to deliver immediate oil reserves, production and cash flow to your company.

The Baúna project forms the cornerstone of Karoon's southern Santos Basin growth strategy. Baúna consists of two producing oil reservoirs, Baúna and Piracaba (which are both tied back to the leased FPSO Cidade de Itajaí) and the existing undeveloped Patola oil discovery. The asset is currently producing a light sweet crude of 33° API at a rate of ~20,000 bopd. Karoon is targeting an average annual production rate of ~33,000 bopd during 2022, to be achieved through a combination of well interventions and the development of the undeveloped Patola oil discovery.

The Baúna oil field cash flows are expected to complement Karoon's southern Santos Basin growth strategy and could be directed

to the funding of any potential development of our Neon and Goiás oil discoveries, which have a 2C Contingent Resource of 82 million barrels of oil, and are also expected to offer synergistic operational and logistical opportunities for any future development.

For further details please refer to the Investor Presentation lodged with the ASX on Wednesday 23 October 2019, which is included in Section 3 of this Information Booklet.

The Capital Raising is lead managed and fully underwritten by Macquarie Capital (Australia) Limited ABN 79 123 199 548 and Royal Bank of Canada (trading as RBC Capital Markets) ABN 86 076 940 880 (see Section 5.16 for further details).

## Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to subscribe for 1 New Share for every 1.06 ordinary shares in Karoon held at 7.00pm (Melbourne time) on Friday, 25 October 2019 at the price of A\$0.93 per New Share, which is the same price as the institutional investors who participated in the Institutional Placement and Institutional Entitlement Offer, and as set out in the personalised Entitlement and Acceptance Form enclosed with this Retail Offer Booklet.

If you take up your full Entitlement, you may also apply under the Top Up Facility for additional New Shares in excess of your Entitlement, up to a maximum of 15% of your Entitlement, at the Offer Price. The allocation of additional New Shares will be subject to the availability of New Shares under the Entitlement Offer. Karoon retains the flexibility to scale back applications for additional New Shares at its discretion (refer to Section 5 of this Information Booklet for more information).

The Offer Price represents:

- a 9.3% discount to the theoretical ex-rights price (**TERP**)<sup>1</sup>, based on the closing price of Karoon's shares on 22 October 2019; and
- a 16.6% discount to the closing price of Karoon's shares on 22 October 2019.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise transferable. I encourage you to consider this offer carefully.

## Information Booklet

This Information Booklet contains important information, including:

- ASX announcements relating to the Capital Raising, including the Investor Presentation, which provides information on Karoon, the Entitlement Offer and key risks for you to consider;

- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that accompanies this Information Booklet, which details your Entitlement and instructions on how to complete it; and
- instructions on how to take up all or part of your Entitlement via BPAY® or by cheque, bank draft or money order.

If you decide to take this opportunity to increase your investment in Karoon, you must:

- pay your Application Money via BPAY®; or
- return your completed personalised Entitlement and Acceptance Form, together with a cheque, bank draft or money order for your Application Money, to the Share Registry,

**before 5.00pm (Melbourne time) on Tuesday, 12 November 2019,**

Instructions on how to apply are set out in this Information Booklet and your Entitlement and Acceptance Form. If you require further assistance or information regarding the Retail Entitlement Offer, please do not hesitate to call the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 (03) 9415 5000 (from outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

**The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Tuesday, 12 November 2019**

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether to participate in the Retail Entitlement Offer.

On behalf of the board of Karoon, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of Karoon.

Yours faithfully,



**Bruce Phillips**  
Chairman,  
Karoon Energy Ltd

1. TERP calculated excluding the Institutional Placement

# Summary of Capital Raising

Institutional Placement	
Offer Price	\$0.93 per New Share
Size	72.1 million* New Shares
Gross Proceeds	\$67 million*
Entitlement Offer	
Entitlement Ratio	1 New Share for every 1.06 existing Shares held at the Record Date
Offer Price	\$0.93 per New Share
Size	233.4 million* New Shares
Gross Proceeds	\$217 million*, being \$108 million* under the Institutional Entitlement Offer and \$109 million* under the Retail Entitlement Offer
<b>Total Gross Proceeds of Capital Raising</b>	<b>\$284 million*</b>

\* approximate numbers

## Key dates for Retail Entitlement Offer

Event	Date
Announcement of Capital Raising	Wednesday, 23 October 2019
Announcement of results of Institutional Offer	Friday, 25 October 2019
Record Date for the Entitlement Offer	Friday, 25 October 2019
<b>Dispatch of Information Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders</b>	<b>Wednesday, 30 October 2019</b>
Retail Entitlement Offer opens	Wednesday, 30 October 2019
Settlement of Institutional Entitlement Offer and Placement Shares	Thursday, 31 October 2019
Quotation of Institutional Entitlement Offer and Placement Shares	Friday, 1 November 2019
<b>Retail Entitlement Offer closes</b>	<b>Tuesday, 12 November 2019</b>
Announcement of Results of Retail Entitlement Offer	Friday, 15 November 2019
<b>Settlement of Retail Entitlement Offer</b>	<b>Monday, 18 November 2019</b>
Issue of New Shares under the Retail Entitlement Offer	Tuesday, 19 November 2019
<b>Quotation and normal trading of New Shares under the Retail Entitlement Offer expected to commence on ASX</b>	<b>Wednesday, 20 November 2019</b>
Despatch of holding statements	Thursday, 21 November 2019

The timetable above is indicative only and may be subject to change without notice. Karoon, with the consent of the Underwriters, reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to amend or vary any or all of the dates and times without notice. In particular, Karoon reserves the right to extend the closing date of the Retail Entitlement Offer, accept late applications (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to the Retail Entitlement Offer. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

## Enquiries

For further information regarding the Retail Entitlement Offer, please call the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 (03) 9415 5000 (from outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period and for five Business Days following the allotment of New Shares under the Retail Entitlement Offer. If you have any questions, please consult your stockbroker, accountant or other independent professional adviser.

# 1. Summary of options available to you

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If you are an Eligible Retail Shareholder, you may take any one of the following actions:

- take up all of your Entitlement and also apply for additional New Shares under the Top Up Facility;
- take up all of your Entitlement but not apply for any additional New Shares under the Top Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail shareholder that is not an Eligible Retail Shareholder you are an “Ineligible Retail Shareholder”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<p>You may elect to purchase New Shares at the Offer Price (see Section 2 “<i>How to Apply</i>” for instructions on how to take up your Entitlement).</p> <ul style="list-style-type: none"><li>• The New Shares will rank equally in all respects with existing Shares (including rights to dividends and distributions).</li><li>• The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Tuesday, 12 November 2019.</li><li>• If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility.</li></ul>
2. Take up part of your Entitlement	<ul style="list-style-type: none"><li>• If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Top Up Facility.</li><li>• If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up.</li><li>• If you do not take up your Entitlement in full, you will have your percentage holding in Karoon reduced as a result of the Entitlement Offer.</li></ul>
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<ul style="list-style-type: none"><li>• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means they are non-transferable and cannot be sold, or traded on ASX or any other exchange, nor can they be privately transferred.</li><li>• If you do not take up your Entitlement, you will have your percentage holding in Karoon reduced as a result of the Entitlement Offer.</li></ul>

## 2. How to apply

### 2.1 Before making a decision

This Information Booklet (including the ASX Announcement and Investor Presentation set out in Section 3 and the Additional Information set out in Section 5) should be read carefully and in its entirety before making any decision about your Entitlement. You should be aware that an investment in Karoon involves risks. The key risks identified by Karoon are set out in the “Key Risks” Section of the Investor Presentation included in this Information Booklet.

### 2.2 Overview of Capital Raising

Karoon intends to raise approximately \$284 million through the Capital Raising. This includes an Institutional Placement of \$67.1 million and the Entitlement Offer of \$217.1 million. The proceeds of the Capital Raising will be used to:

- partially fund the proposed acquisition of the Baúna oil field in the Santos Basin off shore Brazil and associated transaction costs;
- fund Karoon’s intended exploration well in the Tumbes Basin (Marina-1);
- support the associated working capital, corporate costs and other needs of the business; and
- pay the costs of the Capital Raising.

### 2.3 Overview of Entitlement Offer

Eligible shareholders are being offered the opportunity to purchase 1 New Shares for every 1.06 existing Shares held as at 7.00pm (Melbourne time) on Friday, 25 October 2019 (**Record Date**), at the Offer Price of \$0.93 per New Share.

The Entitlement Offer has two components:

- (a) **Institutional Entitlement Offer of approximately \$108 million** – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement.
- (b) **Retail Entitlement Offer of approximately \$109 million** – Eligible Retail Shareholders are given the opportunity to take up all or part of their Entitlements under the Retail Entitlement Offer.

Eligible Retail Shareholders who take up their full Entitlement may also participate in the Top Up Facility by applying for additional New Shares in excess of their Entitlement up to a maximum of 15% of their Entitlement at the Offer Price.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable and Entitlements are calculated under both offers based on the same ratio. The New Shares issued under the Institutional Placement, Institutional Entitlement Offer and Retail Entitlement Offer are all issued at the same Offer Price.

### 2.4 Institutional Offer

The Institutional Offer, comprising both the Institutional Entitlement Offer and the Institutional Placement, was successfully completed on Friday, 25 October 2019. A copy of Karoon’s announcement to the ASX in relation to the completion of the Institutional Offer is set out in Section 3.

Karoon raised approximately \$67.1 million under the Institutional Placement and approximately \$108 million under the Institutional Entitlement Offer, at \$0.93 per New Share. New Shares are expected to be allotted under the Institutional Offer on Thursday, 31 October 2019.

### 2.5 The Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 1.06 existing Shares held as at the Record Date at the Offer Price of \$0.93 per New Share. New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer. The Retail Entitlement Offer is non-renounceable. This means Entitlements do not trade on the ASX and cannot be dealt with, sold or transferred.

The Retail Entitlement Offer opens at 9.00am (Melbourne time) on Wednesday, 30 October 2019 and will close at 5.00pm (Melbourne time) on Tuesday, 12 November 2019.

### 2.6 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1.06 existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

If you take up your Entitlement in full, you may also apply for additional New Shares under the Top Up Facility, up to an additional 15% of your Entitlement. Any New Shares not taken up by the Closing Date may be made available under the Top Up Facility to those Eligible Retail Shareholders who have taken up their Entitlement in full and applied for additional New Shares. There is no guarantee that you will receive the number of New Shares applied for, or any New Shares, under the Top Up Facility. New Shares will only be allocated under the Top Up Facility if available and if Karoon so determines, in its absolute discretion.

### 2.7 Consider the Retail Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be made without a prospectus. This Information Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Karoon and the Retail Entitlement Offer made publicly available, prior to making any decision in respect of your Entitlement.

You should consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the “Key Risks” Section of the Investor Presentation included in Section 3 of this Information Booklet.

## 2.8 Options available to you

If you are an Eligible Retail Shareholder, you may:

- take up all your Entitlement in full and, if you do so, you may also apply for additional New Shares under the Top Up Facility (see Section 2.9);
- take up part of your Entitlement and the rest of your Entitlement will lapse (see Section 2.10); or
- do nothing and allow your Entitlement to lapse (see Section 2.11).

## 2.9 If you wish to take up all your Entitlement or take up all your Entitlement and participate in the Top Up Facility

If you wish to take up all of your Entitlement, you must:

- (a) pay your Application Money via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- (b) if you are unable to pay via BPAY® (for example, because you are a New Zealand Shareholder who does not have an Australian bank account), complete and return the personalised Entitlement and Acceptance Form with the requisite Application Money,

in each case, by no later than 5.00pm (Melbourne time) on Tuesday, 12 November 2019.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility, up to a maximum of 15% of your Entitlement. Karoon may treat amounts it receives in excess of the Offer Price multiplied by your Entitlement as an Application to apply for as many additional New Shares in the Top Up Facility as will be paid in full from the excess amounts.

If your Application for New Shares under the Top Up Facility is accepted in whole or in part, your New Shares will be issued to you at the same time that other New Shares are issued under the Retail Entitlement Offer. There is no guarantee that you will be allocated any additional New Shares.

Karoon will pay any refund amounts in Australian dollars to you either by direct credit to your nominated bank account, or by cheque, bank draft or money order sent by ordinary post to your address as noted in the share register as at the Closing Date. No interest will be paid on any Application Money received or refunded.

## 2.10 If you wish to take up part of your Entitlement and let the balance lapse

If you wish to take up part of your Entitlement, you must:

- (a) pay your Application Money for the relevant part via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- (b) if you are unable to pay via BPAY® (for example, because you are a New Zealand Shareholder who does not have an Australian bank account), complete and return the personalised Entitlement and Acceptance Form with the requisite Application Money,

in each case, by no later than 5.00pm (Melbourne time) on Tuesday, 12 November 2019.

Any of your Entitlement which you do not take up will lapse. Your percentage shareholding in Karoon will be diluted accordingly.

If Karoon receives an amount that is less than the Offer Price multiplied by your Entitlement, Karoon may treat your payment as an Application for as many New Shares as your Application Money will pay in full and the balance of your Entitlement will lapse.

## 2.11 If you wish to do nothing and allow your Entitlement to lapse

If you do not wish to take up all or any part of your Entitlement, you do not need to take any further action. Your Entitlement will lapse and your percentage shareholding in Karoon will be diluted accordingly.

## 2.12 Consequences when an Entitlement lapses

If you do not accept all or part of your Entitlement in accordance with the relevant instructions and all or part of your Entitlement lapses, the New Shares to which you would otherwise have been entitled under the Retail Entitlement Offer may be acquired by the Underwriters or any sub-underwriters or by other Eligible Retail Shareholders under the Top Up Facility.

By allowing all or part of your Entitlement to lapse, you will forego any exposure to increases or decreases in the value of New Shares you would have received had you taken up your Entitlement and you will not receive any value for your Entitlement. Your percentage shareholding in Karoon will be diluted accordingly.

## 2.13 Payment

You can pay in the following ways:

- by BPAY®; or
- if you are unable to pay by BPAY® (for example, because you are a New Zealand Shareholder who does not have an Australian bank account), by cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued.

Karoon will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Money received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Money received or refunded.

### (a) Payment by BPAY®

To pay by BPAY®, follow the instructions on the personalised Entitlement and Acceptance Form. You can only pay via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, you must use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

If you pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.14; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Money.

## 2. How to apply continued

It is your responsibility to ensure that your BPAY® payment is received by the Karoon Share Registry by no later than 5.00pm (Melbourne time) on Tuesday, 12 November 2019. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

### (b) Payment by cheque, bank draft or money order

To pay by cheque, bank draft or money order, complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Money, payable to 'Karoon Energy Ltd – Retail Offer' and crossed 'Not Negotiable'.

Your Application Money must be:

- for an amount equal to \$0.93 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars.

You should ensure that sufficient funds are held in the relevant account to cover the Application Money as your cheque, bank draft or money order will be processed on the day of receipt. If the amount of your cheque, bank draft or money order for Application Money (or the amount for which the cheque, bank draft or money order clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form) and to have provided the representations in Section 2.14. Alternatively, your application will not be accepted.

If you make payment via cheque, bank draft or money order, your completed personalised Entitlement and Acceptance Form together with your Application Money must be received at Karoon's Share Registry no later than the close of the Retail Entitlement Offer, being 5.00pm (Melbourne time) on Tuesday, 12 November 2019.

### 2.14 Representations by acceptance

By making a payment by BPAY® or completing and returning your personalised Entitlement and Acceptance Form, you will be deemed to have represented to Karoon that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Information Booklet (including Section 5.6), and Karoon's constitution;
- authorise Karoon to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once Karoon receives your payment of Application Money via BPAY® or your personalised Entitlement and Acceptance Form you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Money via BPAY® or have specified in the personalised Entitlement and Acceptance Form at the Offer Price per New Share;
- authorise Karoon, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Karoon and is given in the context of Karoon's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" Section of the Investor Presentation contained in Section 3 of this Information Booklet, and that investments in Karoon are subject to risk;
- acknowledge that neither Karoon nor the Underwriters, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Karoon, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Karoon to correct any errors in your personalised Entitlement and Acceptance Form or any other form provided by you;
- represent and warrant (for the benefit of Karoon, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer; and
- represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer.

