

ASX RELEASE

23 November 2023 | ASX: KAR

Notification to Ineligible Retail Shareholders

Attached is a sample of the letter that will be provided to shareholders of Karoon Energy Limited (ASX:KAR) (**Karoon**) who are ineligible to participate in the retail component of the fully underwritten 1 for 3.75 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) announced on Thursday, 16 November 2023.

Shareholders can contact the Entitlement Offer Information Line on 1300 850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) at any time between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday during the Entitlement Offer period for more information.

This announcement has been authorised by the Chief Executive Officer and Managing Director of Karoon Energy Ltd.

INVESTORS

SVP Communications
and Investor Relations

Ann Diamant
M: +61 407 483 128
E: Ann.diamant@karoonenergy.com

SHAREHOLDING ENQUIRIES

Computershare
Tel: 1300 850 505

MEDIA – AUSTRALIA

P&L Corporate
Communications

Ian Pemberton
M: + 61 402 256 576
E: ian.pemberton@plcorporate.com.au

MEDIA – BRAZIL

InPress Porter
Novelli

Andrea Blum
M: + 55 21 98105-9338

Daniela Melina
M:+ 55 21 99101-0248

Jacqueline Breitingner
M: +55 21 99465 9633

E: karoon@inpresspni.com.br


ABOUT KAROOON ENERGY LTD

Karoon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil and Australia and is an ASX listed company.

Karooon's vision is to be a leading, independent international energy company that adapts to a dynamic world in an entrepreneurial and innovative way. Karooon's purpose is to provide energy safely, reliably and responsibly, creating lasting benefits for all its stakeholders.

NOT AN OFFER IN THE UNITED STATES

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 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



KAR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

SRN/HIN: SRN WITHHELD

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Thursday, 23 November 2023

Dear Sir/Madam

FULLY UNDERWRITTEN ACCELERATED NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER - NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On Thursday, 16 November 2023, Karoon Energy Ltd (ABN 53 107 001 338) (“**Company**” or “**Karoon**”) announced a fully-underwritten A\$480 million equity raising comprising of:

- institutional placement (“**Placement**”) of new fully paid ordinary shares in the Company (“**New Shares**”) to raise approximately A\$170 million (before costs); and
- 1 for 3.75 pro rata accelerated non-renounceable entitlement offer (“**Entitlement Offer**”) of New Shares to raise up to approximately A\$310 million (before costs),

(together, the “**Offer**”) in each case at a price of A\$2.05 per New Share (“**Offer Price**”). The proceeds of the Offer will be used to partially fund the acquisition of a:

- (a) 30% interest in the producing Who Dat and Dome Patrol oil and gas fields and associated infrastructure, including the Who Dat Floating Production System (FPS), in addition to a ~16% interest in the producing Abilene fields and;
- (b) 30%, 35% and 40% interest in the associated Who Dat South, Who Dat West and Who Dat East exploration acreage, respectively.

Documents relating to the Offer have been lodged with the Australian Securities Exchange (“**ASX**”) on Thursday, 16 November 2023.

Details of the Entitlement Offer

The Entitlement Offer comprises an institutional entitlement offer ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms ("**Retail Entitlement Offer**"). The Institutional Entitlement Offer and Placement have already closed and the results were announced to the ASX on Friday, 17 November 2023. Karoon has today lodged a retail offer booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer ("**Retail Offer Booklet**").

Macquarie Capital (Australia) Limited (ACN 123 199 548) is the underwriter and lead manager ("**Lead Manager**") to the Offer, subject to the terms of an underwriting agreement.

You are not required to do anything in response to this letter. This notice is to inform you about the Retail Entitlement Offer and explain why you will not be able to participate in the Retail Entitlement Offer (as set out below). This letter is not an offer to issue the New Shares to you, nor an invitation for you to apply for the New Shares.

Eligibility criteria

Eligible Retail Shareholders are those persons who are registered as holders of existing Karoon shares at 7:00pm (Sydney time) on Monday, 20 November 2023 ("**Record Date**") and who;

- have a registered address in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States);
- did not receive an offer to participate (other than as nominee, trustee or custodian, in respect of other underlying holdings) in the Institutional Entitlement Offer and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, product disclosure statement or offer document required to be lodged or registered.

As you do not satisfy the criteria above, you are not an Eligible Retail Shareholder for the purposes of the Retail Entitlement Offer. Karoon has determined, pursuant to section 9A(3) of the *Corporations Act 2001* (Cth) ("**Corporations Act**") and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to Karoon shareholders in certain countries in connection with the Retail Entitlement Offer. This is because of the small number of Karoon shareholders in each of those countries, the relatively small number and value of New Shares that would be issued to those shareholders and the cost of complying with the applicable legal and regulatory requirements in jurisdictions outside Australia and New Zealand.

Accordingly, the Company is unfortunately unable to extend to you the opportunity to participate in the Retail Entitlement Offer. Under the terms of the Retail Entitlement Offer, you are not eligible to apply for New Shares and you will not be sent a copy of the Retail Offer Booklet. Notwithstanding the above, Karoon may (in its absolute discretion) agree to extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer, subject to compliance with applicable laws.

Karoon, its affiliates and related bodies corporate, and each of their respective directors, officers, employees, partners, contractors, consultants, advisers and agents, disclaim any duty or liability (including in negligence) in respect of any determination of eligibility, to the maximum extent permitted by law.

Non-renounceable offer

As the Retail Entitlement Offer is non-renounceable, you will not receive any value for the entitlements that you are unable to take up and will be diluted as a result of the Offer.



Further information

Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of ASX (www.asx.com.au).

If you have any queries regarding the Retail Entitlement Offer, please contact your professional adviser or please call the Karoon Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) from 8.30am to 5:00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

Thank you for your continued support of Karoon and I trust you understand Karoon's position on this matter.

Yours sincerely



Bruce J Phillips
Chairman
Karoon Energy Ltd

IMPORTANT NOTICE AND DISCLAIMER

The Entitlement Offer is being made by Karoon in accordance with section 708AA of the Corporations Act as modified by the *Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*, meaning that no prospectus or other disclosure document needs to be prepared.

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Karoon and the Lead Manager. Each of Karoon and the Lead Manager and each of their respective related bodies corporate (as defined in the Corporations Act) and affiliates and each of their respective directors, officers, employees, partners, consultants, contractors, agents and advisers disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

This letter is not a prospectus, product disclosure statement or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares.

The provision of this letter is not, and should not be considered as, financial product advice. Nothing contained in this letter constitutes investment, legal, tax or other advice. The information in this letter is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional adviser.

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, 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 offer and sale of the entitlements and 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. Accordingly, the entitlements may not be taken up by, and the New Shares may not be, offered or sold to, directly or indirectly, 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 applicable securities laws of any state or other jurisdiction of the United States. The entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws.