

ASX RELEASE

23 November 2023 | ASX: KAR

Retail Entitlement Offer opens and despatch of Retail Offer Booklet to Eligible Retail Shareholders

Karooon Energy Limited (ASX:KAR) (**Karooon**) advises that, in respect of its fully underwritten 1 for 3.75 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) announced on Thursday, 16 November 2023, the retail component of the Entitlement Offer (**Retail Entitlement Offer**) opens today.

Attached is a copy of the retail offer booklet (**Retail Offer Booklet**) in respect of the Retail Entitlement Offer and a copy of the Eligible Shareholder Letter (defined below).

Karooon also advises that it will today complete despatch of the following documents:

- to Eligible Retail Shareholders (as defined in the Retail Offer Booklet) of Karooon who have a registered address in Australia or New Zealand as at Monday, 20 November 2023 at 7.00 pm Sydney time and who have nominated to receive documents from Karooon by electronic means, the link to access the Retail Offer Booklet and personalised Entitlement and Acceptance Form by such electronic means; and
- to any other Eligible Retail Shareholders of Karooon who have a registered address in Australia or New Zealand, a letter notifying them of the Retail Entitlement Offer and providing instructions on how to participate in the Retail Entitlement Offer (**Eligible Shareholder Letter**).

Shareholders can also access a copy of the Retail Offer Booklet during the period of the Entitlement Offer by accessing the ASX website or accessing the Karooon website. The electronic version of the Retail Offer Booklet on the ASX website and the Karooon website will not include a personalised Entitlement and Acceptance Form.

RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer opens today, Thursday, 23 November 2023 and is expected to close at 5:00pm (Sydney time) on Wednesday, 6 December 2023.

Eligible Retail Shareholders should carefully read the Retail Offer Booklet for further details about the Retail Entitlement Offer.

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 Retail Entitlement Offer period for more information.

This announcement has been authorised by the Board of Karoon Energy Ltd.

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ABOUT KAROON 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.

Karoon's vision is to be a leading, independent international energy company that adapts to a dynamic world in an entrepreneurial and innovative way. Karoon'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.

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Karoon Energy Ltd

ACN 107 001 338

Retail Entitlement Offer Information Booklet

Details of a fully underwritten 1 for 3.75 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Karoon Energy Ltd (**Karoon**) at an offer price of \$2.05 per New Share to raise approximately A\$310 million.

The Retail Entitlement Offer opens on Thursday, 23 November 2023 and closes at 5.00pm (Sydney time) on Wednesday, 6 December 2023 (unless extended).

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form. Both should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with ASIC.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call 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 Retail Entitlement Offer period.

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IMPORTANT NOTICES

This Information Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide whether to participate in the Retail Entitlement Offer. In particular, the Investor Presentation details important factors and risks that could affect the financial and operating performance of Karoon Energy Ltd (ACN 107 001 338) (**Karoon** or the **Company**). Please refer to the "Key risks" section of the Investor Presentation for details. When making an investment decision in connection with the Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues.

NOT A PROSPECTUS, NOT INVESTMENT ADVICE OR FINANCIAL PRODUCT ADVICE

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*. All references in this Information Booklet to the Corporations Act are references to the Corporations Act as modified by the ASIC Instruments.

The information in this Information Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Information Booklet does not contain all the information which a prospective investor may require to make an informed decision in relation to the application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with Karoon's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Karoon is not licensed to provide financial product advice in respect of the New Shares. Neither ASIC nor ASX takes responsibility for the contents of this Information Booklet.

FUTURE PERFORMANCE

This Information Booklet contains certain forward looking statements and comments about future events, including of Karoon's expectations about the performance of its business and the effect of the proceeds raised under the Entitlement Offer on that business. Forward looking statements can generally be identified by the use of forward looking words such as, "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target",

"guidance", "plan", and other similar expressions, and include, but are not limited to, statements regarding the outcome and effects of the Retail Entitlement Offer. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements and include statements in this Information Booklet regarding the conduct and outcome of the Entitlement Offer and the use of proceeds.

You are cautioned not to place undue reliance on any forward looking statement. While due care and attention has been used in the preparation of forward looking statements, forward looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Karoon, its directors and management. A number of important factors could cause Karoon's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, including the risk factors set out in the "Key risks" section of the Investor Presentation. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which statements are based. Subject to any continuing obligations under applicable law or any relevant Listing Rules, Karoon disclaims any intent or obligation to update any forward looking statements, whether as a result of new information, future events or results or otherwise.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Information Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Information Booklet.

PAST PERFORMANCE

Investors should note that any reference to Karoon's past performance in this Information Booklet is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) Karoon's future financial position, operating or financial performance, or share price performance. The historical information (including any pro forma historical financial information) is not represented as being indicative of Karoon's views on its future financial condition and/or performance.