By making a payment by BPAY® or completing and returning your personalised Entitlement and Acceptance Form, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States;
- you are subscribing for or purchasing the Entitlements or the New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in compliance with reliance on Regulation S under the US Securities Act;
- you have not and will not send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

## 2.15 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions about completing it, please contact the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 (03) 9415 5000 (outside Australia). The Karoon Offer Information Line will be open from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

### 3. ASX Announcements

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES



#### ASX RELEASE

Issued 23 October 2019

**Karoon Energy Ltd (Karoon) to undertake a fully underwritten equity raising of approximately A\$284 million to complete the funding of the Baúna oil field acquisition and to support future growth initiatives**

#### Highlights

- Fully underwritten equity raising comprising a A\$67 million institutional placement and a 1 for 1.06 pro rata entitlement offer to raise approximately A\$217 million
- The placement and entitlement offer proceeds will be used to fund the balance of the Baúna oil field acquisition and its associated completion adjustments and transaction costs; the Tumbes Basin exploration well (Marina-1); and working capital requirements
- Baúna will deliver Karoon material and immediate oil production of circa 20,000 bopd with a pathway to near-term production upside through well interventions and the development of the Patola undeveloped oil discovery, targeting an average production rate of circa 33,000 bopd by 2022
- The Baúna oil field acquisition is subject to final Brazilian regulatory approvals, which are expected to be achieved in the first quarter of calendar year 2020

Karoon (ASX:KAR) is pleased to announce a fully underwritten<sup>1</sup> equity raising comprising of an institutional placement of A\$67 million (**Placement**) and a 1 for 1.06 pro rata accelerated non-renounceable entitlement offer of A\$217 million (**Entitlement Offer**). The Placement and Entitlement Offer will raise approximately A\$284 million (**Equity Raising**), with the issue of approximately 305.5 million new ordinary shares (**New Shares**) representing 123.5% of existing shares on issue.

The Placement and Entitlement Offer will be conducted at an offer price of A\$0.93 per share (**Offer Price**), representing a:

- 9.3% discount to TERP<sup>2</sup>; and
- 16.6% discount to the last traded price of A\$1.115 per share before announcement of the Equity Raising.

New shares issued under the Placement and Entitlement Offer will rank equally with existing Karoon shares.

*Karoon's Managing Director, Mr. Robert Hosking said: "Since the announcement of the Baúna Sale and Purchase Agreement on 25 July 2019, the company has been working with Petrobras on transition arrangements at the same time as progressing the required regulatory approvals. In addition, we have finalised documentation of a senior term loan facility and secured a crude marketing agreement with Shell West, the pre-eminent crude marketer in the region. The equity raising announced today represents the final piece of the Baúna acquisition funding package."*

*The acquisition of Baúna represents a new phase for Karoon as a significant ASX listed oil producer, providing Karoon shareholders with immediate and material oil production as well as a platform for*

<sup>1</sup> The Underwriting Agreement is subject to conditions precedent, termination events, representations and warranties customary for a transaction of this nature.

<sup>2</sup> Theoretical ex-rights price (**TERP**) includes shares issued under the Entitlement Offer and excludes shares issued under the Placement. TERP is a theoretical calculation only and the actual price at which Karoon shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP.

*future growth. The transaction is transformational for the company and strengthens Karoon's strategic position in the southern Santos Basin."*

#### Use of Proceeds

Karoon intends to use proceeds from the Equity Raising for the following purposes:

- **To fund the balance of the Baúna acquisition amount**– along with Karoon's existing cash reserves, the secured US\$275 million ING debt facility and interim net cash inflows from the asset (as announced to the ASX on 25 July 2019), proceeds from the Equity Raising will be used to fund the balance of the Baúna purchase price (US\$615 million net of the US\$50 million deposit already paid) and other completion adjustments;
- **To fund abandonment escrow account requirement and minimum loan facility bank balance** - Karoon anticipates that it may be required to provide a US\$30 million abandonment escrow and a minimum cash balance of US\$20 million in Brazil under the ING debt facility;
- **To fund Karoon's exploration well in the Tumbes Basin (Marina-1)** – drilling of the Marina-1 well in the Tumbes Basin, offshore Peru, to commence in calendar year 2020;
- **To strengthen the balance sheet and support associated working capital;** and
- **To fund the transaction costs associated with the Equity Raising.**

Following the completion of the Equity Raising and financial close of the Baúna acquisition, Karoon expects to have A\$34 million cash and cash equivalents and A\$364 million<sup>3</sup> debt outstanding (US\$250 million) relating to the secured ING facility.

#### Placement Details

The Placement to institutional investors will raise A\$67 million at an Offer Price of A\$0.93 per share. The Placement comprises the issue of 72.1 million shares to eligible sophisticated, professional and other institutional investors located in Australia and select international jurisdictions. The Placement represents 15% of Karoon's shares on issue following the entitlement offer. In accordance with a waiver to Listing Rule 7.1 granted by the ASX, the placement is within Karoon's placement capacity as calculated by reference to the number of ordinary Karoon shares that will be on issue immediately following completion of the Entitlement Offer, and accordingly no shareholder approval is required in connection with the Placement.

#### Entitlement Offer Details

The 1 for 1.06 Entitlement Offer will raise a total of approximately A\$217 million at a price of A\$0.93 per share. The Entitlement Offer will be conducted in two parts, a component to institutional investors (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferrable.

Eligible shareholders under the Institutional Entitlement Offer include sophisticated, professional and other institutional shareholders located in Australia and select international jurisdictions at the record date of 25 October 2019 (**Eligible Institutional Shareholders**). The Institutional Entitlement Offer will be conducted from 23 October 2019 to 24 October 2019.

The Retail Entitlement Offer will be offered to eligible retail shareholders with registered addresses within Australia and New Zealand at the record date of 25 October 2019 (**Eligible Retail Shareholders**). The Retail Entitlement Offer will open on 30 October 2019 and close on 12 November 2019 (unless extended). The Retail Offer Booklet, containing full details of the Entitlement Offer, will be sent to Eligible Retail Shareholders on 30 October 2019.

<sup>3</sup> Assumes foreign exchange rate conversion of 0.6877 AUDUSD, the foreign exchange spot rate on 22 October 2019

#### Indicative Timetable<sup>4</sup>

Event	Date
Trading halt and announcement of Equity Raising	Wednesday, 23 October 2019
Placement and Institutional Entitlement Offer opens	Wednesday, 23 October 2019
Placement and Institutional Entitlement Offer closes	Thursday, 24 October 2019
Trading halt lifted - Shares recommence trading on ASX on an "ex-entitlement" basis	Friday, 25 October 2019
Record Date for determining entitlement to subscribe for New Shares at 7.00pm (Melbourne time)	Friday, 25 October 2019
Retail Entitlement Offer opens	Wednesday, 30 October 2019
Settlement of New Shares under the Institutional Entitlement Offer and Placement	Thursday, 31 October 2019
Normal trading of New Shares under the Placement and Institutional Entitlement Offer	Friday, 1 November 2019
Retail Entitlement Offer closes at 5.00pm (Melbourne time)	Tuesday, 12 November 2019
Settlement of Retail Entitlement Offer	Monday, 18 November 2019
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 19 November 2019
Normal trading of New Shares under the Retail Entitlement Offer	Wednesday, 20 November 2019

#### Baúna light oil field acquisition

On 25 July 2019, Karoon announced the execution of a binding Sale and Purchase Agreement to acquire a 100% operating interest in the Baúna oil field (Concession BM-S-40) located in the Santos Basin, offshore Brazil for a headline purchase price of US\$665 million.

The Baúna project consists of two producing oil reservoirs, Baúna and Piracaba, which are both tied back to the leased FPSO Cidade de Itajaí, and the existing undeveloped Patola oil discovery. The asset is currently producing a light sweet crude at a rate of approximately 20,000 bopd. Karoon is targeting an average annual production rate of circa 33,000 bopd during 2022, to be achieved through a combination of well interventions and the development of the undeveloped Patola oil discovery.

The acquisition is also expected to deliver material operational and logistical synergies for the potential future development of Karoon's existing Southern Santos Basin assets, the Neon and Goiás oil fields.

Supporting the transaction, Karoon announced on 14 October 2019 the execution of a binding agreement for a US\$275 million senior term loan facility. On 21 October 2019, Karoon announced it had completed an oil marketing agreement and agreed terms for a credit approved US\$50 million term loan. These agreements ensure the best access to global markets and complement the sale and shipping of oil from Baúna.

<sup>4</sup> This timetable is indicative only and may change without notice at the company's discretion or subject to the requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules. Karoon has the ability at its discretion to make changes including to extend the closing date for the Retail Entitlement Offer, to withdraw the Entitlement Offer at any time prior to the issue of New Shares and/or to accept late applications either generally or in specific cases.

Please refer to the ASX announcement and supporting presentation lodged with ASX on 25 July 2019 for further information on the transaction. Karoon continues to progress ancillary documentation, regulatory approvals and the transitional field operations required for completion of the Baúna acquisition, expected during the first quarter of calendar year 2020.

**Additional Information**

Additional information regarding the Equity Raising is contained in the investor presentation released to the ASX today. The investor presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

Macquarie Capital (Australia) Limited and Royal Bank of Canada (trading as RBC Capital Markets) are acting as Joint Lead Managers, bookrunners and underwriters to the Placement and Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEDT). For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

#### **Further information**

Investors: please contact James Wootton on +61 3 9616 7500 or [jwootton@karoonenergy.com.au](mailto:jwootton@karoonenergy.com.au).

Media: please contact Tim Duncan, GRACosway, on +61 408 441 122 or [tduncan@gracosway.com.au](mailto:tduncan@gracosway.com.au).

All **holding** enquiries should be directed to our share registrar, Computershare on 1300 850 505.

#### **About Karoon Energy Ltd**

Karoon Energy Ltd. (ASX: KAR) is an international oil and gas exploration company with projects in Australia, Brazil and Peru.

Karoon has a core exploration growth strategy, focused on large targets in proven Petroleum Systems. The Company utilises its depth of technical experience to find and assess opportunities with a current focus of production assets to complement its existing portfolio.

Karoon's strategic vision is to transform into a global exploration and production (E&P) company with material production to underpin growth through a highly prospective exploration portfolio and entrepreneurial spirit.

#### **Important Notice and Disclaimer**

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States.

The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Karoon's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at [www.asx.com.au](http://www.asx.com.au). You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. The New Shares to be offered and sold in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act"), or the securities laws of any state or jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.

### **Forward-looking Statements**

This announcement contains certain “forward-looking statements”. These forward-looking statements are based on Karoon’s expectations and beliefs concerning future events and include statements about the completion of the Baúna acquisition, the impact of the Baúna acquisition, the timing and amount of synergies, the future strategies, results and outlook of Karoon post acquisition and the opportunities available to it, certain plans and objectives of the management of Karoon, the outcome of the Offer and the use of proceeds. 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, the general economic climate, climate conditions, political risks, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised. Indications of, and guidance on, future earnings and financial position and performance 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 known and unknown risks may arise, many of which are outside the control of Karoon. The risks, uncertainties, assumptions and other factors cannot be predicted by Karoon and include changes in circumstances or events that may cause objectives to change as well as the risks, circumstances and events specific to the industry, countries and markets in which Karoon operates. Such statements may cause the actual results or performance of Karoon, Karoon’s producing and exploration assets, any joint-venture arrangements or the broader industry that Karoon participates in 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, its subsidiaries, advisers and affiliates (and each of their respective officers, employees and agents) do not make any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statements, and that statements about past performance are not necessarily indicative of future performance. Furthermore, 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.



# Acquisition of the Baúna Oil Field and Equity Raising

23 October 2019



## Important notices and disclaimer

This presentation has been prepared by Karoon Energy Ltd ACN 107 001 338 (**Karoon** or the **Company**).

This presentation has been prepared in relation to Karoon conducting:

- a placement to sophisticated and professional investors (**Placement**); and
- an accelerated non-renounceable pro rata entitlement offer of new shares in Karoon (**New Shares**), to be made to:
  - eligible institutional shareholders of Karoon (**Institutional Entitlement Offer**); and
  - eligible retail shareholders of Karoon (**Retail Entitlement Offer**).

under Section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**Entitlement Offer**), (the **Placement** and the **Entitlement Offer** together, the **Offer**).

The following disclaimer applies to this presentation and any information provided regarding the information contained in this presentation (the **Information**). This presentation contains summary information about the Company and its activities which is current as at the date of this presentation and remains subject to change without notice. The **Information** in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company, or that would be required in a prospectus prepared in accordance with the requirements of the *Corporations Act*. The historical information in this presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). This presentation should be read in conjunction with Karoon's other periodic and continuous disclosure announcements which are available at [www.asx.com.au](http://www.asx.com.au). You are advised to read this disclaimer carefully before reading or making any other use of this presentation or any information contained in this presentation. In accepting this presentation, you agree to be bound by the following terms and conditions including any modifications to them.

Certain market and industry data used in connection with this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Karoon nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law or the law of any other jurisdiction. This presentation is not a financial product or investment advice, or a recommendation to acquire Karoon shares, nor is it legal or tax advice. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the **Information**. You are solely responsible for seeking independent professional advice in relation to the **Information** and any action taken on the basis of the **Information**. Before making an investment decision, prospective investors should consider the appropriateness of the **Information** having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated.

Investors should note that this presentation contains pro forma historical and forecast financial information. The pro forma and forecast financial information, and the historical information, provided in this presentation are for illustrative purposes only and are not represented as being indicative of Karoon's views on its future financial condition and/or performance. The pro forma financial information has been prepared by Karoon in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia. The pro forma historical financial information included in the **Information** does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission, and such financial information does not purport to comply with Article 3-05 of Regulation S-X.

The estimates of Reserves, Contingent Resources and Prospective Resources referred to in this presentation were prepared on a probabilistic statistical aggregation basis and are referenced to the relevant ASX announcement in which the estimates were first disclosed by Karoon. The estimates of Reserves, Contingent Reserves and Prospective Resources have been estimated in accordance with the requirements of the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS), which may differ from the requirements that apply under other reporting systems, including the rules and regulations of the US Securities and Exchange Commission (SEC). In particular, issuers are generally not permitted to disclose non-Reserve quantities of oil and gas, such as Contingent and Prospective Resources in an SEC filing. Karoon is not aware of any new information or data that materially affects the information included in such announcements and Karoon considers that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

## Important notices and disclaimer

Investors should also note that Karoon's results are reported under Australian International Financial Reporting Standards, or AIFRS. The historical information included in this presentation is, or is based on, information that has previously been released to the market. Investors should also be aware that certain financial data included in this presentation including "EBITDA", "Underlying EBITDA", "Average net working capital", "net debt", and measures described as "core" may be "non-IFRS financial information" under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC or "non-GAAP financial measures" within the meaning of Regulation G of the US Securities Exchange Act of 1934. The disclosure of such non-GAAP financial measures in the manner included in the presentation may not be permissible in a registration statement under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**). The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Although Karoon believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this presentation.

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of Karoon cannot be relied upon as an indicator of (and provides no guidance as to) future Karoon performance including future share price performance.

Neither of the underwriters, nor any of their respective affiliates or related bodies corporate, nor any of their respective directors, officers, partners, employees, agents or advisers (**Underwriter Parties**) have caused, permitted or authorised the issue, submission, despatch or provision of this presentation. For the avoidance of doubt, the Underwriter Parties have not made or purported to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, the Underwriter Parties make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and take no responsibility for any part of this presentation or the Offer. The Underwriter Parties make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

The presentation includes certain "forward-looking statements" such as indications of, and guidance on, future events, future earnings and the future financial performance and financial position of Karoon. Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "projection", "estimate", "target", "outlook", "guidance" or other similar expressions and include statements regarding the timing and outcome of the Offer, Karoon's strategies and plans and the future operational and financial performance of Karoon. Any forward-looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies and other factors, including the risks described in this presentation under "Key risks" and "Key acquisition risks" many of which are outside the control of, and are unknown to, Karoon and its officers, employees, agents or associates and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward-looking statements in this presentation speak only as at the date of this presentation.

In particular, the risk factors detailed in this presentation may affect the future operating and financial performance of Karoon. Investors should consider the forward-looking statements contained in this presentation in light of those disclosures. Actual results, performance or achievement may vary materially from any forward-looking statements and the assumptions on which those statements are based.

