

**Form 605**  
Corporations Act 2001  
Section 671B

## Notice of ceasing to be a substantial holder

To Company Name/Scheme KAROON ENERGY LTD

ACN/ARSN 107 001 338

### 1. Details of substantial holder (1)

Name Morgan Stanley and its subsidiaries listed in Annexure A  
ACN/ARSN (if applicable) Not Applicable

The holder ceased to be a substantial holder on November 21, 2019  
The previous notice was given to the company on November 22, 2019  
The previous notice was dated November 20, 2019  
The holder became aware on November 25, 2019

### 2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of Securities affected	Person's votes affected
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	10,366.80	9,780 Ordinary Shares	9,780
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	3,909.78	3,637 Ordinary Shares	3,637
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	10,035.36	9,292 Ordinary Shares	9,292
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	13,495.55	12,554 Ordinary Shares	12,554
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	26,854.04	25,334 Ordinary Shares	25,334
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	2,409.03	2,262 Ordinary Shares	2,262
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	4,826.75	4,490 Ordinary Shares	4,490
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	7,701.50	7,300 Ordinary Shares	7,300
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	12,007.80	11,436 Ordinary Shares	11,436
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	10,252.28	9,537 Ordinary Shares	9,537
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	31,479.88	29,698 Ordinary Shares	29,698
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	5,444.16	5,136 Ordinary Shares	5,136
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	10,773.00	10,260 Ordinary Shares	10,260
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	2,655.25	2,470 Ordinary Shares	2,470
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	14,451.39	13,698 Ordinary Shares	13,698
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	27.30	26 Ordinary Shares	26
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	1,182.29	1,118 Ordinary Shares	1,118
11/21/2019	Morgan Stanley Australia Securities Limited	Buy	790.23	742 Ordinary Shares	742
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	4,270.50	3,900 Ordinary Shares	3,900
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	30,816.48	28,272 Ordinary Shares	28,272
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	777.17	713 Ordinary Shares	713
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	21,700.00	20,000 Ordinary Shares	20,000
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	53,399.36	49,216 Ordinary Shares	49,216
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	1,215.83	1,118 Ordinary Shares	1,118
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	11,728.55	10,711 Ordinary Shares	10,711

11/21/2019	Morgan Stanley Australia Securities Limited	Sell	10,260.85	9,457 Ordinary Shares	9,457
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	2,637.80	2,420 Ordinary Shares	2,420
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	974.51	892 Ordinary Shares	892
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	9,195.38	8,475 Ordinary Shares	8,475
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	1,839.92	1,688 Ordinary Shares	1,688
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	8,590.32	7,954 Ordinary Shares	7,954
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	1,279.22	1,179 Ordinary Shares	1,179
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	10,731.00	9,800 Ordinary Shares	9,800
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	14,131.80	13,085 Ordinary Shares	13,085
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	35,900.24	32,936 Ordinary Shares	32,936
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	8,600.00	8,000 Ordinary Shares	8,000
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	21,940.61	20,129 Ordinary Shares	20,129
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	18,330.53	16,817 Ordinary Shares	16,817
11/21/2019	Morgan Stanley Australia Securities Limited	Sell	3,021.83	2,811 Ordinary Shares	2,811
11/21/2019	Morgan Stanley & Co. International plc	Collateral Returned	N/A	2,987,926 Ordinary Shares	2,987,926

### 3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not Applicable	Not Applicable

### 4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Morgan Stanley	1585 Broadway, New York, New York, 10036, USA.
Morgan Stanley & Co. International plc	Legal & Compliance Department, 25 Cabot Square, Canary Wharf, London, E14 4QA, UNITED KINGDOM.
Morgan Stanley Investment Management Inc.	522 5th Avenue, 6th Floor, New York, 10036, USA.
Morgan Stanley Australia Securities Limited	Level 39, Chifley Tower, 2 Chifley Square, Sydney, 2000, AUSTRALIA.

Signature

print name Wilson Li

capacity Vice President

sign here

date November 25, 2019

### Annexure A

List of Morgan Stanley and its subsidiaries that have a relevant interest or deemed to have a relevant interest in the shares or units.