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DISCLAIMER OF REPRESENTATIONS

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet. To the maximum extent permitted by law or regulation, and only to that extent, any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Karoon, or its related bodies corporate or affiliates or any of their respective directors, officers, employees, partners, consultants, contractors, agents, advisers or representatives (**Beneficiaries**), in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Karoon or any of its Beneficiaries, or any other person, warrants or guarantees the future performance of Karoon or any return on any investment made in connection with this Information Booklet.

FOREIGN JURISDICTIONS

This Information Booklet, including the ASX Offer Announcements reproduced in it and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the New Shares or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia unless otherwise specified.

The distribution of this Information Booklet (including an electronic copy) outside Australia may be restricted by law. In particular, this Information Booklet, any ASX Offer Announcements reproduced in it and the Entitlement and Acceptance Form may not be distributed in the United States or elsewhere outside Australia and New Zealand. If you come into possession of the information in this Information Booklet, you should observe such restrictions.

See section 3.9 for further information on foreign offer restrictions.

NEW ZEALAND

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Information Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Information Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure

statement under New Zealand law is required to contain.

UNITED STATES

None of the information in this Information Booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet (or any part of it), any accompanying ASX announcements, nor the accompanying Entitlement and Acceptance Form may be released or distributed, directly or indirectly, in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. In particular, the New Shares to be offered and sold in the Retail Entitlement Offer will 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.]

UNDERWRITER

The Underwriter has acted as the lead manager and underwriter to the Entitlement Offer (including the Retail Entitlement Offer). Neither the Underwriter, nor any of its affiliates or related bodies corporate (as that term is defined in the Corporations Act), nor any of its directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries (together the **Underwriter Parties**), nor the advisers to the Company or any other person including clients named in this document, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet (or any other materials released by the Company), nor do they make any recommendation as to whether any potential investor should participate in the Retail Entitlement Offer, and none of them makes or purports to make any statement in this Information Booklet and there is no statement in this Information Booklet which is based on any statement by any of them.

The Underwriter Parties take no responsibility for any part of this Information Booklet or any action taken by you on the basis of that information. To the maximum extent permitted by law or regulation, and only to that extent, the Underwriter excludes and disclaims all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Information Booklet or reliance on anything

contained in or omitted from it or otherwise arising in connection with this Information Booklet or otherwise arising in connection with it.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and, by returning your personalised Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® or EFT in accordance with the instructions on your personalised Entitlement and Acceptance Form, to the maximum extent permitted by law or regulation, and only to that extent, you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

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 Underwriter Parties. To the maximum extent permitted by law or regulation, and only to that extent, each of Karoon, its affiliates and the Underwriter Parties disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

The Underwriter, together with its affiliates, are full service financial institutions engaged in various activities, which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses.

The Underwriter is acting for and providing services to the Company in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders or potential investors. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with the Company. The engagement of the Underwriter is not intended to create any fiduciary obligations, agency or other relationship between the Underwriter and the Company, Shareholders or potential investors.

The Underwriter will receive fees and expenses for acting as lead manager and underwriter to the Entitlement Offer. The Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from the Company and may in the future be lenders to the Company or its affiliates.

The Underwriter may also communicate independent investment recommendations, market

colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. The Underwriter may also receive and retain other fees, profits and financial benefits in each of the above capacities and in connection with the above activities, including in its capacity as manager, bookrunner and underwriter to the Retail Entitlement Offer.

TAXATION

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 4 of this Information Booklet provides a general summary of Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders. This summary does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Accordingly, Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers. Neither Karoon, nor any of its officers, nor its taxation adviser, nor any other adviser to Karoon, accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Retail Entitlement Offer.

DEFINITIONS, TIME AND CURRENCY

Defined terms used in this Information Booklet are contained in section 5. All references to time are to Sydney time, unless otherwise indicated.

All references to dollars (\$) or cents (¢) in this Information Booklet are to Australian currency unless otherwise indicated.

Electronic communications

If you are accessing your personalised Entitlement and Acceptance Form and this Information Booklet on an internet website, you understand that you are responsible for protecting against viruses and other destructive items which might compromise confidentiality and your details. Your use of the online Information Booklet or the offer website is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses, items of a destructive nature or items which might compromise confidentiality.

If you are receiving this Information Booklet in an electronic form, you are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently Karoon and its Beneficiaries do not accept any liability or responsibility whatsoever (including for any fault or negligence) in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Registry.

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CHAIRMAN'S LETTER

23 November 2023

Dear Shareholder,

On behalf of the directors of Karoon Energy Ltd (**Karoon** or the **Company**), I am pleased to invite you to participate in the fully underwritten retail component of a 1 for 3.75 pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Karoon (**New Shares**) at an offer price of \$2.05 per New Share (**Offer Price**) to raise approximately \$94 million (before costs)(**Retail Entitlement Offer**).

On 16 November 2023, Karoon announced that it had entered into a binding arrangement with LLOG Exploration Co. LLC and LLOG Omega Holdings, LLC (together **LLOG**) to acquire from LLOG 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% interests in the associated Who Dat South, Who Dat West and Who Dat East exploration acreage, respectively (the **Acquisition**).