An investment in Karoon shares are subject to investment and other known and unknown risks, some of which are beyond the control of Karoon. Karoon does not guarantee any particular rate of return or the performance of Karoon, nor does it guarantee the repayment of capital from Karoon or any particular tax treatment. You should have regard to the risk factors outlined in this presentation when making any investment decision.

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian law (and will not be lodged with ASIC) or any other law.

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## Important notices and disclaimer

The Information does not and will not constitute or form part of an offer, invitation, solicitation or recommendation in relation to the subscription, purchase or sale of securities in any jurisdiction and neither this presentation nor anything in it shall form any part of any contract for the acquisition of Karoon shares. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. See Section 6 "Offering Jurisdictions".

This presentation must not be released or distributed in the United States, except by the Company and only to Approved U.S. Shareholders and Approved U.S. Investors (as those terms are defined in Section 6 "Offering Jurisdictions") as part of the documentation that they receive in connection with the Entitlement Offer. The entitlements and New Shares described in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States (or for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting this presentation you represent and warrant that you are entitled to receive this presentation in accordance with the restrictions set out in Section 6 "Offering Jurisdictions" and agree to be bound by the limitations contained in that section and elsewhere in this presentation.

Any decision to purchase New Shares in the Retail Entitlement Offer must be made on the basis of the information to be contained in a separate offer document to be prepared and issued to eligible retail shareholders. The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the retail offer booklet and the entitlement and application form.

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### Section 1

#### Karooon investment highlights

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### Acquisition of Baúna oil field and Equity Raising

**Karooon to undertake underwritten Equity Raising of approximately A\$284 million to complete the funding of the Baúna acquisition and support future growth initiatives**



#### Acquisition of the Baúna oil field from Petrobras

- As announced on 25 July 2019, Karoon has agreed to acquire a 100% operating interest in the Baúna oil field, offshore southern Santos Basin, Brazil
- Headline purchase price of US\$665 million
- Asset currently 100% owned and operated by Brazil's National Oil Company, Petrobras
- Cash deposit of US\$50 million was paid to Petrobras
- Binding Marketing Agreement with Shell Western Trading and Supply ("Shell"), of up to 5 years to market, to trade and ship crude from Baúna



#### Material oil production delivery

- Baúna delivers Karoon material immediate oil production of ~20,000 bopd with near-term upside through well interventions and development of the existing undeveloped Patola oil discovery
- Gross 2P Reserves of 52.5 MMbbls and gross 2C Contingent Resource of 18.8 MMbbls secured at an acquisition multiple of ~US\$12.66/bbl for 2P oil<sup>1</sup>
- Produced oil from Baúna is expected to be priced at Brent



#### Transaction timing and conditions

- Subject to the conditions of the Brazilian upstream regulator's (ANP) approval, the transaction is expected to close in the first quarter of calendar year 2020
- The full list of transaction conditions is provided in Appendix A on slide 39



#### Aligned with Karoon's strategy

- The transaction is consistent with Karoon's strategy to acquire a material production asset and leverages Karoon's decade of technical and exploration experience in Brazil
- Opportunity for synergies with Karoon's existing portfolio in the southern Santos Basin
- Ability to utilise accumulated gross tax losses in Brazil of ~US\$69 million<sup>2</sup>



#### Fully-underwritten Equity Raising

- Karooon to undertake a fully underwritten placement and entitlement offer (Equity Raising) to raise approximately A\$284 million to complete the funding of the Baúna acquisition and support near-term exploration drilling program in Peru (Marina-1)
- Balance of US\$665 million Baúna purchase price and other completion adjustments to be funded by a combination of existing cash, debt and interim net cash flow adjustments from the effective transaction date of 1 January 2019

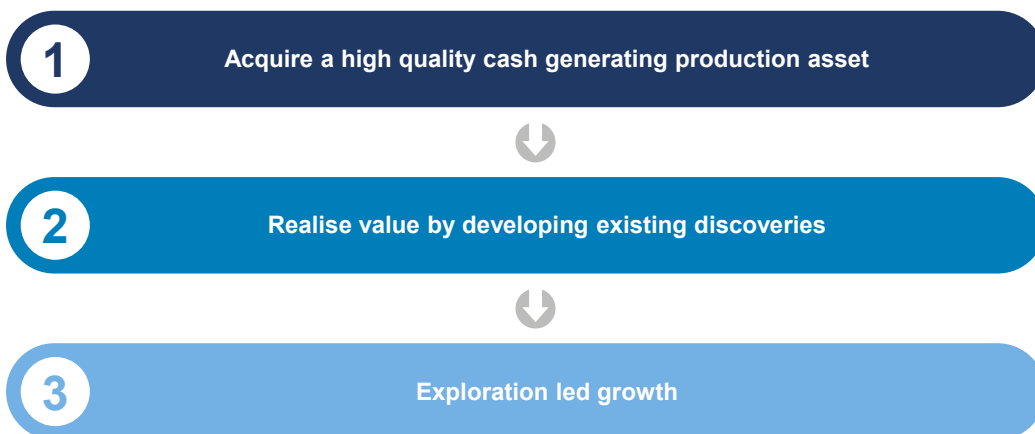
1. Independently assessed by AGR Petroleum Services as per Karoon's ASX announcement "Baúna Oil Reserves and Contingent Resources CPR", dated 29 August 2019, metric based on a headline acquisition price of US\$665 million;  
2. Converted at spot USD/BRL FX rate on 17 October 2019 of 4.14.

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## Alignment with corporate strategy

The acquisition delivers on Karoon's 3 pillar corporate strategy



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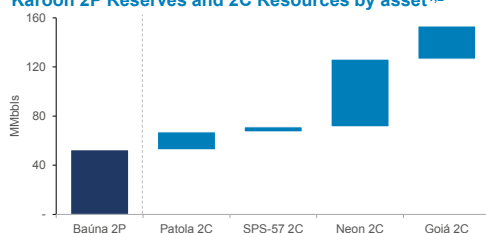


## Baúna complements the existing portfolio

**Baúna cash flows are expected to underpin Karoon's regional exploration and development opportunities in both the southern Santos Basin and offshore Peru**

- Baúna includes a large proven and probable reserves base and is expected to provide Karoon with material oil production
- Baúna is also expected to complement Karoon's existing exploration and development activity in the southern Santos Basin, offshore Brazil
  - Potential to realise synergies through the development of the Neon and Goiás discoveries (2C Resource of 82 MMbbls)<sup>1</sup>
  - Karoon has the ability to utilise accumulated gross tax losses in Brazil of ~US\$69 million
  - Karoon's 100% operating interest in Baúna, along with its existing Santos Basin assets, presents significant farm-out optionality
- Karoon also expects to conduct exploration drilling in the Tumbes Basin offshore Peru in the first quarter of 2020

**Karoon 2P Reserves and 2C Resources by asset<sup>1,2</sup>**



<sup>1</sup> As per Karoon's ASX announcement "Resources Update", dated 8 May 2018. 2P denotes the best estimate of Proved plus Probable Reserves, 2C denotes best estimate of Contingent Resources;  
<sup>2</sup> Independently assessed by AGR Petroleum Services as per Karoon's ASX announcement "Baúna Oil Reserves and Contingent Resources CPR", dated 29 August 2019.



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### Baúna asset overview

#### Baúna has favourable reservoir characteristics and identified production growth opportunities

##### Asset summary

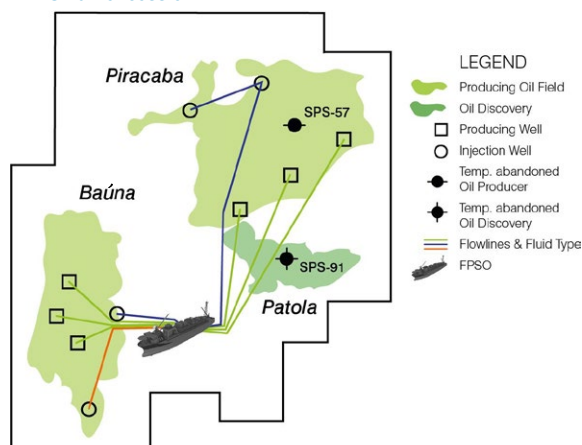
- Concession BM-S-40 is in the southern Santos Basin, 50-60km from Karoon's Neon and Goia discoveries and 50km from Karoon's Clorita exploration area
- Current Baúna production asset includes 6 oil production wells, 3 water injection wells and 1 gas injection well exploiting 2 reservoirs (Baúna & Piracaba)
- All wells are subsea completions with tie-ins back to the FPSO Cidade de Itajaí (FPSO)
  - Facility has 80,000 bpd processing capacity and ~600,000 bbl storage capacity with scope to accept additional tie-ins
  - FPSO is currently utilising ~56% processing capacity
- Currently producing ~20,000 bopd, with a targeted production rate of ~33,000 bopd by 2022 (through infill development of Patola and well interventions)

##### Baúna Reserves and Contingent Resources<sup>1</sup>

Existing producing wells	MMbbls	52.5
<b>Baúna 2P Reserves</b>	<b>MMbbls</b>	<b>52.5</b>
Existing undeveloped Patola oil discovery <sup>2</sup>	MMbbls	14.6
SPS-57 recompletion well <sup>3</sup>	MMbbls	4.2
<b>Baúna 2C Contingent Resources</b>	<b>MMbbls</b>	<b>18.8</b>

1. Independently calculated by AGR Petroleum Services as per Karoon's ASX announcement "Baúna Oil Reserves and Contingent Resources CPR", dated 29 August 2019.  
 2. The development of Patola is subject to Karoon Board and other approvals.  
 3. Well SPS-57 recompletion to be de-risked using 4D seismic acquisition.

##### BM-S-40 Concession



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### Neon and Goia developments

#### The Neon and Goia oil discoveries represent further opportunity for expansion in the southern Santos Basin

##### Neon and Goia developments (100% Karoon)

- Karoon is progressing appraisal and development studies
  - Development plan submitted to the ANP on 6 August 2019
  - Neon 2C contingent oil resource of 55 MMbbls<sup>1</sup>
  - Goia 2C contingent oil resource of 27 MMbbls<sup>1</sup>
  - Target peak oil production of 25,000 - 28,000 bopd
- Flexible funding opportunities are being explored
  - Capital expenditure deferral
  - Equipment financing solutions
  - Farm-out opportunities to third parties
- Preliminary development planning work contemplates a development including two horizontal production wells and one gas injection well
  - Possible follow on development opportunities targeting sweeping additional oil in the Paleocene and Maastrichtian reservoirs
  - Goia tie-in as an additional phase of the Neon development, optimised to coincide with the onset of FPSO spare capacity
  - Planning for the drilling of a control well during 2021, with cost saving synergies associated with Baúna workovers and a planned Patola oil discovery tie-in in the same drilling campaign



1. As per Karoon's ASX announcement "Resources Update", dated 8 May 2018. 2C denotes best estimate of Contingent Resources.

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## Peru exploration overview

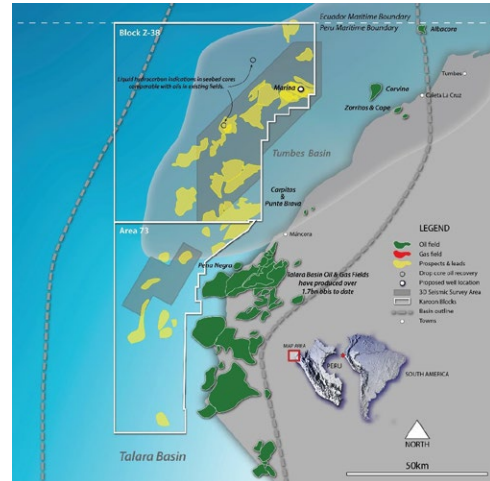
**Drilling of the Marina-1 well in the Tumbes Basin, offshore Peru, during 2020 – this frontier well has the potential to be a play opener for the offshore Peruvian E&P industry**

- Karoon 40% (Operator), Tullow 35%<sup>1</sup>, Pitkin 25%<sup>2</sup>
- Tullow (joint-venture partner) has an established track record of successful exploration in frontier basins
- 20 leads and prospects identified. Marina-1 has net prospective resources of 102 MMbbls
  - Shallower La Cruz/Mal Pelo prospects, many with clear seismic anomalies, potentially representing oil accumulations
  - Area 73 Technical Evaluation Agreement, for seismic reprocessing and rights to negotiate a licence contract over the area
- The drilling of Marina-1 exploration well has the potential to open up offshore exploration in the Tumbes Basin
  - Marina-1 will provide a calibration of shallow seismic anomalies and potentially de-risk many prospects

**Net unrisks prospective oil resource at completion of farm-out (MMbbls)<sup>3</sup>**

	Interest	Low	Best	High
<b>Block Z-38</b>	40%	223	<b>549</b>	1,350
<b>Marina Prospect</b>	40%	42	<b>102</b>	247

**Tumbes Basin overview**



Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and development is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

1. Tullow has an obligation to fund a portion of the Marina-1 well expenditure, as per Karoon's ASX announcement 'Block Z-38 Farm-out to Tullow Oil Complete', dated 6 May 2019;
2. Subject to regulatory approvals and farm-in obligations, Karoon has an obligation to Pitkin to fund Pitkin's 25% participating interest in 2 wells;
3. As per Karoon's ASX announcement 'Resources Update', dated 8 May 2018.

## Section 2

### Offer details

## Equity Raising details

<b>Equity Raising structure and size</b>	<ul style="list-style-type: none"> <li>Approximately A\$284 million fully underwritten Equity Raising, including: <ul style="list-style-type: none"> <li>A\$67 million institutional placement (<b>Placement</b>)</li> <li>A\$217 million 1 for 1.06<sup>1</sup> pro rata accelerated non-renounceable entitlement offer (<b>Entitlement Offer</b>)</li> </ul> </li> <li>Approximately 305.5 million new ordinary shares (<b>New Shares</b>) representing 123.5% of existing shares on issue</li> </ul>
<b>Offer price</b>	<ul style="list-style-type: none"> <li>The Placement and Entitlement Offer will be conducted at a price of A\$0.93 per new share (<b>Offer Price</b>), representing a: <ul style="list-style-type: none"> <li>9.3% discount to TERP<sup>2</sup></li> <li>16.6% discount to the last traded price of A\$1.115 as at 22 October 2019</li> </ul> </li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>Proceeds from the Placement and Entitlement Offer will be used to: <ul style="list-style-type: none"> <li>Fund the balance of the Baúna acquisition consideration and associated transaction costs</li> <li>Fund Karoon's exploration well in the Tumbes Basin (Marina-1)</li> <li>Support the associated working capital and other needs of the business</li> <li>Pay transaction costs associated with the Equity Raising</li> </ul> </li> </ul>
<b>Institutional investors</b>	<ul style="list-style-type: none"> <li>The Placement and the institutional component of the Entitlement Offer (<b>Institutional Entitlement Offer</b>) will be conducted by way of a bookbuild process from 23 October 2019 to 24 October 2019<sup>3</sup></li> </ul>
<b>Retail investors</b>	<ul style="list-style-type: none"> <li>The retail component of the Entitlement Offer (<b>Retail Entitlement Offer</b>) will open on 30 October 2019 and close on 12 November 2019<sup>3</sup></li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New Shares will rank pari passu with existing shares on issue</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>The Placement and Entitlement Offer are fully underwritten by Macquarie Capital (Australia) Limited and Royal Bank of Canada (trading as RBC Capital Markets)</li> </ul>
<b>Board participation</b>	<ul style="list-style-type: none"> <li>All Directors of Karoon who are eligible may participate in the Entitlement Offer</li> </ul>
<b>Record date</b>	<ul style="list-style-type: none"> <li>25 October 2019</li> </ul>

1. Fractional entitlements to be rounded up to the nearest whole number of shares;

2. Theoretical ex-rights price (TERP) includes shares issued under the Institutional Entitlement Offer and the Retail Entitlement Offer and excludes shares issued under the Placement. TERP is a theoretical calculation only and the actual price at which Karoon shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP

3. All dates and times are indicative and subject to change without notice.

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## Use of proceeds

**Proceeds of the offer will be used to fund the balance of the Baúna acquisition consideration and associated transaction costs, as well as fund an exploration well in the Tumbes Basin, Peru**

Sources	A\$m	US\$m	Uses (US\$m)	A\$m	US\$m
Equity Raising	284	195	Remaining Baúna acquisition funding <sup>4</sup>	894	615
			Baúna abandonment escrow account funding & minimum loan facility bank balance	73	50
Karoon existing cash reserves <sup>1</sup>	250	172	Baúna transition and pre-operational costs	10	7
			Peru exploration drilling (Marina-1) <sup>5</sup>	81	56
New debt facility draw down <sup>2</sup>	364	250	Budgeted geological, geophysical and administrative costs	20	14
			Transaction costs	25	17
Baúna interim net cashflow & completion adjustments <sup>3</sup>	240	165	Available liquidity	35	23
<b>Total funding sources</b>	<b>1,138</b>	<b>782</b>	<b>Total funding uses</b>	<b>1,138</b>	<b>782</b>

1. Karoon's unaudited cash at bank balance as at 30 September 2019;

2. Reflects drawdown of US\$250 million of a total US\$275 million term loan facility based on an expected completion of 31 March 2020;

3. The effective date of the transaction is 1 January 2019. Karoon receives the net cash flows from the Baúna operations from that date less other completion adjustments including interest payable on the purchase price. Figure represents the mid point of the estimated range and has been calculated using: actual production data, realised monthly oil prices and cost data for the period 1 January 2019 to 30 June 2019 as provided by Petrobras; actual production data and the Baúna reference price (adjusted in accordance with the terms of the SPA) as published by the ANP for the period 1 July 2019 to 31 August 2019; forecast production and prices are based on Karoon's estimates and a forecast Brent price of US\$60/bbl; the operating and capital expenditures are based on Karoon's estimates for the period using data previously supplied by Petrobras. For accounting purposes the net cash flows and completion adjustments will be recognised as a reallocation to the remaining Baúna acquisition funding amount disclosed above;

4. Baúna acquisition deposit of US\$50 million paid to Petrobras on 24 July 2019 has been deducted from the Baúna headline acquisition price of US\$665 million;

5. Peru exploration drilling costs are inclusive of VAT which is currently subject to an early recovery exemption;

6. Sources and uses have been translated to AUD at a spot AUDUSD rate of 1 USD = 0.6877 AUD, the FX spot rate on 22 October 2019.