Name
Morgan Stanley
Morgan Stanley International Holdings Inc.
Morgan Stanley International Limited
Morgan Stanley Investments (UK)
Morgan Stanley & Co. International plc
Morgan Stanley (Australia) Securities Holdings Pty Limited
Morgan Stanley Australia Securities Limited
Morgan Stanley Capital Management, LLC
Morgan Stanley Investment Management Inc.

**Signature**

print name    Wilson Li

capacity    Vice President

sign here

date    November 25, 2019



#### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
  - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (5) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (6) The voting shares of a company constitute one class unless divided into separate classes.
- (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

# GUIDE

**This guide does not form part of the prescribed form and is included by ASIC to assist you in completing and lodging form 605.**

## Signature

This form must be signed by either a director or a secretary of the substantial holder.

## Lodging period

Nil

## Lodging Fee

Nil

## Other forms to be completed

Nil

## Additional information

- (a) If additional space is required to complete a question, the information may be included on a separate piece of paper annexed to the form.
- (b) This notice must be given to a listed company, or the responsible entity for a listed managed investment scheme. A copy of this notice must also be given to each relevant securities exchange.
- (c) The person must give a copy of this notice:
  - (i) within 2 business days after they become aware of the information; or
  - (ii) by 9.30 am on the next trading day of the relevant securities exchange after they become aware of the information if:
    - (A) a takeover bid is made for voting shares in the company or voting interests in the scheme; and
    - (B) the person becomes aware of the information during the bid period.

## Annexures

To make any annexure conform to the regulations, you must

- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
- 2 show the corporation name and ACN or ARBN
- 3 number the pages consecutively
- 4 print or type in BLOCK letters in dark blue or black ink so that the document is clearly legible when photocopied
- 5 identify the annexure with a mark such as A, B, C, etc
- 6 endorse the annexure with the words:  
*This is annexure (mark) of (number) pages referred to in form (form number and title)*
- 7 sign and date the annexure.

The annexure must be signed by the same person(s) who signed the form.

**Information in this guide is intended as a guide only. Please consult your accountant or solicitor for further advice.**

**Annexure B:**

*This is Annexure B referred to in the Form 605: Notice of ceasing to be a substantial holder issued by Morgan Stanley and its subsidiaries. The following is description of the securities lending agreements referenced in the accompanying Form 605.*

<b>Schedule</b>	
<b>Type of Agreement</b>	Global Master Securities Lending Agreement
<b>Parties to agreement</b>	Morgan Stanley & Co. International plc and CITIBANK NA
<b>Transfer Date</b>	20191119;
<b>Holder of Voting Rights</b>	Borrower
<b>Are there any restrictions on voting rights?</b>	Yes/No
If yes, detail Not applicable	
<b>Scheduled Return Date (if any)</b>	Open
<b>Does the borrower have the right to return early?</b>	Yes/No
If yes, detail The Borrower is entitled at any time to terminate a Loan and to redeliver all and any Equivalent Securities due and outstanding to the Lender in accordance with the Lender's instructions.	
<b>Does the lender have the right to recall early?</b>	Yes/No
If yes, detail The Lender is entitled to terminate a Loan and to call for the redelivery of all or any Equivalent Securities at any time by giving notice on any Business Day of not less than the standard settlement time for such Equivalent Securities on the exchange or in the clearing organisation through which the Loaned Securities were originally delivered.	
<b>Will the securities be returned on settlement?</b>	Yes/No
If yes, detail any exceptions If the Borrower does not redeliver Equivalent Securities in accordance with the Agreement, the Lender may by written notice to Borrower terminate the Loan forthwith and the Parties' delivery and payment obligations in respect thereof.	

*The above schedules are based on the relevant standard agreements. The entity filing the report will, if requested by the company or responsible entity to whom the prescribed form must be given or ASIC, give a copy of the agreement to the company, responsible entity or ASIC.*

**Signature**

print name Wilson Li

capacity Vice President

sign here

date November 25, 2019