At the same time, Karoon also announced a fully underwritten:

- institutional placement of New Shares at the Offer Price, to raise approximately A\$170 million (before costs) (**Placement**); and
- 1 for 3.75 pro rata accelerated non-renounceable entitlement offer to institutional and sophisticated investors of New Shares at the Offer Price, to raise approximately A\$216 million (before costs) (**Institutional Entitlement Offer**).

The proceeds of the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer will be applied principally to partially fund the Acquisition.

Participation in the Retail Entitlement Offer allows you to retain exposure to Karoon's existing assets and gain full exposure to the Acquisition as management continues to execute on our strategy.

Further information about the Acquisition, together with Karoon's new, \$340 million debt facility (**New Debt Facility**) announced on the same date, are set out in the ASX Announcement and the Investor Presentation lodged with ASX on Thursday, 16 November 2023. The ASX Announcement and the Investor Presentation are included in this Information Booklet as Annexure A and Annexure B.

The Placement and Institutional Entitlement Offer were strongly supported by new and existing institutional and sophisticated investors from Australia and overseas. In particular, the Institutional Entitlement Offer was supported by existing Institutional Shareholders, with take up by Eligible Institutional Shareholders of over 55%.

This Information Booklet relates to the Retail Entitlement Offer (**Information Booklet**). Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to subscribe for 1 New Share for every 3.75 Shares in Karoon (**Shares**) held at 7:00 pm (Sydney time) on Monday, 20 November 2023 (**Record Date**), at the Offer Price of \$2.05 per New Share. This is the same price that was offered to institutional investors who participated in the Institutional Entitlement Offer.

The Offer Price represents:

- a 14.6% discount to the last traded price of Shares prior to announcement of the Entitlement Offer (\$2.40 per Share);
- a 12.4% discount to the 5 day VWAP of A\$2.34 per share on Tuesday, 14 November 2023; and
- a 10.8% discount to TERP, calculated by reference to the closing Share price on the trading day prior to announcement of the Entitlement Offer (\$2.30 per Share)¹.

¹ TERP is the theoretical price at which Karoon shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equate to TERP. TERP is calculated by reference to Karoon's closing price of \$2.40 on Tuesday, 14 November 2023.

The New Shares will be issued on a fully paid basis and will, from their date of issue, rank equally with existing Shares on issue.

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) is acting as sole lead manager and underwriter to the Entitlement Offer (**Underwriter**).

If you take up your full Entitlement, you may also apply for additional New Shares in excess of your Entitlement up to a maximum of the number of additional New Shares equal to 55% of your Entitlement at the Offer Price (**Retail Oversubscription Facility**).

The additional New Shares to be issued under the Retail Oversubscription Facility (**Additional Shares**) will only be available where there is a shortfall between Applications received from Eligible Retail Shareholder and the number of New Shares proposed to be issued under the Retail Entitlement Offer. Karoon also retains the flexibility to scale back Applications for Additional Shares at its discretion (refer to section 2.2 of this Information Booklet for more information). In accordance with Listing Rule 10.11, any participating Directors will not be applying for any Additional Shares under the Retail Oversubscription Facility.

Your Entitlements cannot be traded on ASX or any other exchange or privately transferred. If you do not take up some or all of your Entitlement, your rights will lapse, you will not receive any payment or value for those Entitlements and your percentage holding in Karoon will be reduced. Please see section 1.5 for more information.

Information Booklet

This Information Booklet is important and requires your immediate attention. It is accompanied by your personalised Entitlement and Acceptance Form available online via www.computersharecas.com.au/karoffer from the offer open date which contains details of your Entitlement as well as important information, including:

- **key dates** for the Entitlement Offer;
- instructions on **how to apply**, setting out how to accept all or part of your Entitlement in the Retail Entitlement Offer if you choose to do so; and
- the ASX Offer Announcements and Investor Presentation.

The Retail Entitlement Offer closes at 5:00 pm (Sydney time) on Wednesday, 6 December 2023

To participate, you need to ensure that you have completed your application by paying Application Monies in accordance with the instructions on the Entitlement and Acceptance Form, so that your payment is received by Karoon by no later than 5:00 pm (Sydney time) on Wednesday, 6 December 2023.

If you wish to receive a paper copy of this Information Booklet and your personalised Entitlement and Acceptance Form, please call 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 Retail Entitlement Offer period.

Please refer to the instructions in section 2 of this Information Booklet for further information.

United States

Shareholders in the United States are not eligible to participate in the Retail Entitlement Offer. Similarly, Shareholders (including custodians and nominees) who hold Shares on behalf of persons in the United States, or are acting for the account or benefit of persons in the United States, are not eligible to participate in the Retail Entitlement Offer on behalf of those persons.