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## Debt funding and capital allocation strategy

**Strong stable cash flows from the asset, supported by existing cash and additional debt capacity will support future growth**

### Debt funding strategy

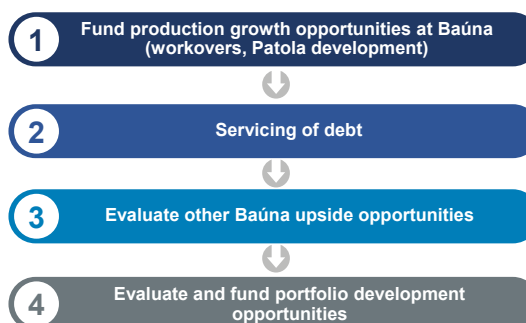
- The Baúna acquisition will be partially funded via a US\$275 million term loan facility, the actual amount to be drawn down under this facility will be adjusted at the drawdown date according to reserve base lending metrics (any shortfall will be paid out of cash)
- The senior Facility Agreement has been executed with a global banking group led by ING
- Karoon and Shell have agreed terms for a credit approved US\$50 million working capital facility
- Pro forma gearing as at 30 June 2019 is 31%<sup>1</sup>
- Debt facility has the following key terms:

ING facility terms	Summary
Loan maturity	30 September 2023
Scheduling	Fully amortised over loan life, first repayment scheduled for 30 September 2020
Hedging conditions	Rolling 3-year hedge program
Facility rate	LIBOR + 4%
Additional US\$75 million facility available for a Patola development subject to Patola reserve certification, final approval of necessary bank case model and commitments from new or existing lenders	

1. Gearing ratio is Net Debt / (Net Debt + Equity) based on a 30 June 2019 pro forma consolidated statement of financial position shown on slide 27.

### Capital allocation strategy

- Sources of capital:
  - Existing cash
  - Net interim cash inflows from Baúna
  - Additional debt capacity
  - Equity Raising
- Karoon may consider a joint venture or farm-out arrangement for Concession BM-S-40 if and when appropriate to do so
- Priority uses of capital:



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## Equity Raising timetable

Event	Date <sup>1</sup>
Trading halt and announcement of Equity Raising	Wednesday, 23 October 2019
Placement and Institutional Entitlement Offer opens	Wednesday, 23 October 2019
Placement and Institutional Entitlement Offer closes	Thursday, 24 October 2019
Trading halt lifted - Shares recommence trading on ASX on an "ex-entitlement" basis	Friday, 25 October 2019
Record Date for determining entitlement to subscribe for New Shares at 7.00pm (Melbourne time)	Friday, 25 October 2019
Retail Entitlement Offer opens	Wednesday, 30 October 2019
Settlement of New Shares under the Institutional Entitlement Offer and Placement	Thursday, 31 October 2019
Normal trading of New Shares under the Placement and Institutional Entitlement Offer	Friday, 1 November 2019
Retail Entitlement Offer closes at 5.00pm (Melbourne time)	Tuesday, 12 November 2019
Settlement of Retail Entitlement Offer	Monday, 18 November 2019
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 19 November 2019
Normal trading of New Shares under the Retail Entitlement Offer	Wednesday, 20 November 2019

1. All dates and times are indicative and subject to change without notice.

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### Section 3

#### Baúna acquisition overview

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### Transformational acquisition

The Baúna acquisition will produce positive cashflows over the medium to long-term, enabling Karoon to pursue further investment opportunities

- ➔ Current field production of ~20,000 bopd<sup>1</sup>
- ➔ Target production growth has the potential to deliver ~33,000 bopd<sup>2</sup> during 2022
- ➔ 2P Reserves of 52.5 MMbbls and 2C Resources of 18.8 MMbbls independently assessed by AGR<sup>3</sup>
- ➔ Production of 33° API oil at an estimated life of project operating cost oil of US\$19/bbl<sup>4</sup>, produced oil from Baúna expected to be priced at Brent
- ➔ Located nearby and synergistic to Karoon's oil discoveries Neon and Goiás, which have total Contingent Resources of 82 MMbbls<sup>5</sup>
- ➔ Effective utilisation of Karoon's existing technical personnel with strong development and production experience

1. As per Karoon's ASX announcement "Karooon Signs Binding Sale and Purchase Agreement", dated 25 July 2019;  
2. Following well-workovers to replace/install pumps and the drilling and tie-in of the existing undeveloped Patola oil discovery;  
3. Independently calculated by AGR Petroleum Services as per Karoon's ASX announcement, dated 29 August 2019;  
4. Estimates by Karoon internal modelling;  
5. As per Karoon's ASX announcement "Resource Update", dated 8 May 2018.

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## Transaction details

**Expected financial close of the Baúna transaction is during first quarter 2020, with an effective transaction date of 1 January 2019**

<b>Transaction</b>	<ul style="list-style-type: none"> <li>Karoon to acquire 100% operated interest in the Baúna oil field in the Concession BM-S-40 from Petrobras (comprising the Baúna and Piracaba oil reservoirs and the existing undeveloped Patola oil discovery)</li> <li>A purchase price adjustment for interim cash flows and other completion adjustments, from 1 January 2019 to transaction completion date</li> </ul>
<b>Consideration</b>	<ul style="list-style-type: none"> <li>Headline purchase price of US\$665 million (inclusive of the paid deposit) expected to be reduced by the consideration adjustment for interim net cash flow from 1 January 2019 effective date</li> <li>Adjustment expected to reduce purchase price by US\$150 – 180 million depending on timing of completion date and interim net cash inflows<sup>1</sup></li> <li>US\$50 million deposit was paid to Petrobras</li> <li>Transaction structure also includes an additional contingent consideration clause payable on oil prices averaging above US\$90/bbl during 2019 (US\$50 million contingent payment) and US\$100/bbl during 2020 (US\$50 million contingent payment)</li> </ul>
<b>Conditions and timing</b>	<ul style="list-style-type: none"> <li>Transaction completion is subject to a number of conditions currently being progressed by Karoon, including: <ul style="list-style-type: none"> <li>Approval from the Brazilian upstream regulator - ANP</li> <li>Issue of new Environmental Licenses to Karoon by Brazilian environmental agency - IBAMA</li> <li>Consent to the assignment of the FPSO Charter and Service Contracts and to remain under contract with Teekay and Ocyan</li> <li>No material adverse change to the petroleum operations between acquisition announcement and transaction completion</li> </ul> </li> <li>Karoon expects transaction completion to occur during the first quarter of 2020</li> <li>All transaction completion conditions are set out in Appendix A</li> </ul>

1. The effective date of the transaction is 1 January 2019. Karoon receives the net cash flows from the Baúna operations from that date less other completion adjustments including interest payable on the purchase price. The midpoint of this range is estimated and has been calculated using actual production data, realised monthly oil prices and cost data for the period 1 January 2019 to 30 June 2019 as provided by Petrobras, actual production data and the Baúna reference price (adjusted in accordance with the terms of the SPA) as published by the ANP for the period 1 July 2019 to 31 August 2019; forecast production and prices are based on Karoon's estimates and a forecast Brent price of US\$60/bbl; the operating and capital expenditures are based on Karoon's estimates for the period using data previously supplied by Petrobras.

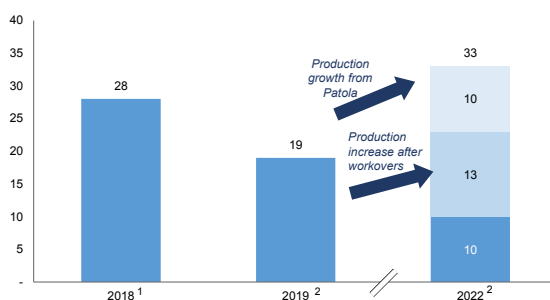
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## Baúna production and reserves

**Established, reliable oil production and identified potential growth through ongoing investment in the southern Santos Basin**

**Production growth target (Mbopd)**



- Cumulative oil production up to 1 January 2019 of ~120 MMbbls
- Currently producing below potential due to oil pump replacements and new installation requirements
- Karoon is targeting an average annual production rate of ~33,000 bopd during 2022
  - To be achieved through a combination of well interventions and development of the existing undeveloped Patola oil discovery
  - Patola to be funded by cash flows from the asset and possible debt funding

1. Average 2018 oil production rate, Petrobras filings with ANP;  
2. Forecast annual average oil production rate;  
3. Independently calculated by AGR Petroleum Services as per Karoon's ASX announcement "Baúna Oil Reserves and Contingent Resources CPR", dated 29 August 2019;

**Baúna Reserves and Contingent Resources (MMbbls)<sup>3</sup>**

Existing producing wells	MMbbls	52.5
<b>Baúna 2P Reserves</b>	<b>MMbbls</b>	<b>52.5</b>
Existing Patola undeveloped oil discovery <sup>4</sup>	MMbbls	14.6
SPS-57 recompletion well <sup>5</sup>	MMbbls	4.2
<b>Baúna 2C Contingent Resources</b>	<b>MMbbls</b>	<b>18.8</b>

- Patola is a discovered resource, ready for development
- Karoon expects to proceed with a Patola development post-acquisition, subject to approval by Karoon and other regulatory approvals

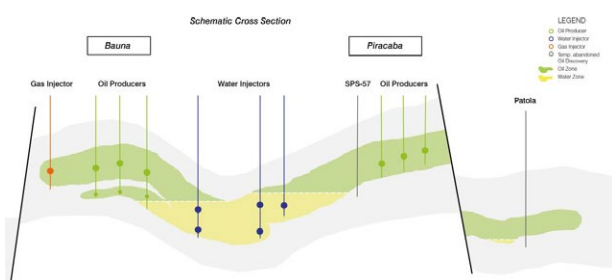
4. The development of Patola expected to occur during 2021 and is subject to Karoon Board and other approval;  
5. Well SPS-57 planned recompletion to be de-risked using 4D seismic acquisition.

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### Baúna geological summary

The Baúna and Piracaba reservoirs have high porosity and permeability with an independent assessment by AGR supporting Karoon's interpretation of the reservoirs



#### Geological summary

- Work undertaken by Karoon and independently assessed by AGR supports Karoon's interpretation of the subsurface characteristics of the Baúna oil field<sup>1</sup>
  - Combined structural/stratigraphic traps at depths ~2,000m subsea
  - Water depth ranges from 230 to 280m
  - High quality 3D seismic with strong amplitude response defining field extent
  - Opportunity to acquire 4D seismic to locate any undrained oil
  - Favourable quality oil due to low viscosity, low GOR, low sulphur
  - 33° API oil
- High porosity and permeability characteristics: >30%, 2-6 Darcy

1. Independently assessed by AGR Petroleum Services as per Karoon's ASX announcement "Baúna Oil Reserves and Contingent Resources CPR", dated 29 August 2019.

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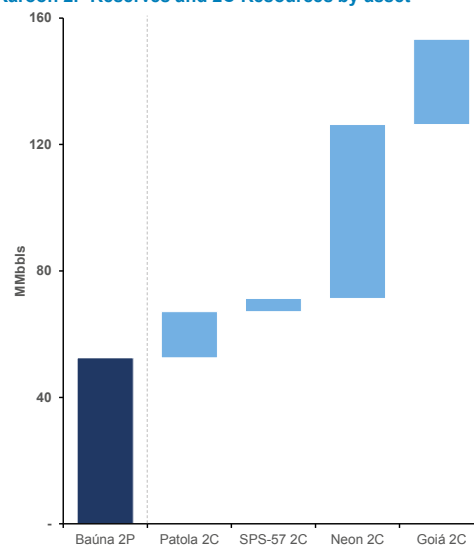
### Southern Santos Basin growth projects

Identified production and development opportunities to establish an oil production hub

#### Opportunity summary

<b>Patola tie-in</b>	<ul style="list-style-type: none"> <li>• Patola oil discovery well (SPS-91) drilled during 2011</li> <li>• Similar fluid and reservoir characteristics to Baúna and Piracaba reservoirs</li> <li>• Potential development to consist of 1-2 wells plus 3.5km tie-in to FPSO Cidade de Itajaí</li> <li>• Initial modelling indicates flow rates of ~10,000 bopd per well</li> </ul>
<b>SPS-57 tie-in</b>	<ul style="list-style-type: none"> <li>• Opportunity to re-enter and tie-in Piracaba discovery well (SPS-57), which flowed &gt;5,000 bopd on early well testing (EWT) prior to temporary shut-in</li> <li>• New seismic acquisition (4D) to be considered</li> </ul>
<b>Baúna/Piracaba infill drilling and EOR</b>	<ul style="list-style-type: none"> <li>• Potential to apply improved reservoir management and enhanced oil recovery (EOR) opportunities to increase ultimate recovery</li> <li>• Expected to include 4D seismic, infill drilling, and gas/water injection patterns</li> </ul>
<b>Neon/Goiá oil field developments</b>	<ul style="list-style-type: none"> <li>• Leverage possible operational and logistical synergies throughout Karoon acreage in the southern Santos Basin</li> </ul>

#### Karoon 2P Reserves and 2C Resources by asset<sup>1,2</sup>



1. As per Karoon's ASX announcement "Resources Update", dated 8 May 2018. 2P denotes the best estimate of Proved plus Probable Reserves. 2C denotes best estimate of Contingent Resources.  
2. Independently assessed by AGR Petroleum Services as per Karoon's ASX announcement "Baúna Oil Reserves and Contingent Resources CPR", dated 29 August 2019.

