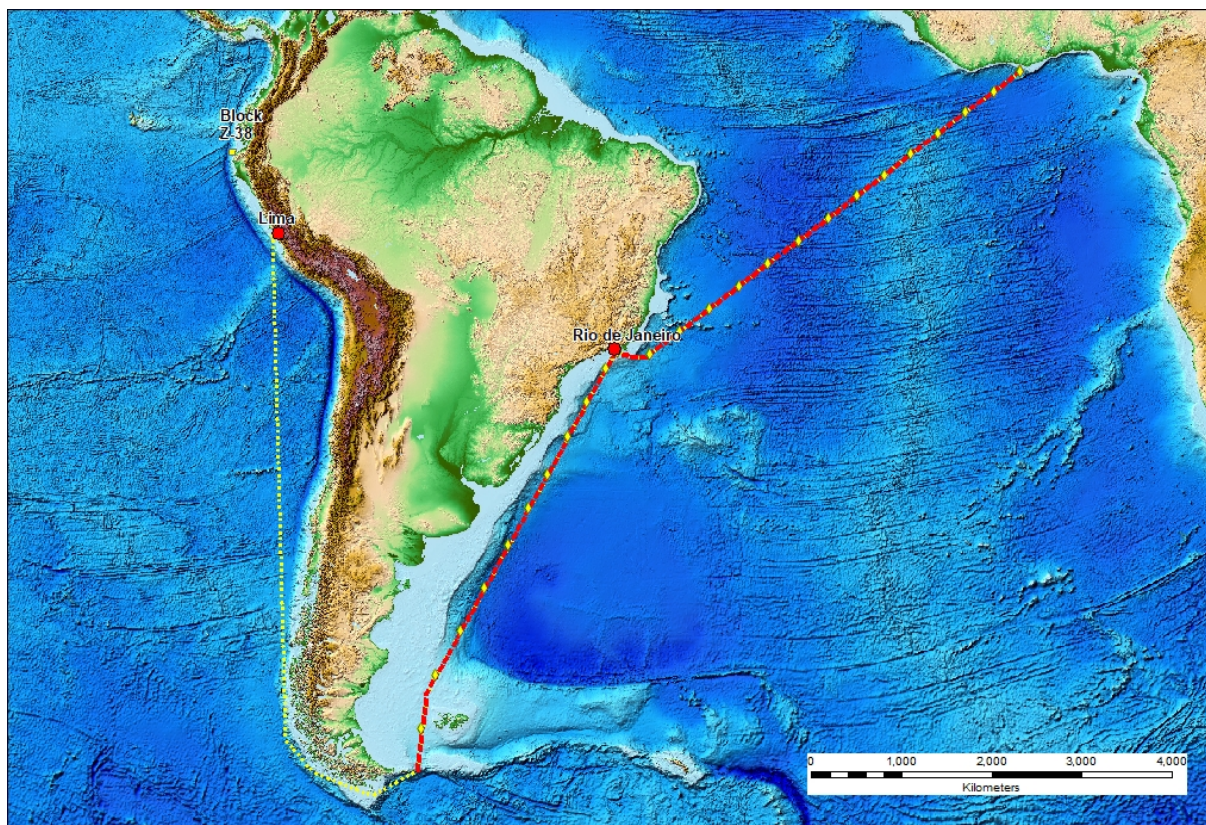


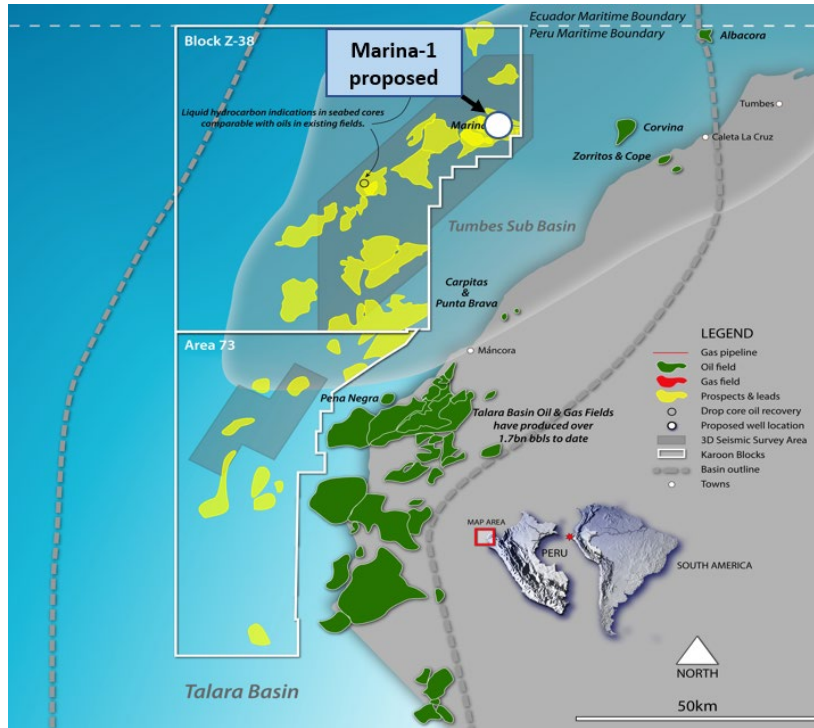
Peru Drilling Update: Stena Forth Drillship mobilisation to Tumbes Basin, Peru.