Additional information

Further information on the Entitlement Offer is detailed in this Information Booklet. You should read the entirety of this Information Booklet carefully (including the "Key risks" section of the Investor Presentation) before deciding whether to participate in the Entitlement Offer.

If you have any further questions, you should seek advice from your stockbroker, accountant or other independent professional adviser.

On behalf of the board of directors of Karoon, I thank you for your ongoing support.
Yours sincerely,



Bruce J Phillips
Chairman
Karoon Energy Ltd

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SUMMARY OF THE ENTITLEMENT OFFER

Entitlement Offer	Detail
Ratio	1 New Share for every 3.75 Shares held
Offer Price for New Shares	\$2.05 per New Share
Size	Approximately 46 million New Shares under the Retail Entitlement Offer and approximately 105 million New Shares under the Institutional Entitlement Offer
Gross proceeds	Approximately \$94 million under the Retail Entitlement Offer and approximately \$216 million under the Institutional Entitlement Offer

KEY DATES FOR THE ENTITLEMENT OFFER

EVENT	SYDNEY TIME / DATE
Announcement of the Entitlement Offer and Institutional Entitlement Offer and Institutional Placement open	Thursday, 16 November 2023
Institutional Entitlement Offer and Institutional Placement closes	Friday, 17 November 2023
Announce results of the Institutional Entitlement Offer and Institutional Placement	Friday, 17 November 2023
Trading in Karoon shares resumes on ex-entitlement basis	Friday, 17 November 2023
Record date for determining entitlement for the Entitlement Offer	Monday, 20 November 2023
Despatch of Information Booklet	Thursday, 23 November 2023
Retail Entitlement Offer opens	Thursday, 23 November 2023
Retail Entitlement Offer closing date	Wednesday, 6 December 2023
Results of Retail Entitlement Offer announced to ASX	Monday, 11 December 2023
Settlement of Retail Entitlement Offer	Tuesday, 12 December 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 13 December 2023
Normal trading of New Shares issued under the Retail Entitlement Offer	Thursday, 14 December 2023
Despatch of holding statements	Monday, 18 December 2023

Note: The timetable above is indicative only and may be subject to change. All times and dates refer to Australian Eastern Daylight-savings time. Karoon reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, Karoon reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Enquiries

If you have any questions in relation to this Information Booklet and your personalised Entitlement and Acceptance Form, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call 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 Retail Entitlement Offer period.

SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Entitlement and also apply for Additional Shares under the Retail Oversubscription Facility;
- take up all of your Entitlement but not apply for any Additional Shares under the Retail Oversubscription Facility;
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

The Retail Entitlement Offer closes at 5:00 pm (Sydney time) on Wednesday, 6 December 2023.

Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

OPTIONS AVAILABLE TO YOU	Key Considerations
<p>1. Take up all of your Entitlement and also participate in the Retail Oversubscription Facility or take up all of your Entitlement but not participate in the Retail Oversubscription Facility</p>	<ul style="list-style-type: none"> • You may elect to apply for New Shares at the Offer Price (see Section 2 for instructions on how to take up your Entitlement). • If you take up all of your Entitlement, you may also apply for Additional Shares equal to a further 55% of your Entitlement. There is no guarantee that you will be allocated any Additional Shares under the Retail Oversubscription Facility. • The New Shares will rank equally in all respects with existing Shares on issue as at the date of allotment.
<p>2. Take up part of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> • If you do not take up your Entitlement in full, those Entitlements not taken up will lapse. You will also not be entitled to apply for Additional Shares under the Retail Oversubscription Facility. • If you do not take up your Entitlement in full, you will not receive any payment or value for those Entitlements not taken up. • If you do not take up your Entitlement in full, your proportionate equity interest in Karoon will be diluted as a result of the Entitlement Offer.
<p>3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements</p>	<ul style="list-style-type: none"> • If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on the ASX or any other exchange, nor can they be privately transferred. • If you do not take up your Entitlement, your proportionate equity interest in Karoon will be diluted as a result of the Entitlement Offer .

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1. OVERVIEW OF THE ENTITLEMENT OFFER

1.1 Entitlement Offer

The Entitlement Offer is an underwritten² offer of approximately 151 million New Shares at the Offer Price of \$2.05 per New Share. Under the Entitlement Offer, all Eligible Institutional Shareholders and all Eligible Retail Shareholders are entitled to subscribe for 1 New Share for every 3.75 Shares held on the Record Date.

The Entitlement Offer is comprised of two parts, being:

- the **Institutional Entitlement Offer**: under which Eligible Institutional Shareholders were invited to take up all or part of their Entitlements and a bookbuild process to sell New Shares in respect of Entitlements not taken up by them and New Shares in respect of Entitlements of Ineligible Institutional Shareholders at the Offer Price to certain institutional investors was carried out. The Institutional Entitlement Offer closed on Friday, 17 November 2023; and
- the **Retail Entitlement Offer**: under which Eligible Retail Shareholders are now being invited to take up all or part of their Entitlements. In addition, Eligible Retail Shareholders who take up their full Entitlement may also participate in the Retail Oversubscription Facility by applying for Additional Shares in excess of their Entitlement at the Offer Price. The Retail Entitlement Offer closes at 5:00 pm (Sydney time) on Wednesday, 6 December 2023.