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## Transition to operatorship

### Karoon to retain the existing FPSO operators to ensure operational continuity for the asset whilst leveraging its Basin knowledge from +10 years' operating experience in the region

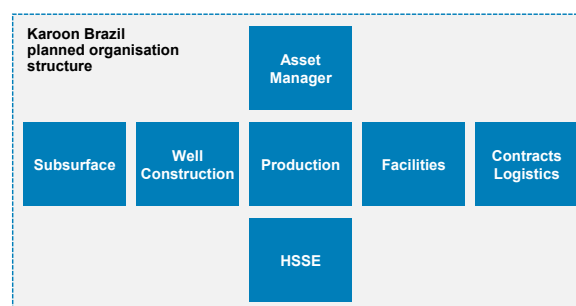
#### Karoon's operatorship

- The services of Teekay and Ocyan will be retained for FPSO operations and maintenance (subject to a successful assignment of the existing FPSO contracts), providing continuity and +7 years production experience in the Santos Basin
- Karoon will leverage its +10 years' experience in Brazil and the southern Santos Basin
- Oversight and input will be provided to Teekay and Ocyan given Karoon's extensive knowledge of the asset
- The Karoon Board is undertaking a renewal program, which includes an assessment of the appropriate mix of skills and knowledge required at Board level as the company moves into operatorship of a major producing asset
  - This will also include succession planning for long-standing directors. Further details will be released closer to the date of the company's Annual General Meeting

Management role	Name	Relevant experience
Project oversight	Jose Formigli	30 years' experience, including Chief Exploration and Production Officer, Petrobras Brazil, member of the Executive Board
Project lead	Ricardo Abi Ramia	30 years' experience in offshore oil and gas production in Brazil

#### Transition period

- Karoon and Petrobras have a Transition Agreement in place, providing the framework to facilitate a smooth transfer of the asset and operatorship
- Transition teams have been set up to review and coordinate the activities, processes, steps and actions required to ensure a smooth transfer of operatorship
- Steering Committee to consist of two representatives from each of Karoon and Petrobras
- One transition manager from each company (Project oversight) has been appointed



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## Approvals and completion timing

### Final ANP approvals and transaction completion expected during the first quarter of 2020

- Under the Brazilian Government's revised asset tender process, Petrobras has signed more than 10 asset sale agreements for a total sale proceeds of greater than US\$13 billion
  - None of these asset sales has been revised beyond the SPA stage under the revised asset tender process
  - For the time being, no court injunctions have been progressed beyond the SPA stage, with the exception of the TAG divestment<sup>1</sup>
  - Further minor SPAs have also been progressed by Petrobras (below US\$10 million in size)
- The typical length of time to achieve ANP approvals under the recent Petrobras sales processes is estimated to be around 6 – 10 months
  - Karoon has not received any correspondence or indication that suggest the ANP approvals process for Baúna will extend beyond the typical period
- The Pargo (consisting of Pargo, Carapeba and Vermelho fields), Pasadena, Paraguai, TAG and Maromba cluster transactions have all completed in 2019

#### Petrobras divestment summary

Date of SPA signing	Asset	Operatorship transfer?	Transaction size on signing (US\$m)
27 June 2018	Paraguai <sup>2</sup>	✓	380
28 Nov 2018	Pargo, Carapeba, Vermelho	✓	370
30 Jan 2019	Pasadena <sup>2</sup>	✓	560
8 Mar 2019	Maromba	✓	90
25 Apr 2019	Riacho de Forquilha	✓	384
25 Apr 2019	Tartaruga Verde	-	1,293
25 Apr 2019	TAG <sup>2</sup>	✓	8,600
24 Jul 2019	Baúna	✓	665
24 Jul 2019	Pampo / Enchova	✓	851
9 Aug 2019	Macau	✓	191
Not yet signed	Liquigas <sup>2</sup>	✓	840

<sup>1</sup> Injunction was filed after SPA stage for the TAG transaction and before completion but the sale process promptly resumed with no further action.

<sup>2</sup> Denotes the sale of shares of a subsidiary.

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## Section 4

### Pro forma financial summary

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### Pro forma financial summary – basis of preparation

#### Source of information

- The historical and pro forma consolidated statements of financial position as at 30 June 2019 on slide 27 is derived from financial information extracted from Karoon's FY19 audited statutory financial statements

#### Basis of preparation

- The pro forma consolidated statement of financial position on slide 27 have been prepared as if the Offer, Debt Facility and Baúna Acquisition had occurred on 30 June 2019
- The Baúna purchase price is net of certain completion adjustments up to 30 June 2019. The pro forma consolidated statement of financial position does not include any anticipated cash inflows beyond 30 June 2019, which may reduce the Baúna purchase price below that which is disclosed in the pro forma consolidated statement of financial position on slide 27
- Where applicable, USD balances have been converted to AUD at the prevailing 30 June 2019 foreign currency exchange rate of 0.7013
- The historical and pro forma consolidated statements of financial position have been prepared under Australian Accounting Standards prevailing as at 30 June 2019, and disclosed in Karoon's audited financial statements for the year ended 30 June 2019
- Effective from the financial year ending 30 June 2020 (i.e. the financial year beginning 1 July 2019), Karoon will need to apply the revised Australian Accounting Standards Board (AASB) Standard: AASB 16 Leases. Whilst the statements of financial position disclosed do not incorporate this standard, further details are provided on slide 28

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## Consolidated Statement of Financial Position (pro forma)

As at 30 June 2019 (\$million)	Karoon historical <sup>(1)</sup>	The Offer <sup>(2)</sup>	Debt Facility <sup>(3)</sup>	Acquisition of Bauna, incl. Transaction Costs <sup>(4)</sup>	Pro forma post acquisition
<b>Current assets</b>					
Cash and cash equivalents	326.2	274.6	382.2	(877.1)	105.9
Other current assets	5.8	-	-	-	5.8
<b>Total current assets</b>	<b>332.0</b>	<b>274.6</b>	<b>382.2</b>	<b>(877.1)</b>	<b>111.7</b>
<b>Non-current assets</b>					
Restricted cash	-	-	-	42.8	42.8
Production assets	-	-	-	994.2	994.2
Deferred tax assets	-	2.9	-	37.3	40.2
Other non-current assets	249.1	-	-	-	249.1
<b>Total non-current assets</b>	<b>249.1</b>	<b>2.9</b>	<b>-</b>	<b>1,074.3</b>	<b>1,326.3</b>
<b>Total assets</b>	<b>581.1</b>	<b>277.5</b>	<b>382.2</b>	<b>197.2</b>	<b>1,438.0</b>
<b>Current liabilities</b>					
Income tax payable	-	-	-	15.0	15.0
Other current liabilities	8.0	-	-	-	8.0
<b>Total current liabilities</b>	<b>8.0</b>	<b>-</b>	<b>-</b>	<b>15.0</b>	<b>23.0</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	31.2	-	-	(15.0)	16.2
Borrowings	-	-	382.2	-	382.2
Provisions	0.1	-	-	163.5	163.6
Other non-current liabilities	0.5	-	-	-	0.5
<b>Total non-current liabilities</b>	<b>31.8</b>	<b>-</b>	<b>382.2</b>	<b>148.5</b>	<b>562.5</b>
<b>Total liabilities</b>	<b>39.8</b>	<b>-</b>	<b>382.2</b>	<b>163.5</b>	<b>585.5</b>
<b>Net assets</b>	<b>541.3</b>	<b>277.5</b>	<b>-</b>	<b>33.7</b>	<b>852.5</b>
<b>Equity</b>					
Contributed equity	802.3	277.5	-	-	1,079.8
Accumulated losses	(243.1)	-	-	33.7	(209.4)
Other equity	(17.9)	-	-	-	(17.9)
<b>Total equity</b>	<b>541.3</b>	<b>277.5</b>	<b>-</b>	<b>33.7</b>	<b>852.5</b>

1. Derived from the 30 June 2019 audited consolidated financial statements of Karoon Energy Ltd.  
2. Represents the Offer detailed on slide 13, raising gross cash proceeds of A\$234.1 million (issue of 305.5 million new shares at the issue price of A\$0.93 per share) net of estimated pre-tax transaction costs of A\$9.5 million, offset by the recognition of an associated deferred tax benefit of A\$2.9 million (which has been capitalised to issued capital).  
3. As outlined on slide 15, Karoon has executed a facility agreement for a A\$392.1 million (US\$275 million) syndicated debt facility, excluding transaction costs. Under the terms of the facility arrangement, Karoon is required to maintain a minimum bank balance of A\$28.5 million (US\$20 million). Associated transaction costs of A\$9.9 million (US\$7.0 million) have been capitalised against borrowings.  
4. As outlined in Section 3, Karoon has entered into an agreement to acquire Bauna for a cash payment of A\$830.7 million (US\$582.6 million, being the US\$665 million headline purchase price (inclusive of a US\$49.9 million deposit already paid to Petrobras on 25 July 2019) less certain net completion adjustments which amounted to US\$82.4 million as at 30 June 2019). Under AASB 3, the acquisition is recognised as a production asset of the same value, plus the present value of the restoration provision of A\$163.5 million. The estimated transaction costs of A\$3.6 million are expensed, with an associated A\$1.2 million deferred tax asset recognised. An upfront decommissioning guarantee (classified as Restricted Cash) may be required with the Brazilian Regulatory authority (ANP) for A\$42.8 million (US\$30 million) based on estimates currently approved by the ANP on the total decommissioning cost. Karoon plans to negotiate the decommissioning estimates with the ANP, following the conclusion of Karoon's technical assessment. A\$15.0 million has been recognised for Australian income tax payable on realised foreign exchange gains which crystallise as a result of utilisation of existing USD cash holdings to fund the acquisition. A net deferred tax asset of A\$36.1 million has been brought to account, relating to historical Brazilian tax losses not previously recognised.

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## Accounting for leases and adoption of AASB 16 Leases

- AASB 16 Leases represents a significant change for lessees in the accounting treatment of operating leases. With the exception of low value and short-term leases, all leases must be recognised on the lessee's statement of financial position. Accordingly, lessees will have one accounting model for accounting for leases, which is similar to the current finance lease model in AASB 117 Leases
- AASB 16 must be adopted for financial periods commencing on or after 1 January 2019 (i.e. effective from the commencement of the financial year ending 30 June 2020) the liability associated with the non-cancellable leases (refer table below) as at 30 June 2019 that would need to be recognised if AASB 16 Leases applied has not been shown on the pro forma consolidated statement of financial position
- As part of the Bauna acquisition, Karoon will acquire floating production storage and offloading (FPSO) contracts which are treated as operating leases as at 30 June 2019, rather than as an asset on its pro forma consolidated statement of financial position. The adoption of AASB 16 Leases is expected to result in the recognition of right-of-use assets and lease liabilities on the pro forma consolidated statement of financial position representative of the present value of lease commitments. Assumptions are required regarding the inclusion of option periods which are reasonably certain to be exercised. Inclusion of these option periods will result in additional payments over and above the non-cancellable operating lease commitments being built into the liability calculation. Based on the requirements of AASB 16 Leases, a liability amounting to the present value of the total assumed future lease payments (i.e. assuming option renewal where reasonably certain to be exercised) would be recorded on the pro forma consolidated statement of financial position

Pro forma non-cancellable lease commitments as at 30 June 2019				
A\$million	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-cancellable operating leases existing at 30 June 2019<sup>1</sup></b>	0.9	1.0	-	1.9
<b>Non-cancellable operating leases acquired with the Bauna acquisition<sup>2</sup></b>	95.9	146.6	-	242.4
<b>Total pro forma lease commitments as at 30 June 2019</b>	<b>96.8</b>	<b>147.6</b>	<b>-</b>	<b>244.3</b>

- For illustration purposes, had the new accounting standard been in force, the pro forma consolidated statement of financial position at 30 June 2019 would have also reflected the following impact of the above operating leases:
  - Based on certain assumptions regarding the inclusion of option periods which are reasonably certain to be exercised, a right-of-use asset amounting to A\$549.6 million would be recognised with a corresponding lease liability to the same amount. The current portion of the lease liability as at 30 June 2019 would total A\$56.1 million
  - The net impact on net assets and retained earnings on the pro forma consolidated statement of financial position as at 30 June 2019 would be nil
- The above information is intended to illustrate the expected impact of the new accounting standard if it were to be applied to Karoon's pro forma consolidated statement of financial position as at 30 June 2019. The impact would have consequential effect upon EBITDA, noting importantly that the new accounting standard has no impact upon cash flows and ability to service borrowing obligations

1. With effect from the adoption of AASB 16 Leases on 1 July 2019, existing non-cancellable operating leases would be recognised on the pro forma consolidated statement of financial position.

2. Non-cancellable operating leases acquired with the Bauna acquisition relate to floating production storage and offloading (FPSO) contracts. With effect from the adoption of AASB 16 Leases on 1 July 2019, these would be recognised on the pro forma consolidated statement of financial position.

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### Section 5

#### Key risks

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#### Key risks

- This section sets out some key risks associated with any investment in Karoon, which may affect the value of shares in Karoon.
- The risks set out are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Karoon.
- Before investing in Karoon you should be aware that a number of risks and uncertainties, which are both specific to Karoon and of a more general nature, may affect the future operating and financial performance of Karoon and the value of the shares.
- Before investing in the shares, you should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on Karoon (such as that available on the ASX website), and consult their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.
- Nothing in this presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

<b>Currency risk</b>	• Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Karoon carries on part of its business outside of Australia and intends to continue to do so. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian dollar.
<b>Requirement to raise additional funding</b>	• Karoon may be required to raise additional funds in the future. There is no guarantee that Karoon will be able to raise such additional capital when it is required, or on terms satisfactory to Karoon. If Karoon is unsuccessful in obtaining funding when required, Karoon may need to delay, scale down or cease its operations.
<b>Securities investment</b>	<ul style="list-style-type: none"><li>• Applicants should be aware that there are risks associated with any securities investment. The prices at which Karoon's securities trade may be above or below the issue price and may fluctuate in response to a number of factors. There can be no assurance that an active market may exist for Karoon's shares.</li><li>• Furthermore, the stock market, and in particular the market for oil and gas companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may materially affect the market price of the securities, regardless of Karoon's operational performance.</li></ul>
<b>Share market conditions</b>	• The market price of the securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and oil and gas stocks in particular. These factors may cause the shares to trade at prices above or below the price at which the shares were acquired. Neither Karoon nor the Directors warrant the future performance of Karoon or any return on an investment in Karoon.
<b>General economic and share market conditions</b>	• Karoon operates in certain markets (for example, Brazil and Peru) where economic policies and conditions can have a direct impact on Karoon's business. Factors such as global credit risks, inflation, government policies, currency fluctuation, interest rates and supply and demand have an impact on operating performance and stock market prices. Karoon's future performance and the market price for its listed securities may be affected by these factors that are beyond Karoon's control.
<b>Underwriting risk</b>	• Karoon has entered into an Underwriting Agreement under which the underwriters have agreed to fully underwrite the Equity Raising, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have a material adverse impact on the proceeds raised under the Equity Raising. Termination of the Underwriting Agreement could materially adversely affect Karoon's business, cash flow, financial condition and results.
<b>Litigation risk</b>	• There is a risk that Karoon may have claims made against it and be the subject of litigation or be required to commence litigation, including with respect to its other contracting parties. The impact of such actions may have a material adverse impact on Karoon.
<b>Taxation and Australian Accounting Standards risks</b>	<ul style="list-style-type: none"><li>• Changes to the rate of taxes imposed on Karoon or changes in tax legislation or changing interpretations enforced by taxation authorities, whether in Australia or such other foreign jurisdictions in which Karoon may operate, may lead to an increase in Karoon's taxation obligations and a reduction in potential shareholder returns.</li><li>• Personal taxation liabilities are the responsibility of each individual shareholder. Karoon is not responsible either for taxation or tax penalties incurred by investors.</li><li>• Australian Accounting Standards are set by the AASB and are outside the Directors' and Karoon's control. Changes to accounting standards issued by the AASB may have a material adverse impact on the financial performance and position of Karoon as reported in its financial statements.</li></ul>