The Stena Forth Drillship has commenced the final leg of its mobilisation to Peru ahead of drilling the Marina-1 exploration well in the Block Z-38 Tumbes Basin, Peru. This follows a stopover in Brazil to collect well casing and ancillary equipment.

The Marina prospect has a gross mean prospective resource of 256 million barrels of oil as previously announced in the “Resources Update” dated 8th May 2018.

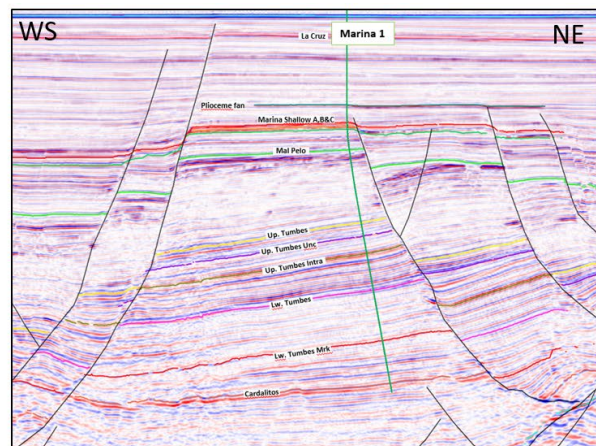
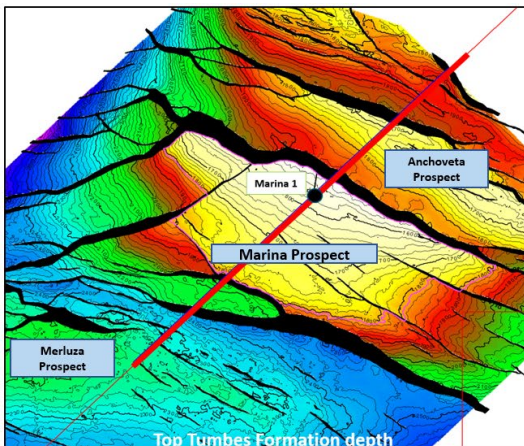
The Stena Forth is expected to arrive in Peruvian waters during January 2020 to clear customs and await final permits. The Marina-1 well is expected to spud during the last week of January 2020.





The Marina prospect comprises a large fault bounded structure with targets at multiple levels from 900m subsea to 2900m. The targets are in the Tertiary Pliocene La Cruz to Cardalitos formations.

The structures are well defined by 3D seismic. Nearby hydrocarbon seeps demonstrate that migrating hydrocarbons are present, supported by seismic AVO anomalies indicative of trapped oil at Marina.



Important Note

Should investors have any questions or queries regarding the company, please contact James Wootton on 03 9616 7500 or jwootton@karoonenergy.com.au. Media enquiries should be directed to Tim Duncan on 0408 441 122. All **holding** enquiries should be directed to our share register, Computershare on 1300 850 505.

About Karoon Energy Ltd

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

Karoon has a core exploration growth strategy, focused on large targets in proven Petroleum Systems. The Company is looking to complete the acquisition of a foundation production asset that will underpin long-term sustainable growth and shareholder value.

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

Forward-looking Statements

This announcement may contain certain "forward-looking statements" with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward-looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this announcement. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements as actual outcomes may differ materially from forward-looking statements. Any forward-looking statements, opinions and estimates provided in this announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of Karoon. Such statements may cause the actual results or performance of Karoon to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements speak only as of the date of this announcement.

Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.