The Entitlement Offer is non-renounceable, which means that Entitlements are personal to you and non-transferable and cannot be sold or traded on ASX or any other securities exchange, or assigned or otherwise dealt with.

New Shares issued under the Entitlement Offer will, from their date of issue, rank equally with existing Shares then on issue.

1.2 Underwriting

The Entitlement Offer is to be underwritten by the Underwriter. A summary of the key terms of the Underwriting Agreement is provided on slides 3, 48, 52 and 53 of the Investor Presentation.

1.3 Who is eligible to participate in the Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are being offered the opportunity to subscribe for 1 New Share for every 3.75 Shares held at the Record Date, at the Offer Price of \$2.05 per New Share.

Eligible Retail Shareholders are those Shareholders who:

- (a) are registered as a holder of a Share as at 7:00 pm (Sydney time) on the Record Date;
- (b) as at the Record Date, have a registered address in Australia or New Zealand as recorded on Karoon's share register;
- (c) 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);
- (d) are not Eligible Institutional Shareholders and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, product disclosure statement or offer document to be lodged or registered.

Determination of eligibility of investors for the purposes 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 Underwriter. To the maximum extent permitted by law or regulation, and only to that extent, each of Karoon and the Underwriter disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion.

² Refer to slides 3, 48, 52 and 53 of the Investor Presentation released by Karoon to ASX on Thursday, 16 November 2023 for a description of the terms and conditions of the Underwriting Agreement.

1.4 **What is your Entitlement**

If you are an Eligible Retail Shareholder, your Entitlement is set out in your personalised Entitlement and Acceptance Form available on the offer website at www.computersharecas.com.au/karoffer from the offer open date and has been calculated as 1 New Share for every 3.75 Shares you held at the Record Date. If the result is not a whole number your Entitlement will be rounded up to the nearest whole number. If you have more than one registered holding of Shares, you will receive more than one personalised payment reference number and you will have separate Entitlements for each separate holding.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up; for example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States (see definition of Eligible Retail Shareholders in section 1.3 of this Information Booklet).

Any New Shares not taken up by the closing date of the Retail Entitlement Offer may be acquired by those Eligible Retail Shareholders who took up their full Entitlement and applied for Additional Shares under the Retail Oversubscription Facility, or in turn the Underwriter and/or sub-underwriters.

Eligible Retail Shareholders who take up all of their Entitlement may apply for Additional Shares equal in number to a maximum of 55% of their Entitlement with fractional Entitlements rounded up to the nearest whole number of New Shares under the Retail Oversubscription Facility. There is no guarantee that such Shareholders will receive the number of Additional Shares applied for under the Retail Oversubscription Facility, or any. Additional New Share will only be allocated to Eligible Retail Shareholders under the Retail Oversubscription Facility if available and then only if and to the extent that Karoon determines (in its absolute discretion). Any scale -back will be applied by Karoon in its absolute discretion.

1.5 **Can you trade your Entitlement?**

The Entitlement Offer is non-renounceable, which means that your Entitlement is personal to you, is non-transferable, and cannot be sold or traded on ASX (or any other securities exchange), or assigned or otherwise dealt with. If you do not take up your Entitlements by 5:00 pm (Sydney time) on Wednesday, 6 December 2023, your Entitlement will lapse.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares you would have acquired had you taken up your Entitlement, and you will not receive any value for your Entitlement. Your percentage shareholding in Karoon will also be diluted under the Entitlement Offer.

1.6 **Reconciliation**

The Entitlement Offer is a complex structure and in some instances Shareholders may believe that they will own more Shares in Karoon than they actually do on the Record Date. This results in a need for reconciliation.

If reconciliation is required, it is possible that Karoon may need to issue a small quantity of New Shares (**Top Up Shares**) to ensure all Eligible Shareholders receive their full Entitlement. Any Top Up Shares will be issued at the Offer Price.

Karoon also reserves the right to reduce the number of an Entitlement or New Shares allocated to eligible Shareholders or persons claiming to be eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not eligible Shareholders.

1.7 **ASX quotation and allotment**

Karoon has applied for quotation of the New Shares on ASX in accordance with the Listing Rules requirements. If permission for quotation is not granted by the ASX, the New Shares will not be issued and Application Monies will be refunded (without interest) as soon as practicable.

Trading of New Shares will, subject to the ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on Wednesday, 13 December 2023.

Subject to approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Thursday, 14 December 2023.

Holding statements will be despatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk.

Karoon and the Underwriter disclaim all liability (to the maximum extent permitted by law or regulation, and only to that extent) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Karoon, the Underwriter, the Registry or otherwise.

