

16 November 2023

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Karooon Energy Ltd (ASX code: KAR)

Notification under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (ASIC Instrument 2016/84)

Karooon Energy Ltd ACN 107 001 338 (**Karooon**) announced today:

- (a) a fully underwritten accelerated non-renounceable pro-rata entitlement offer (**Entitlement Offer**) of one new fully paid ordinary share in Karoon for every 3.75 shares in Karoon (**New Shares**) held by all holders as at 7.00pm (Sydney time) on Monday, 20 November 2023 (**Record Date**) with registered addresses in Australia or New Zealand, and certain institutional holders as at the Record Date in other jurisdictions in which Karoon makes offers (together, **Eligible Shareholders**); and
- (b) a concurrent fully underwritten placement of approximately 83 million New Shares in Karoon to certain institutional investors (**Placement**).

Karooon gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by ASIC Instrument 2016/84 (the **Corporations Act**) that:

1. Karoon will offer to issue the New Shares under the Entitlement Offer without disclosure to investors in accordance with Part 6D.2 of the Corporations Act;
2. as at the date of this notice:
 - (a) Karoon has complied with the provisions of Chapter 2M of the Corporations Act as they apply to Karoon;
 - (b) Karoon has complied with sections 674 and 674A of the Corporations Act; and

- (c) Karoon is not aware of any information that may be "excluded information" within the meaning of sections 708AA(8) and 708AA(9) of the Corporations Act which is required to be disclosed under section 708AA(7)(d) of the Corporations Act.
3. The potential effect of the issue of New Shares under the Entitlement Offer on the control of Karoon, and the consequences of that effect, will ultimately depend on a number of factors, including the extent to which Eligible Shareholders participate in the Entitlement Offer and broader investor demand. However, given the structure of the Entitlement Offer as a fully underwritten pro rata non renounceable entitlement offer, Karoon does not expect that the issue of New Shares under the Entitlement Offer will have a material effect on the control of Karoon. Some further commentary about that follows.
- (a) If all Eligible Shareholders take up all of their entitlement under the Entitlement Offer, then the Entitlement Offer will have no material effect on the control of Karoon.
 - (b) To the extent that an Eligible Shareholder does not take up their entitlements under the Entitlement Offer, that Eligible Shareholder's percentage holding in Karoon shares will be diluted by the issue of New Shares under the Entitlement Offer.
 - (c) The aggregate percentage holding of Karoon shareholders with registered addresses outside of Australia, Bermuda, Brazil, Canada (British Columbia, Ontario and Quebec provinces only), Cayman Islands, European Union (excluding Austria), Hong Kong, Malaysia, New Zealand, Norway, Singapore, Switzerland, United Arab Emirates (excluding financial zones) or the United Kingdom, will be diluted as a result of the issue of New Shares under the Entitlement Offer.
 - (d) The Entitlement Offer (as well as Placement) is fully underwritten by Macquarie Capital (Australia) Limited ACN 123 199 548.¹

This release has been authorised by the Board of Directors of Karoon.

Yours sincerely



Daniel Murnane

Company Secretary

¹ Refer to slide 3, 34, 48 and Appendix C of the investor presentation released by Karoon to ASX on 16 November 2023 for a description of the terms and conditions of the underwriting arrangements.