

Syndicated Facility Agreement for an Underwritten Senior Term Loan Facility for Bauna

Karoon Energy Ltd (“Karoon”) is pleased to announce that its wholly owned subsidiary Karoon Petróleo e Gás Ltda (“KPG”) has now signed a senior secured term loan facility (the ‘facility’) of up to US\$275 million. The facility has been fully underwritten by ING Bank N.V., Singapore Branch.

The facility will be used as part of the funding package for the acquisition of a 100% operating interest in the Baúna oil field (Concession BM-S-40) in the Santos basin, offshore Brazil.

The facility is priced on a 4% margin over LIBOR for a term of up to 4 years and will be fully amortised over the loan life.

In addition, the syndicated facility agreement provides for an option to provide additional funding for the tie-in development of the Patola oil discovery. The option is subject to final lender approval following Patola reserve certification, an approved updated bank model and project sanction.

Karoon will now proceed to complete ancillary documentation and regulatory approvals before completing the Baúna acquisition, expected during the first quarter of calendar year 2020.

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 All **holding** enquiries should be directed to our share registrar, 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.