1.8 **Ineligible Retail Shareholders**

All Shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders or Ineligible Institutional Shareholders are **Ineligible Retail Shareholders**. Ineligible Retail Shareholders will not be entitled to participate in the Retail Entitlement Offer.

Karoon has determined that it would be unreasonable on this occasion to extend the Retail Entitlement Offer to Ineligible Retail Shareholders, having regard to:

- the number of Shares held by Ineligible Retail Shareholders in each applicable jurisdiction;
- the number and value of New Shares that Ineligible Retail Shareholders in each applicable jurisdiction would be offered; and
- the cost of complying with the legal and regulatory requirements which would apply to an offer of Shares to Ineligible Retail Shareholders in each of those places.

2. **HOW TO APPLY**

2.1 **What you may do – choices available**

If you have any questions in relation to the Retail Entitlement Offer, you should seek advice from your stockbroker, accountant or other independent professional adviser. You should also read this Information Booklet in full, including the "Key risks" section of the Investor Presentation.

The number of New Shares to which Eligible Retail Shareholders are entitled is shown in your personalised Entitlement and Acceptance Form. If you are an Eligible Retail Shareholder, you may do any one of the following:

- (1) take up all of your Entitlement and also apply for Additional Shares under the Retail Oversubscription Facility (see section 2.2 of this Information Booklet);
- (2) take up all of your Entitlement but not apply for any Additional Shares under the Retail Oversubscription Facility (see section 2.3 of this Information Booklet);
- (3) take up part of your Entitlement and let the balance lapse (see section 2.4 of this Information Booklet); or
- (4) do nothing and let your Entitlement lapse (see section 2.5 of this Information Booklet).

You should bear in mind that if you do not take up all of your Entitlement, your percentage shareholding in Karoon will be diluted.

2.2 **If you wish to take up all of your Entitlement and participate in the Retail Oversubscription Facility**

If you wish to take up **all** of your Entitlement **and** participate in the Retail Oversubscription Facility, you must make your payment by BPAY®³ for the full amount payable (being the Offer Price multiplied by the number of New Shares based on your Entitlement and the number of Additional Shares that you are applying for under the Oversubscription Facility) so that it is received by 5:00 pm (Sydney time) on Wednesday, 6 December 2023 .

By paying by BPAY®, you are not required to submit a personalised Entitlement and Acceptance Form but are taken to make the statements set out in section 2.7 of this Information Booklet.

Application Monies received by Karoon in excess of the amount in respect of your Entitlement (**Excess Amount**) will be treated as an application to apply for the total number of Additional Shares that can be purchased by the Excess Amount, subject to:

- the maximum number of Additional Shares Eligible Retail Shareholders may apply for under the Retail Oversubscription Facility described in section 1.4 of this Information Booklet; and
- any scale-back Karoon may determine to implement (in its absolute discretion) in respect of the Additional Shares

You acknowledge and agree that Karoon's decision about the number of Additional Shares allocated to you will be final.

If you apply for Additional Shares under the Retail Oversubscription Facility and your Application is successful (in whole or part), your Additional Shares will be issued to you at the same time that the other New Shares are issued under the Retail Entitlement Offer. As noted under section 1.4 of this Information Booklet, there is no guarantee that any Additional Shares will be issued to you. If your Application Monies includes an Excess Amount for Additional Shares which you are not ultimately allocated, you will be provided a refund for the amount representing the Additional Shares that you made payment for but were not allocated. Such refund will be paid by direct credit to the nominated bank account noted on Karoon's share register or by cheque sent by ordinary post to your address as recorded on the Register (the registered address of the first-named in the case of joint holders).

2.3 **If you wish to take up all of your Entitlement but not participate in the Retail Oversubscription Facility**

If you wish to take up **all** of your Entitlement but **not** participate in the Retail Oversubscription Facility, you must make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares) so that it is received by 5:00 pm (Sydney time) on Wednesday, 6 December 2023.

By paying by BPAY®, you are not required to submit a personalised Entitlement and Acceptance Form but are taken to make the statements set out in section 2.7 of this Information Booklet.

If you take up and pay for your Entitlement so that payment is received by 5:00 pm (Sydney time) on Wednesday, 6 December 2023, you will be allotted your New Shares on Wednesday, 13 December 2023. Karoon's decision on the number of New Shares allotted to you will be final.

2.4 **If you wish to take up part of your Entitlement**

If you wish to take up **part** of your Entitlement and reject the balance, you must make your payment by BPAY® for the full amount payable (being the Offer Price multiplied by the number of New Shares you are taking up – you will need to calculate this number yourself).

By paying by BPAY®, you are not required to submit a personalised Entitlement and Acceptance Form but are taken to make the statements set out in section 2.7 of this Information Booklet.

³ BPAY® is a bill payment service. For further information, please see <http://www.bpay.com.au/>.

If you take up and pay for your Entitlement so that payment is received by 5:00 pm (Sydney time) on Wednesday, 6 December 2023, you will be allotted your New Shares on Wednesday, 13 December 2023. Karoon's decision on the number of New Shares allotted to you will be final.

2.5 **If you do not wish to take up your Entitlement**

If you **do not** wish to take up all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares you would have acquired had you taken up your Entitlement and you will not receive any value for your Entitlement. Your percentage shareholding in Karoon will also be diluted as a result of the Entitlement Offer.

2.6 **Payment**

(a) **General**

The Offer Price for New Shares that are accepted is payable on acceptance of your Entitlement. Payment must be received by 5:00 pm (Sydney time) on Wednesday, 6 December 2023.

Payment will only be accepted in Australian currency and must be (other than with the express consent of the Company) through the BPAY® facility according to the instructions set out on the offer website at www.computersharecas.com.au/karoffer and in this Information Booklet.

Cash, cheque, bank draft and money order payments will not be accepted. Receipts for payment will not be issued.

Application Monies received from Eligible Retail Shareholders will be held by Karoon on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

(b) **Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the offer website at www.computersharecas.com.au/karoffer from Thursday, 23 November 2023 and your personalised Entitlement details (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number provided to you on the offer website. If you have multiple holdings and receive more than one payment reference number, when taking up your Entitlement in respect of one of those holdings, please only use the Customer Reference Number specific to the Entitlement. If you do not use the correct Customer Reference Number specific to that holding, your application will not be recognised as valid. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied for only your Entitlement to which that Customer Reference Number applies, and any excess amount will be refunded.

Please bear in mind that, by paying through BPAY®:

- you do not need to submit a personalised Entitlement and Acceptance Form, but are taken to have made the statements set out in section 2.7 of this Information Booklet; and
- if you pay for less than your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5:00 pm (Sydney time) on Wednesday, 6 December 2023.

You should be aware that your Australian financial institution branch may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

(c) **Payment by other electronic transfers**

If you do not have an account that supports BPAY® transactions, New Zealand holders will be offered EFT details via the offer website. Alternatively, please contact the Registry on 1300

850 505 (from within Australia) or +61 3 9415 4000 (from outside Australia) for alternative electronic funds transfer payment arrangements.

2.7 **Payment and application is binding**

A payment made through BPAY® (or otherwise applying to participate in the Retail Entitlement Offer) constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. Karoon's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY®, or otherwise applying to participate in the Retail Entitlement Offer, you:

- (a) declare that:
 - (i) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
 - (ii) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer and your personalised Entitlement and Acceptance Form; and
 - (iii) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (b) acknowledge that:
 - (i) once Karoon receives your payment, you may not withdraw it except as allowed by law;
 - (ii) you have read and understood this Information Booklet and the personalised Entitlement and Acceptance Form, including the "key risks" section of the Investor Presentation and that investments in Karoon are subject to risk;
 - (iii) the information contained in this Information Booklet is not investment advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial circumstances or particular needs;
 - (iv) this Information Booklet is not a prospectus, product disclosure statement or offer document, does not contain all of the information you may require in order to assess an investment in Karoon and is given in the context of Karoon's past and ongoing continuous disclosure announcements to ASX;
 - (v) determination of eligibility of investors for the purposes 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 Underwriter. To the maximum extent permitted by law or regulation, and only to that extent, each of Karoon, the Underwriter and their respective directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion; and
 - (vi) neither Karoon, the Underwriter nor any of their respective directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries guarantee the performance of the New Shares or the performance of Karoon nor do they guarantee the repayment of capital from Karoon;
- (c) agree to:
 - (i) provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
 - (ii) apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of \$2.05 per New Share; and

- (iii) be bound by the terms of this Information Booklet and the provisions of Karoon's constitution;
- (d) authorise Karoon to:
 - (i) register you as the holder of any New Shares you are allotted and authorise Karoon, the Underwriter and each of their respective officers or agents to do anything on your behalf reasonably necessary for the New Shares to be issued to you, including to act on instruction of the Registry by using the contact details set out in the personalised Entitlement and Acceptance Form; and
 - (ii) correct any error in your personalised Entitlement and Acceptance Form or other form provided to you;
- (e) represent and warrant that:
 - (i) the law of any place does not prohibit you from:
 - (A) being given this Information Booklet (or a personalised Entitlement and Acceptance Form);
 - (B) accessing the offer website at www.computersharecas.com.au/karoffer ; or
 - (C) making an application for New Shares; and
 - (ii) you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer and subject to section 2.7(b)(vi), you are an Eligible Retail Shareholder.