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## Key risks

<b>Dividends</b>	<ul style="list-style-type: none"> <li>Karoon cannot guarantee the payment of dividends, as payment is at the discretion of the Board and will depend on Karoon's financial circumstances at the relevant time.</li> </ul>
<b>Dilution risk</b>	<ul style="list-style-type: none"> <li>If you do not take up all of your Entitlement Offer, then your percentage holding in Karoon may be diluted. Even if you do exercise all of your entitlement, your percentage holding may be diluted by the Placement.</li> </ul>
<b>Force Majeure</b>	<ul style="list-style-type: none"> <li>Events may occur within or outside Australia that could have an adverse effect on the global economies and Karoon's share price. The events include hostilities, acts of terrorism, civil wars, labor strikes, natural disasters or other man-made disasters.</li> </ul>
<b>Resources assessment</b>	<ul style="list-style-type: none"> <li>The estimation of hydrocarbon Reserves and Resources is not precise and is subject to significant uncertainties associated with hydrocarbon reservoir geology and the interpretation of seismic and well data, as well as assumptions regarding recovery factors, future oil prices and development and operating costs. There is no guarantee that estimated hydrocarbon reserves are able to be successfully recovered or that hydrocarbon resources are able to be converted to reserves. Estimates may change significantly if new information becomes available. Changes in estimates may adversely affect Karoon's financial performance.</li> </ul>
<b>Insurance</b>	<ul style="list-style-type: none"> <li>Insurance does not comprehensively cover all risks that may materialise and some insurances are prohibitively expensive making them not commercially viable. The occurrence of events which are uninsurable, not insured or partly insured may have a material impact on Karoon's financial performance.</li> </ul>
<b>Laws, regulations and government policies</b>	<ul style="list-style-type: none"> <li>Karoon's business is subject to extensive laws, regulations and government policies in the jurisdictions where Karoon operates its assets and carries out its business. Failures to comply may result in reputational harm, operations being suspended or delayed, permits, licenses and concessions being cancelled, and fines and penalties being imposed.</li> <li>Changes in laws, regulations or government policies cannot be predicted with any certainty. Such changes may result in the imposition of onerous requirements resulting in delays to operations and additional cost. Karoon is aware that IBAMA is considering new regulations that may lead to a zero overboard discharge policy for cuttings and fluids from drilling activities. The scope, timing and likelihood of any such regulation is uncertain, however, if formalized and enacted it may impact Karoon's operations.</li> <li>There is increasing political influence on the regulatory system in which Karoon operates. The influence of politics can make regulatory outcomes unpredictable.</li> </ul>
<b>Health and safety</b>	<ul style="list-style-type: none"> <li>Karoon's exploration, development and future production operations involve significant potential risks to the health and safety of personnel. Industry operating risks include fire and explosions, which could result in significant injury or destruction of property or natural resources. Non-compliance with appropriate health and safety standards and procedures may result in reputational harm as well as regulatory or other legal actions against Karoon.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Oil and gas exploration, development and production activities may damage the environment. If Karoon is responsible, it will be required to remediate the damage which may involve substantial expenditure and adversely affect Karoon's reputation. A failure to comply with environmental legislation and regulations may result in reputational harm, operations being suspended or delayed, permits, licenses and concessions being cancelled, and fines and penalties being imposed.</li> </ul>
<b>Key personnel</b>	<ul style="list-style-type: none"> <li>The ability of Karoon to achieve its objectives depends on the engagement of key employees, Directors and contractors with appropriate experience and expertise. If Karoon cannot secure required personnel there is risk of additional costs and delays which may adversely affect Karoon's financial performance.</li> </ul>
<b>Drilling</b>	<ul style="list-style-type: none"> <li>Oil and gas drilling is subject to numerous risks such as delays due to weather conditions, mechanical difficulties, unexpected geological conditions, regulatory approvals and the availability of equipment and skilled technicians.</li> </ul>
<b>Industry competition</b>	<ul style="list-style-type: none"> <li>Karoon conducts its business in a highly competitive industry in which there are a number of competitors who have greater resources and capabilities. Karoon's financial performance, the future prospects of the business and the value of Karoon's shares could be materially adversely affected if Karoon cannot compete with its competitors.</li> </ul>
<b>Farm-out and joint venture partners</b>	<ul style="list-style-type: none"> <li>Karoon may enter into farm-out or joint venture agreements in relation to particular assets. Farm-out or joint venture partners may be unable to pay for their share of applicable costs. Karoon cannot guarantee the financial performance or financial viability of its farm-out or joint venture partners.</li> </ul>

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## Key acquisition risks

<ul style="list-style-type: none"> <li>This section sets out some key acquisition risks associated with the acquisition of Baúna, which may affect the value of shares in Karoon</li> </ul>	
<b>Closing</b>	<ul style="list-style-type: none"> <li>The acquisition may not close or may not achieve closing within the expected timing due to a failure to satisfy the conditions precedent in the Sale and Purchase Agreement, which include a) approval from the Brazilian regulators including the oil and gas regulator (the ANP) and the environmental regulator (IBAMA), b) no breach of the seller's fundamental warranties and c) no material adverse change having occurred.</li> </ul>
<b>Due diligence</b>	<ul style="list-style-type: none"> <li>Karoon undertook a due diligence process which relied in part on the technical, financial and other information provided by the seller, Petrobras. Karoon considers the due diligence process undertaken to be appropriate. However, Karoon has not been able to verify the accuracy or completeness of all information provided. Similarly, Karoon has made a number of technical, financial and other assumptions and has carried out analysis based on the available information. Karoon's assumptions and analysis may be inaccurate including due to incorrect or missing information, flawed analysis methods or incorrect assumptions.</li> <li>As a result, the due diligence process may not have exhaustively or accurately identified or responded to all material risks and actual performance or circumstances may differ from Karoon's conclusions.</li> </ul>
<b>Oil price</b>	<ul style="list-style-type: none"> <li>The financial performance of Karoon is significantly influenced by oil prices. Oil prices are volatile and affected by numerous factors beyond Karoon's control, including consumer demand, industry supply trends, international financial market conditions, uncertainty in commodity markets, OPEC actions, global economic conditions, government pricing regulations, and competing fuel sources.</li> <li>Increases or decreases in oil prices will affect Karoon's profits, interim net cash flows from the acquisition and cash flow available for debt service and funding capital expenditure, and may impact Karoon's ability to borrow money or raise additional capital. Lower oil prices may reduce oil and gas reserves.</li> </ul>
<b>Acquisition funding</b>	<ul style="list-style-type: none"> <li>Karoon has entered into a Debt Facility Agreement to provide part of the acquisition funding. In certain circumstances, the Facility Agreement may be terminated, funding withdrawn and/or repayments accelerated, which may adversely affect Karoon's financial performance.</li> </ul>
<b>Development activities</b>	<ul style="list-style-type: none"> <li>The proposed development work, including the existing undeveloped Patola oil discovery tie-in and infill drilling, involve drilling operations which are high risk and subject to hazards including unexpected geological conditions, equipment failure and other incidents. Karoon intends to take adequate precautions to manage risks associated with drilling activities. However, Karoon cannot guarantee that incidents will not occur which may have an adverse impact on operational and financial performance, including costs associated with control of well operations, recovery of plant and equipment and environmental rectification and compensation.</li> <li>Development work requires significant capital and operational expenditure and may be delayed or unsuccessful for many reasons including drilling outcomes, reservoir performance, regulatory approvals, technical requirements, weather events, cost overruns, equipment and labour shortages and industrial action.</li> </ul>
<b>SPA risk allocation</b>	<ul style="list-style-type: none"> <li>If the Baúna transaction closes, Karoon will become responsible for the asset from the effective date of 1 January 2019, subject to the risk allocation in the Sale and Purchase Agreement. The Sale and Purchase Agreement may not adequately compensate Karoon for materialised risks, including due to the warranty and indemnity regime not being exhaustive, liability limits and time bars on claims.</li> </ul>
<b>Decommissioning</b>	<ul style="list-style-type: none"> <li>Karoon may not have accurately anticipated required decommissioning costs and obligations, including due to higher standards being imposed in the future.</li> </ul>
<b>Transition of operations</b>	<ul style="list-style-type: none"> <li>The acquisition of Baúna will be transformational to Karoon's business. The integration of a producing oil field into Karoon's business carries risk, including potential delays, unforeseen implementation costs and difficulties in procuring personnel, services and equipment and in implementing and integrating necessary financial and operational systems, processes and procedures.</li> <li>Pursuant to a transition agreement, Petrobras and Karoon are carrying out planning and transitional activities designed to complete the transition of the Baúna assets from Petrobras to Karoon on the completion date. The success of the transition will depend on close cooperation with Petrobras up to the completion date.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>While Karoon has undertaken due diligence, future operating conditions and operating costs may differ from Karoon's assumptions and forecasts.</li> </ul>
<b>Production</b>	<ul style="list-style-type: none"> <li>While Karoon has undertaken due diligence, future production rates and oil recovery volumes may differ from Karoon's assumptions and forecasts.</li> </ul>
<b>Completion</b>	<ul style="list-style-type: none"> <li>In the unlikely event that the Baúna acquisition is unsuccessful and the full proceeds of the Equity Raising have not been applied to the acquisition, Karoon will review its capital management strategy and consider whether a return of capital to shareholders or an on market buyback is appropriate, having regard to the ongoing capital requirements of the company.</li> </ul>

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### Section 6

### Offering jurisdictions

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### International selling restrictions

- This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

<b>Australia</b>	<ul style="list-style-type: none"> <li>This document and the offer of New Shares under the Placement is only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (Cth) ("Australian Corporations Act"). This document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act, and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. If you are in Australia, this document is made available to you provided you are a person to whom an offer of securities can be made without a disclosure document such as a professional investor, sophisticated investor or wholesale client for the purposes of Chapter 6D of the Australian Corporations Act.</li> <li>This document has not been and will not be lodged or registered with the Australian Securities and Investments Commission or any other regulatory body or agency in Australia. The persons referred to in this document may not hold Australian financial services licences and may not be licensed to provide financial product advice in relation to securities. No "cooling-off" regime will apply to an acquisition of any interest in the Company.</li> <li>This document does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of any interest in the Company is appropriate in light of your own financial circumstances or seek professional advice.</li> <li>If you acquire the New Shares under the Placement in Australia, then you:               <ul style="list-style-type: none"> <li>represent and warrant that you are a professional or sophisticated investor;</li> <li>represent and warrant that you are a wholesale client; and</li> <li>agree not to sell or offer for sale any New Shares issued under the Placement in Australia within 12 months from the date of their issue under the Placement, except in circumstances where:                   <ul style="list-style-type: none"> <li>disclosure to investors would not be required under Chapter 6D of the Australian Corporations Act; or</li> <li>such sale or offer is made pursuant to a disclosure document which complies with Chapter 6D or Chapter of the Australian Corporations Act.</li> </ul> </li> </ul> </li> </ul>
<b>Bermuda</b>	<ul style="list-style-type: none"> <li>The Company is not licensed to conduct investment business by the Bermuda Monetary Authority and the Bermuda Monetary Authority does not accept any responsibility for the accuracy or correctness of any of the statements made or advice expressed herein.</li> <li>The New Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda.</li> </ul>
<b>European Union</b>	<ul style="list-style-type: none"> <li>This document has not been, and will not be, registered with or approved by any national securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").</li> <li>In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).</li> </ul>
<b>Hong Kong</b>	<ul style="list-style-type: none"> <li><b>WARNING:</b> The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Placement. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.</li> <li>This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong) (the "C(WUMP)O"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, (i) the New Shares may not be offered or sold in Hong Kong by means of this document or any other document other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the C(WUMP)O or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO. No person allotted New Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.</li> </ul>

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## International selling restrictions

- This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### Italy

- The offering of the New Shares has not been registered pursuant to Italian securities legislation and, accordingly, no New Shares may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the New Shares be distributed in the Republic of Italy, except:
  - (i) to qualified investors (investitori qualificati), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the "PD Regulation") and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and Italian CONSOB regulations; or
  - (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the PD Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.
- Any offer, sale or delivery of the New Shares or distribution of copies of the Offering Circular or any other document relating to the New Shares in the Republic of Italy under (i) or (ii) above must:
  - (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Act"); and
  - (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.<sup>1</sup>
- Please note that, in accordance with Article 100-bis of the Financial Services Act, to the extent it is applicable, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the New Shares on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such New Shares being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

### New Zealand

- This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").
- The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.
- Other than in the Placement, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:
  - is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
  - meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
  - is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
  - is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
  - is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

<sup>1</sup> Inter alia, please note that, pursuant to Article 4-decies of the Financial Services Act, implementing article 5 of the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation (Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014), the PRIIP manufacturer, or the person who sells PRIIPs, transmits to CONSOB the document containing the key information drawn up in conformity to what is established by the PRIIPs Regulation before the PRIIPs in question are marketed ("commercialized") in Italy. This notification obligation also applies to the revised versions of the document containing the key information. In light of the above before using this selling restriction we recommend checking if the provisions of the relevant Prospectus/Offering Circular are capable of preventing the marketing in Italy of the New Shares and consulting the local counsel for any clarification.

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## International selling restrictions

- This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### Norway

- This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.
- The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

### Singapore

- This document and any other materials relating to the New Shares has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS"). Accordingly, the New Shares may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person under Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.
- Where the New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:
  - (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
  - (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,
- Securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Shares pursuant to an offer under Section 275 of the SFA except:
  - (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
  - (2) where no consideration is or will be given for the transfer;
  - (3) where the transfer is by operation of law;
  - (4) pursuant to Section 276(7) of the SFA; or
  - (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.
- Notification under Section 309B(1)(c) of the SFA - in connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the "CMP Regulations 2018") of Singapore, the Company has determined the classification of the New Shares as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### United States

- This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the Placement may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

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International selling restrictions

- This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.
- United Kingdom

  - Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.
  - This document is issued on a confidential basis to "qualified investors" (within the meaning of Section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to Section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.
  - Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which Section 21(1) of the FSMA does not apply to the Company.
  - In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Appendix A

Transaction conditions

## Conditions and Timing

The Baúna transaction is expected to close during the first quarter of 2020, with a purchase price adjustment for interim cash flows and other completion adjustments from 1 January 2019

### Conditions and Timing

Transaction close is subject to a number of conditions currently being progressed by Petrobras and Karoon;

- **ANP approval.** Approval from the Brazilian upstream regulator, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP);
- **IBAMA licences.** Issue of new Environmental Operational Licenses to Karoon by Brazilian environmental agency, the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA);
- **Seller's fundamental warranties.** Seller's Fundamental Warranties each being true and accurate in all material respects, and where any such Seller's Fundamental Warranties are not true and accurate in any material respects, such fact (i) has been cured by Seller prior to the expiration of the period for the satisfaction of the conditions or (ii) has not caused or is expected to cause a Material Adverse Change;
- **Purchaser's warranties.** Purchaser's warranties each being true and accurate in all material respects, and where any such Purchaser's warranties are not true and accurate in any material respects, such fact is cured by Purchaser prior to the expiration of the period for satisfaction of the conditions;
- **No Governmental order.** No Governmental Order invalidating or nullifying the transfer of the Transferred Assets or prohibiting the performance of any obligations under the Sale and Purchase Agreement or the Concession Contract is in force;
- **No material adverse change.** No event or circumstance having arisen or occurred during the period following the Execution Date which (i) has not been cured by Seller prior to the expiration of the period for the satisfaction of the conditions and (ii) has resulted, or could reasonably be expected to result, in a Material Adverse Change as defined under the Sale and Purchase Agreement;
- **FPSO contracts.** The existing FPSO Contracts have been assigned, novated or otherwise Purchaser has entered into a contract with the counterparties of the existing FPSO Contracts to use the FPSO Cidade de Itajaí;
- **BV equipment nationalization.** The Nationalisation process for certain equipment subject to the sale shall have been completed;
- **Sanctions.** Neither Purchaser nor any of its Affiliates shall: (i) be subject to or be owned or controlled by a Sanctioned Person; (ii) be located, have been incorporated in, organized or resident in a Sanctioned Country; or (iii) have any commercial affiliation or business with, or investments in, any Sanctioned Country or Sanctioned Person<sup>1</sup>;
- **Restrictive list.** Neither Purchaser nor any of its Affiliates shall be included in "Cadastro Nacional de Empresas Inidoneas, Suspensas e Punidas (available at: <http://www.portaldatransparencia.gov.br/sancoes/ceis>)"; and
- **Oil pledge.** The field's oil pledge in favour of ANP has been released.

<sup>1</sup> Where "Sanction" is a reference to any sanctions, regulations, embargoes or restrictive measures imposed by the World Bank, the United States of America and certain other countries and institutions.

## Appendix B

### Glossary

### Glossary of Terms

Term	Definition
<b>3D Seismic</b>	A set of numerous closely-spaced seismic lines that provide a high spatially sampled measure of subsurface reflectivity.
<b>4D Seismic</b>	4D seismic data is one of several forms of time lapse seismic data which seek to understand changes in a reservoir over time.
<b>AGR</b>	AGR Petroleum Services.
<b>Amplitude</b>	In a seismic survey, seismic amplitude is a measure of the contrast in properties between two layers.
<b>ANP</b>	Agência Nacional do Petróleo, Gás Natural e Biocombustíveis.
<b>API</b>	American Petroleum Institute's Inverted scale for denoting the 'lightness' or 'heaviness' of crude oils and other liquid hydrocarbons.
<b>ASX</b>	ASX Limited (ACN 008 624 691), trading as Australian Securities Exchange.
<b>AUD</b>	Australian dollars.
<b>barrel or bbl</b>	Barrel of oil, = 42 United States gallons; equivalent to approximately 159 litres.
<b>Basin</b>	Sedimentary basins, or simply basins, vary from bowl-shaped to elongated troughs. If rich hydrocarbon source rocks occur in combination with appropriate depth and duration of burial, hydrocarbon generation can occur within the basin.
<b>Baúna oil field</b>	Part of the Concession BM-S-40 known as the Baúna oilfield, southern Santos Basin, offshore Brazil.
<b>Block</b>	The geographic area in which the government allows a company to operate.
<b>BM-S-40</b>	Concession BM-S-40, containing the Baúna, Piracaba and Patola oil fields, southern Santos Basin, offshore Brazil.
<b>Bn</b>	Billion.
<b>bopd</b>	Barrels of oil per day.
<b>bpd</b>	Barrels per day
<b>Brent</b>	A benchmark crude that serves as a quotable reference price for buyers and sellers of crude oil.
<b>BRL</b>	Brazilian Reals.
<b>Concession</b>	The geographic area in which the government allows a company to operate.

Term	Definition
<b>Contingent Resources</b>	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable (owing to one or more contingencies).  1C- Denotes low estimate scenario of Contingent Resources. 2C- Denotes best estimate scenario of Contingent Resources. 3C- Denotes high estimate scenario of Contingent Resources.
<b>Darcy</b>	Standard unit of measurement of permeability.
<b>Development Plan</b>	The phase of petroleum operations that occurs after exploration has proven successful, and before full-scale production. The newly discovered oil or gas field is assessed during an appraisal phase, a plan to fully and efficiently exploit it is created, and additional wells are usually drilled.
<b>Discovery</b>	Discovered petroleum accumulation determined to exist when one of more exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially recoverable hydrocarbons.
<b>EBITDA</b>	Earnings before cash, interest on debt, interest on the lease liability recognised under AASB 16, income tax expense, depreciation and amortisation.
<b>EOR</b>	Enhanced oil recovery.
<b>E&amp;P</b>	Exploration and production.
<b>Farm-out</b>	A contractual agreement with an owner who holds a working interest in an oil and gas lease to assign all or part of that interest to another party for fulfilling a contractually specified condition.
<b>Field</b>	An accumulation, pool, or group of pools of hydrocarbons or other mineral in the subsurface.
<b>FPSO</b>	Floating production, storage and off-loading facility.
<b>GOR</b>	Gas to Oil Ratio.
<b>HSSE</b>	Health, Safety, Security and Environment.
<b>Hydrocarbon</b>	An organic compound consisting entirely of hydrogen and carbon.
<b>IBAMA</b>	Brazilian Institute of the Environment and Renewable Natural Resources (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis).
<b>Infill drilling</b>	The process of increasing the number of wells in an area by drilling wells in spaces between existing wells.

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### Glossary of Terms (cont'd)

Term	Definition
<b>ING</b>	ING Bank NV - a Dutch multinational banking and financial services corporation headquartered in Amsterdam.
<b>Intervention</b>	Any operation carried out on an oil or gas well during, or at the end of, its production life that alters the state of the well or well geometry, provides well diagnostics, or manages the production of the well.
<b>Joint venture</b>	A business entity created by two or more parties, generally characterised by shared ownership, shared returns and risks, and shared governance.
<b>Karoon</b>	Karoon Energy Ltd and its subsidiaries.
<b>km</b>	Kilometres.
<b>Lead</b>	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.
<b>m</b>	Metres.
<b>Maastrichtian</b>	The latest age of the Late Cretaceous epoch.
<b>MM</b>	Million.
<b>Mbbl</b>	Thousand barrels (1,000 barrels).
<b>MMbbls</b>	Millions of barrels (1,000,000 barrels).
<b>Mbopd</b>	Thousands of barrels per day.
<b>Ocyan</b>	Ocyan S.A.
<b>OPEC</b>	The Organization of the Petroleum Exporting Countries (OPEC) is an intergovernmental organization of 14 nations, founded on 14 September 1960 in Baghdad by the first five members (Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela), and headquartered since 1965 in Vienna, Austria. The stated mission of the organization is to "coordinate and unify the petroleum policies of its member countries and ensure the stabilization of oil markets, in order to secure an efficient, economic and regular supply of petroleum to consumers, a steady income to producers, and a fair return on capital for those investing in the petroleum industry.
<b>Palaeocene</b>	Earliest epoch of the Tertiary period.
<b>Permeability</b>	The ability or measurement of a rock's ability to transmit fluids.
<b>Pitkin</b>	Pitkin Petroleum Peru Z-38 SRL.

Term	Definition
<b>Petrobras</b>	Petróleo Brasileiro S.A.
<b>Porosity</b>	Percentage of pore volume or void space or that volume within rock that can contain fluids.
<b>Prospect</b>	An exploration area in which hydrocarbons are predicted to exist in economic quantity.
<b>Prospective Resources</b>	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.  Low – Denotes the unrisks low estimate qualifying as Prospective Resources Best – Denotes the unrisks best estimate qualifying as Prospective Resources High – Denotes the unrisks high estimate qualifying as Prospective Resources
<b>Reserves</b>	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of a given date) based on the development project(s) applied. 1P- Denotes low estimate of Reserves (Proved Reserves) 2P- Denotes the best estimate of Reserves (Proved plus Probable Reserves) 3P- Denotes the high estimate of Reserves (Proved plus Probable plus Possible Reserves)
<b>Reserve based lending</b>	A type of financing where a loan is secured by the undeveloped Reserves of Oil and Gas of a borrower. The facility is repaid using the proceeds that derive from sales in the field or portfolio of fields in production.
<b>Reservoir</b>	A subsurface body of rock having sufficient porosity and permeability to store and transmit fluids.
<b>Resources</b>	Term used to encompass all quantities of petroleum (recoverable and unrecoverable) naturally occurring in an accumulation on or within the Earth's crust, discovered and undiscovered, plus those quantities already produced. Further, it includes all types of petroleum whether currently considered conventional or unconventional.
<b>Risk (geological)</b>	Prospect risk or geologic risk is the assessed chance that the drilling of the prospect will be successful in finding significant volumes of hydrocarbons. The risk is calculated by multiplying the chance of success of each of the petroleum system elements involved in the prospect.

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## Glossary of Terms (cont'd)

Term	Definition
<b>Seismic anomaly</b>	A seismic property that differs from what is typical, expected or predicted.
<b>Seismic survey</b>	A type of geophysical survey where the travel times of artificially created seismic waves are measured as they are reflected in a near vertical plane back to the surface from subsurface boundaries. This data is typically used to determine the depths and form of stratigraphic units and in making subsurface structural contour maps and ultimately in delineating prospective structures.
<b>SPA</b>	Sale and Purchase Agreement.
<b>SPE PRMS standards</b>	Society of Petroleum Engineers Petroleum Resource Management System Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet to be discovered accumulations, resource evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resource management system provides a consistent approach to estimating petroleum quantities, evaluating development projects and presenting results within a comprehensive classification framework.
<b>Stratigraphic trap</b>	Sealed geologic container capable of retaining hydrocarbons formed by changes in rock type or pinch outs, unconformities, or sedimentary features.
<b>Structural trap</b>	Sealed geologic structure capable of retaining hydrocarbons in deformed strata such as a fault or fold.
<b>Teekay</b>	Teekay Offshore Partners L.P.
<b>Tie-in</b>	A location on an existing plant where a new installation is to connect to.
<b>Tullow</b>	Tullow Oil plc.
<b>USD or US\$</b>	United States dollars.
<b>Viscosity</b>	A property of fluids and slurries that indicates their resistance to flow, defined as the ratio of shear stress to shear rate.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES



### ASX RELEASE

Issued 25 October 2019

#### Karooon Energy successfully completes institutional entitlement offer and placement

##### Highlights

- Completion of the institutional placement (Placement) raised gross proceeds of approximately A\$67 million
- Completion of the institutional component of the Entitlement Offer (Institutional Entitlement Offer) raised gross proceeds of approximately A\$108 million
- Strong support shown by both existing and new institutional shareholders
- Retail offer component of the Entitlement Offer (Retail Entitlement Offer) opens on Wednesday, 30 October 2019

Karooon Energy Limited (ASX:KAR) (**Karooon**) is pleased to announce the successful completion of the fully underwritten institutional placement and the institutional component of its 1 for 1.06 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid Karoon ordinary shares (**New Shares**) to raise approximately A\$175 million.

The Placement and the Institutional Entitlement Offer closed significantly oversubscribed with support from both existing and new institutional shareholders, together raising approximately A\$175 million at the offer price of A\$0.93 per New Share. Eligible institutional investors (excluding the Talbot Group and large, sophisticated individual shareholders) took up approximately 87% of entitlements available to them, or 59% of the total entitlements available under the Institutional Entitlement Offer. The Placement has been made within Karoon's placement capacity under Listing Rule 7.1 as modified by a waiver from the ASX.

*Commenting on the outcome of the Placement and the Institutional Entitlement Offer, Mr. Robert Hosking, Managing Director, said "We are pleased with the strong support shown by new and existing shareholders for the equity raising along with the acquisition of the Baúna producing oil field. The acquisition of Baúna represents a new phase for Karoon as a significant ASX listed oil exploration and production company. We now look forward to completing the Retail Entitlement Offer which is the final financial component for Karoon to acquire the Baúna asset to the benefit of Karoon's shareholders. I would like to thank current and new shareholders for their support and look forward to an exciting period ahead for Karoon".*

The New Shares to be issued under the Placement and the Institutional Entitlement Offer will rank equally with existing Karoon ordinary shares in all respects from the date of their issue. Settlement of the Placement and Institutional Entitlement Offer will take place on Thursday, 31 October 2019, with the New Shares to commence trading on Friday, 1 November 2019.

##### Retail Entitlement Offer

The Retail Entitlement Offer is expected to raise approximately A\$109 million. The Retail Entitlement Offer will open at 9.00am (Melbourne time) on Wednesday, 30 October 2019 and close at 5.00pm (Melbourne time) on Monday, 12 November 2019.

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Eligible retail shareholders with a registered address in Australia or New Zealand will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Placement and the Institutional Entitlement Offer.

Further details of the Retail Entitlement Offer will be fully set out in the Retail Offer Booklet. Eligible retail shareholders should carefully read the Retail Offer Booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Wednesday, 30 October 2019.

If you have any questions in relation to the equity raising, please contact the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 (03) 9415 5000 (outside Australia) between 8.30am and 5.00pm (AEDT) on Monday to Friday. For other questions you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

#### Further Information

Investors: please contact James Wootton on +61 3 9616 7500 or [jwootton@karoonenergy.com.au](mailto:jwootton@karoonenergy.com.au)

Media: please contact Tim Duncan, GRACosway, on +61 408 441 122 or [tduncan@gracosway.com.au](mailto:tduncan@gracosway.com.au)

#### Important Notice

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 as amended (the "**US Securities Act**") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws. The securities to be offered and sold in the Retail Entitlement Offer may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States.

## 4. Australian taxation considerations

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This section summarises certain Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Entitlement Offer for Eligible Shareholders who hold their New Shares on capital account.

This section does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. For instance, this section does not consider the position of Eligible Shareholders who:

- are not resident solely in Australia for Australian income tax purposes;
- are in the business of security trading, or who hold their existing shares on revenue account or as trading stock (including shareholders such as banks, insurance companies and shareholders carrying on a business of security trading);
- are exempt from Australian income tax;
- acquired their existing shares under an employee share or option plan, or in return for services provided; or
- are subject, or have elected to become subject, to the Taxation of Financial Arrangements (**TOFA**) provisions of the Australian income tax law.

This section does not purport to be a complete analysis of the potential tax consequences of the Entitlement Offer and is intended only to provide a general guide to the Australian tax implications. Eligible Shareholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 9:00am (Melbourne time) on Friday, 25 October 2019. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified.

### 4.1 Issue of Entitlement

The issue of the Entitlement should not in itself result in any amount being included in the assessable income of an Eligible Shareholder.

### 4.2 Exercise of Entitlement and applying for additional New Shares

New Shares will be acquired where the Eligible Shareholder exercises (i.e. takes up) all or part of their Entitlement under the Entitlement Offer. Additional New Shares will be acquired where the Eligible Shareholder elects to acquire additional New Shares under the Top Up Facility.

An Eligible Shareholder will not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Entitlement Offer or acquiring additional New Shares under the Top Up Facility.

For Australian CGT purposes, New Shares will be taken to have been acquired on the day that an Eligible Shareholder exercises their Entitlement and additional New Shares will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Shareholder. Each of the additional New Shares will constitute a separate asset for CGT purposes.

The cost base of each New Share and additional New Share will be equal to the Offer Price payable for each New Share and additional New Share respectively (plus any non deductible incidental costs the Eligible Shareholder incurs in acquiring the New Shares and additional New Shares). For CGT purposes, the Eligible Shareholder will need to apportion the cost of each New Share and additional New Share over the separate assets that comprise the Entitlement Offer on a reasonable basis.

### 4.3 Lapse of Entitlement

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the instructions, that Entitlement will lapse and the Eligible Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Shareholder from the lapse of the Entitlement.

### 4.4 Distributions on New Shares

Any future dividends or other distributions made in respect of New Shares or additional New Shares will generally be subject to the same income tax treatment as dividends or other distributions made on existing Shares held in the same circumstances.

#### 4.5 Disposal of New Shares or additional New Shares

As each share comprising the Entitlement Offer is a separate CGT asset, the disposal of New Shares or additional New Shares will constitute a disposal for CGT purposes. Accordingly, the capital proceeds referable to the disposal of each individual share will need to be determined by apportioning the total capital proceeds received from the disposal of the New Shares or additional New Shares on a reasonable basis.

On disposal of a New Share or an additional New Share, an Eligible Shareholder will make a net capital gain if the capital proceeds received on disposal exceed the total cost base of the New Share or additional New Share. An Eligible Shareholder will make a net capital loss if the capital proceeds are less than the total reduced cost base of the New Share or additional New Share.

Eligible Shareholders that are individuals or complying superannuation entities and that have held their New Shares or additional New Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trustees and 33.33% for complying superannuation entities. The CGT discount is not available to companies that are not trustees.

For the purpose of determining whether the New Shares have been held for 12 months or more (excluding the date of acquisition and the date of disposal), Eligible

Shareholders will be taken to have acquired them when they exercise their Entitlement under the Entitlement Offer. For the purpose of determining whether the additional New Shares acquired under the Top Up Facility have been held for 12 months or more (excluding the date of acquisition and the date of disposal), Eligible Shareholders will be taken to have acquired them at the date the additional New Shares were issued.

Eligible Shareholders that make a capital loss can only use that loss to offset other capital gains from other sources (i.e. the capital loss cannot be used against taxable income on revenue account). However, if the capital loss cannot be used in a particular income year it may be carried forward for use in future income years, provided certain loss utilisation tests are satisfied and applicable.

#### 4.6 Taxation of Financial Arrangements

The application of the TOFA provisions depends on the specific facts and circumstances of the Eligible Shareholder. Eligible Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

#### 4.7 Tax File Number

If an Eligible Shareholder has quoted their Australian Business Number (**ABN**), Tax File Number (**TFN**) or an exemption from quoting their TFN exists, this quotation or exemption will also apply in respect to any New Shares or additional New Shares acquired by that Eligible Shareholder.

#### 4.8 GST

The taking up of the New Shares and additional New Shares will be classified as a “financial supply” for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition of the New Shares or additional New Shares. Subject to certain requirements, there may be a restriction on the entitlement of Eligible Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares or additional New Shares acquired under the Top Up Facility.

#### 4.9 Stamp duty

No stamp duty should be payable in respect of the taking up of New Shares or additional New Shares.

## 5. Important information

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This Information Booklet (including the ASX announcements in Section 3) and enclosed personalised Entitlement and Acceptance Form have been prepared by Karoon.

This Information Booklet is dated Friday, 25 October 2019 (other than the Investor Presentation, the announcement of the Capital Raising published on the ASX website on Wednesday, 23 October 2019 and the Institutional Offer Completion Announcement published on the ASX website on Friday, 25 October 2019). This Information Booklet remains subject to change without notice and Karoon is not responsible for updating this Information Booklet.

There may be additional announcements made by Karoon after the date of this Information Booklet and throughout the Retail Entitlement Offer Period that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, you should check whether any further announcements have been made by Karoon (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au)) before submitting your application to take up your Entitlement.

No party other than Karoon has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

**This Information Booklet is important and requires your immediate attention.**

You should read this Information Booklet carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the 'Key Risks' Section of the Investor Presentation included in Section 3 of this Information Booklet, any of which could affect the operating and financial performance of Karoon or the value of an investment in Karoon.

You should consult your stockbroker, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

## 5.1 Trading of New Shares

It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk.

Karoon and the Underwriters disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statement, whether on the basis of confirmation of the allocation provided by Karoon, the Share Registry or the Underwriters.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other independent professional adviser.

## 5.2 Eligible Retail Shareholders

This Information Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand, and has been prepared in accordance with section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, neither this Information Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating a possible investment in Karoon. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

Retail Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Karoon reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

Karoon may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

## 5.3 Ineligible Retail Shareholders

Karoon has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand. Karoon has had regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Retail Shareholders are not eligible to participate in the Retail Entitlement Offer due to securities laws restrictions on the offer of New Shares in certain jurisdictions.

## 5.4 Eligible Institutional Shareholders

Eligible Institutional Shareholders are institutional shareholders to whom the Underwriters made an offer on behalf of Karoon under the Institutional Entitlement Offer.

## 5.5 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in Karoon's constitution, a copy of which is available online at Karoon's website: <https://www.karoonenergy.com.au/>.

## 5.6 Risks

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Karoon. You should refer to the 'Key Risks' Section of the Investor Presentation which is included in Section 3 of this Information Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

## 5.7 Reconciliation, Top Up Shares and the rights of Karoon and the Underwriters

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Karoon may need to issue additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares. These additional New Shares would be issued, if required, at the Offer Price.

Karoon also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if Karoon believes, in its complete discretion, that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Karoon may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Karoon in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Karoon nor the Underwriters to require any of the actions set out above.

## 5.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

## 5. Important information continued

### 5.9 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

### 5.10 Notice to nominees and custodians

If Karoon believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Institutional Shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up any of their Entitlements and may receive no value for any such Entitlements held.

Nominees and custodians may not distribute any part of this Information Booklet, or take up Entitlements on behalf of persons, in the United States or in any other country outside Australia except to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) where Karoon may determine it is lawful and practical to make the Retail Entitlement Offer.

Karoon is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements.

### 5.11 Not investment advice

This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs.

Karoon is not licensed to provide financial product advice in respect of the New Shares. This Information Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Karoon's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at <https://www.karoonenergy.com.au/>.

Prospective investors should conduct their own independent investigation and assessment of the Retail Entitlement Offer and the information contained in, or referred to in, this Information Booklet. An investment in Karoon is subject to investment risk including possible loss of income and principal invested. Before deciding whether to apply for New Shares, you should consider all materials sent to you in relation to the Retail Entitlement Offer and any relevant materials lodged with ASX, and whether the New Shares are a suitable investment for you in light of your own investment objectives, financial circumstances and investment needs (including financial and taxation issues) and having regard to the merits or risks involved (including the 'Key Risks' set out in the Investor Presentation). If, after reading the Information Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser or call the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 (03) 9415 5000 (from outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

### 5.12 Quotation and trading

Karoon has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Karoon will repay all Application Money (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (Melbourne time) on Wednesday, 20 November 2019.

### 5.13 Continuous disclosure

Karoon is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Karoon is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Karoon has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Karoon shares. That information is available to the public from ASX.

Some documents are required to be lodged with ASIC in relation to Karoon. These documents may be obtained from, or inspected at, an ASIC office.

## 5.14 Information Booklet availability

If you are in Australia or New Zealand, you can obtain a copy of this Information Booklet during the Retail Entitlement Offer Period by calling the Karoon Offer Information Line on 1300 850 505 (within Australia) or 61 (03) 9415 5000 (from outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.

A replacement Entitlement and Acceptance Form can also be requested by calling the Karoon Offer Information Line.

If you access the electronic version of this Information Booklet, you should ensure that you download and read the entire Information Booklet.

## 5.15 Foreign jurisdictions

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of Karoon with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Karoon has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

This Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Information Booklet (including an electronic copy) outside Australia is restricted by law. If you come into possession of this Information Booklet, you should observe such restrictions. See the foreign selling restrictions set out in the "Foreign Jurisdictions" section of the Investor Presentation included in Section 3 of this Information Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

## 5.16 Underwriting of Entitlement Offer

Karoon has entered into an underwriting agreement (**Underwriting Agreement**) with Macquarie Capital (Australia) Limited ABN 79 123 199 548 and Royal Bank of Canada (trading as RBC Capital Markets) ABN 86 076 940 880 (the **Underwriters**) who have agreed to fully underwrite the Entitlement Offer. As is customary with these types of arrangements:

- the obligations of the Underwriters to underwrite the Capital Raising are subject to the satisfaction of certain conditions precedent in respect of the Capital Raising including compliance with satisfactory due diligence and offer documentation and necessary ASX and ASIC relief;
- Karoon has agreed, subject to certain carve-outs, to indemnify the Underwriters, their affiliates and related bodies corporate, and each of their respective directors, officers, agents, employees,

representatives or advisers from and against all losses directly or indirectly suffered or incurred in connection with the Capital Raising;

- Karoon has given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer including as to Karoon's compliance with applicable law, conduct of business and offer documentation;
- the Underwriters may terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events including, if any of the following events occurs:
  - Karoon is removed from the official list of ASX, or approval for quotation of the New Shares is not given by ASX;
  - the S&P/ASX 300 Index falls by 10% or more from the level as at the close of trading on the business day immediately prior to the date of the Underwriting Agreement;
  - the S&P/ASX 300 Index closes on any business day before the first settlement date at a level that is 12.5% or more below the starting level and remains at that level or below for a certain period;
  - an adverse change occurs in the assets, liabilities, financial position or performance, profit, losses or prospects of Karoon from the position disclosed in the information publicly available or the offer documents prior to the date of the Underwriting Agreement;
  - Karoon contravenes any provision of its constitution, the Corporations Act or any requirement order or request made by or on behalf of ASX or ASIC or any other governmental agency or any other applicable law;
  - the resignation (except as disclosed to the Underwriters prior to the date of the Underwriting Agreement) or termination of the Managing Director or the Chief Financial Officer of Karoon occurs;

## 5. Important information continued

- a director or Managing Director, or Chief Financial Officer of Karoon;
  - » is charged with an indictable offence or any government agency commences any public action against the director in his or her capacity as a director of Karoon or announces that it intends to take any such action; or
  - » is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- the Company, its directors, Managing Director or Chief Financial Officer is charged with any fraudulent conduct;
- trading of all securities quoted on key markets is suspended, or there is a material limitation in trading of securities on any such exchange, for more than one business day on which that exchange is open for trading;
- there are adverse changes or disruptions to the political or economic conditions in financial markets, or hostilities commence or escalate in certain key countries, or a significant terrorist act is perpetrated in certain key countries or at their diplomatic or political establishments elsewhere in the world, or a national emergency is declared by certain key countries;
- there is a delay of more than one business day for any event listed in the Underwriting Agreement timetable without the Underwriters' prior consent;
- any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of Karoon to the Underwriters in respect of the Entitlement Offer or the Group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission);
- a statement contained in the offer documents is or becomes defective (within the meaning provided in sections 708AA(11) or 708A(10) of the Corporations Act);
- Karoon fails to perform or observe any of its material obligations under the Underwriting Agreement;
- Karoon amends the Entitlement Offer without consent;
- the acquisition agreement is terminated or amended which has a material adverse effect;
- an insolvency event occurs;
- any representation or warranty given or made by Karoon under the Underwriting Agreement is breached or becomes untrue or incorrect;
- a general moratorium on commercial banking activities in certain key countries is declared or there is a material disruption in commercial banking;
- Karoon is unable to issue the New Shares from the Entitlement Offer within the required time;
- Karoon fails to furnish any closing certificate required to be provided under the Underwriting Agreement or a statement in that certificate is untrue or incorrect;
- Karoon withdraws the Entitlement Offer; or
- there is a change in relevant law or policy in Australia.

The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events will depend upon: whether the event has, or is likely to have (individually or in the aggregate), a material adverse effect on the success or settlement of the Entitlement Offer, or the business, financial position or prospects of Karoon; or whether it may give rise to a liability of the Underwriters.

The Underwriters will be paid a 2.50% underwriting fee and a 0.75% management and selling fee on the Offer Proceeds

for providing these services and will be reimbursed for certain expenses. Karoon will also pay the Underwriters an additional underwriting fee equal to one half of any amount by which the total fees of all sub-underwriters exceeds 1.00% of the proceeds of the Retail Entitlement Offer.

Neither the Underwriters nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, advisers or agents have authorised or caused the issue of this Information Booklet, or made or authorised the making of any statement that is included in this Information Booklet or any statement on which a statement in this Information Booklet is based, and they do not take any responsibility for this Information Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriters and each of their related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives, advisers or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you (directly or indirectly) as a result of your participation in the Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriters nor any of their related bodies corporate and affiliates nor their respective directors, officers, partners, employees, representatives, advisers or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriters or any of their related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives, advisers or agents in relation to the New Shares or the Entitlement Offer generally.

## 5.20 Withdrawal of the Entitlement Offer

Karoon reserves the right to withdraw all or part of the Entitlement Offer and this Information Booklet at any time, subject to applicable laws, in which case Karoon will refund Application Money in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Karoon may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Money paid by you to Karoon will not entitle you to receive any interest and that any interest earned in respect of Application Money will belong to Karoon.

## 5.21 Privacy

Karoon collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Karoon.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Karoon (directly or through the Share Registry). Karoon collects, holds and will use that information to assess your Application. Karoon collects your personal information to process and administer your shareholding in Karoon and to provide related services to you. Karoon may disclose your personal information for purposes related to your shareholding in Karoon, including to the Share Registry, Karoon's related bodies corporate, agents, contractors and third party service providers (including mailing houses and professional advisers) and to ASX and regulatory bodies. You can obtain access to personal information that Karoon holds about you. To make a request for access to your personal information held by (or on behalf of) Karoon, please contact Karoon through the Share Registry.

## 5.17 ASX Waiver

On Tuesday, 22 October 2019, ASX granted a waiver of Listing Rule 7.1 to Karoon to the extent necessary to permit Karoon to calculate the number of New Shares which it could issue without shareholder approval under the Placement as if the Entitlement Offer was completed before the Placement. The waiver is subject to conditions, including that the Entitlement Offer is fully underwritten. Karoon has relied on this waiver in conducting the Placement.

## 5.18 Governing Law

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non exclusive jurisdiction of the courts of Victoria, Australia.

## 5.19 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Karoon, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, neither Karoon, nor any other person, warrants or guarantees the future performance of Karoon or any return on any investment made pursuant to this Information Booklet or its content.

## 6. Glossary

<b>Application</b>	The payment of the relevant Application Money via BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of a completed Entitlement and Acceptance Form accompanied by the relevant Application Money
<b>Application Money</b>	The total amount payable for the New Shares applied for via BPAY® or a completed Entitlement and Acceptance Form
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ABN 98 009 624 691, or the financial market operated by it, as the context requires
<b>Capital Raising</b>	The Institutional Placement and the Entitlement Offer
<b>Closing Date</b>	5.00pm (Melbourne time) on Tuesday, 12 November 2019
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Eligible Institutional Shareholder</b>	<p>In accordance with sections 708(8) and 708(11) of the Corporations Act respectively, a sophisticated or professional Shareholder on the Record Date who:</p> <ul style="list-style-type: none"><li>• is not an Ineligible Institutional Shareholder; and</li><li>• has successfully received an invitation from the Underwriters to participate in the Institutional Offer (either directly or through a nominee)</li></ul>
<b>Eligible Retail Shareholder</b>	<p>A person who:</p> <ul style="list-style-type: none"><li>• is registered as a holder of Shares as at the Record Date;</li><li>• has a registered address on the Karoon share register in Australia or New Zealand;</li><li>• is not in the United States and is not acting for the account or benefit of a person in the United States; and</li><li>• was not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer</li></ul>
<b>Entitlement</b>	The right to apply for 1 New Share for every 1.06 Existing Shares held as at the Record Date, at the Offer Price of \$0.93 per New Share, pursuant to the Entitlement Offer
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form which accompanies this Information Booklet
<b>Entitlement Offer</b>	The Institutional Entitlement Offer and the Retail Entitlement Offer
<b>Existing Shares</b>	Shares already on issue on the Record Date
<b>Ineligible Institutional Shareholder</b>	A Shareholder who is an institutional Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that Karoon and the Underwriters agree to whom Listing Rule 7.7.1(a) applies
<b>Ineligible Retail Shareholder</b>	A Shareholder (or beneficial owner of Shares) other than an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that Karoon and the Underwriters agree to whom Listing Rule 7.7.1(a) applies
<b>Information Booklet</b>	This information booklet
<b>Institutional Entitlement Offer</b>	The accelerated non-renounceable pro rata entitlement offer to Eligible Institutional Shareholders
<b>Institutional Offer</b>	The Institutional Entitlement Offer and the Institutional Placement
<b>Institutional Placement</b>	The placement of approximately 72.1 million New Shares to sophisticated and institutional investors to raise approximately \$67.1 million, as announced on Wednesday, 23 October 2019

<b>Investor Presentation</b>	The presentation to investors released to ASX on Wednesday, 23 October 2019, included in Section 3 of this Information Booklet
<b>Karoon</b>	Karoon Energy Ltd ACN 107 001 338
<b>Listing Rules</b>	The Listing Rules of ASX
<b>New Shares</b>	Shares to be issued and allotted under the Capital Raising, including (if the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility or to the Underwriters or any sub-underwriters
<b>Offer Price</b>	\$0.93 per New Share
<b>Record Date</b>	7.00pm (Melbourne time) on Friday, 25 October 2019
<b>Retail Entitlement Offer</b>	The non-renounceable pro rata entitlement offer to Eligible Retail Shareholders to apply for 1 New Share for every 1.06 Existing Shares held as at the Record Date at the Offer Price of \$0.93 per New Share
<b>Retail Entitlement Offer Period</b>	The period that the Retail Entitlement Offer is open
<b>Share</b>	A fully paid ordinary share in the capital of Karoon
<b>Share Registry</b>	Computershare Investor Services Pty Limited ABN 48 078 279 277
<b>Shareholder</b>	A registered holder of Shares
<b>Theoretical Ex-Rights Price</b>	The theoretical ex rights price calculated by reference to Karoon's closing price on Tuesday, 22 October 2019 of \$0.93 per Share, being the last trading day prior to the announcement of the Entitlement Offer
<b>Top Up Facility</b>	The top up facility under which Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement described in Section 2.9
<b>Underwriters</b>	Macquarie Capital (Australia) Limited ABN 79 123 199 548; and Royal Bank of Canada (trading as RBC Capital Markets) ABN 86 076 940 880
<b>Underwriting Agreement</b>	The underwriting agreement between Karoon and the Underwriters dated Wednesday, 23 October 2019

## 7. Corporate Directory

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### **Karoon Energy Ltd** **ACN 107 001 338**

#### **Registered Office**

Office 7A, 34-38 Lochiel Avenue  
Mount Martha VIC 3934

#### **Karoon Offer Information Line**

1300 850 505 (within Australia)

+61 3 9415 5000 (outside Australia)

Open between 8.30am to 5.00pm  
(Melbourne time) Monday to Friday during  
the Retail Entitlement Offer Period

### **Karoon Share Registry**

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067

#### **Legal adviser**

##### **Arnold Bloch Leibler**

Level 21, 333 Collins Street  
Melbourne VIC 3000  
[www.abl.com.au](http://www.abl.com.au)

#### **Lead Managers and Underwriters to the Entitlement Offer**

##### **Macquarie Capital (Australia) Limited**

Level 25, 101 Collins Street  
Melbourne VIC 3000  
[www.macquarie.com](http://www.macquarie.com)

##### **Royal Bank of Canada**

Level 47, 2 Park Street  
New South Wales 2000  
[www.rbccm.com](http://www.rbccm.com)