By making a payment by BPAY® or otherwise applying to participate in the Retail Entitlement Offer, you will also be treated as:

- (a) having represented and warranted that you are not engaged in the business of distributing securities;
- (b) acknowledging on your own behalf and on behalf of each person on whose account you are acting that:
 - (i) you are not in the United States and you are not acting for the account or benefit of a person in the United States;
 - (ii) the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and that the New Shares may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United;
 - (iii) the New Shares in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions", as defined and in compliance with Regulation S under the U.S. Securities Act;
 - (iv) if in the future you decide to sell or otherwise transfer any New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, including in standard brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
 - (v) you have not and will not send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand; and
 - (vi) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are applying for New Shares is:
 - (A) resident in Australia or New Zealand; and

- (B) is not in the United States and is not acting for the account or benefit of a person in the United States.

By making a payment by BPAY® or otherwise applying to participate in the Retail Entitlement Offer, if you are acting as a nominee, trustee or custodian you will be deemed to have acknowledged, represented and warranted that:

- (a) Karoon is not required to determine whether or not any registered Shareholder is acting as a nominee, trustee or custodian or the identity or residence of any beneficial owners of the Shares;
- (b) where any holder is acting as a nominee, trustee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws and that this is not the responsibility of Karoon;
- (c) each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States, and you are not acting for the account or benefit of a person in the United States (to the extent you hold Shares for the account or benefit of a person in the United States), or any other country except as Karoon may otherwise permit in compliance with applicable law; and
- (d) you have only sent this Retail Offer Booklet, the Entitlement and Acceptance Form and any information relating to the Retail Entitlement Offer to such permitted beneficial Shareholders.

3. **IMPORTANT INFORMATION**

3.1 **Responsibility for Information Booklet**

This Information Booklet (including the ASX Offer Announcements and any personalised Entitlement and Acceptance Form) has been prepared by Karoon. This Information Booklet is dated Thursday, 23 November 2023 (other than the ASX Offer Announcements, which were released to the ASX and published on the ASX website on the date shown on them). To the maximum extent permitted by law or regulation, and only to that extent, statements made in this Information Booklet are made only as at the date of this Information Booklet. The information in this Information Booklet remains subject to change without notice.

No party other than Karoon has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information Booklet. To the maximum extent permitted by law or regulation, and only to that extent, any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Karoon, or its related bodies corporate in connection with the Entitlement Offer.

3.2 **Status of Information Booklet**

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allow rights issues to be conducted without a prospectus, provided certain conditions are satisfied.

Neither this Information Booklet nor the Entitlement and Acceptance Form is required to be lodged or registered with ASIC. This Information Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared or issued. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Karoon. They do not contain all the information which would be required to be disclosed in a prospectus.

As a result, it is important for Eligible Retail Shareholders to carefully read and understand the information on Karoon and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Information Booklet, the Investor Presentation and other announcements made available at www.computersharecas.com.au/karoffer.

This Information Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Karoon

is not licensed to provide financial product advice in respect of the New Shares. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information Booklet including the Investor Presentation (in particular, the "Key risks" section), you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

3.3 **Information Booklet availability**

Eligible Retail Shareholders can obtain a copy of this Information Booklet (along with their personalised Entitlement and Acceptance Form) from the offer open date on the Company's offer website at www.computersharecas.com.au/karoffer. You will need to provide your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode to access the online application system.

In addition, Eligible Retail Shareholders can obtain a copy of this Information Booklet during the period of the Entitlement Offer by accessing the ASX website or accessing the Karoon website at <https://www.karoonenergy.com.au/>. The electronic version of this Information Booklet on the ASX website and the Karoon website will not include a personalised Entitlement and Acceptance Form.

Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet.

In addition, Eligible Retail Shareholders may request a paper copy of this Information Booklet (and their personalised Entitlement and Acceptance Form) by calling 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 Retail Entitlement Offer period.

This Information Booklet (including the accompanying personalised Entitlement and Acceptance Form) may not be released or distributed to, or relied upon by, persons in the United States or persons that are acting for the account or benefit of a person in the United States.

3.4 **Notice to nominees and custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

If Karoon believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer from Karoon.

Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold existing shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- Shareholders who were not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Persons acting as custodians and/or nominees must not take up Entitlements or apply for New Shares on behalf of, and must not send the Information Booklet or any other document relating to the Retail Entitlement Offer (including providing access to, or details of, the offer website) to, any person that is in the United States or elsewhere outside Australia and New Zealand.

Karoon is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess, taking into account guidance deemed provided in this Information Booklet, whether indirect

participation by the beneficiary in the Retail Entitlement Offer is compatible with the terms of the Retail Entitlement Offer and all applicable foreign laws.

3.5 **No cooling off**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been made.

3.6 **Withdrawal of the Entitlement Offer**

Karoon reserves the right to cancel the Entitlement Offer at any time prior to the allotment of New Shares under the Institutional Entitlement Offer. If the Entitlement Offer is cancelled, all Application Monies will be refunded without interest.

To the fullest extent permitted by law, each Eligible Retail Shareholder agrees that any Application Monies paid by them to Karoon will not entitle them to any interest against Karoon, and that any interest earned in respect of Application Monies will belong to Karoon. This will be the case, whether or not all or none (if the Entitlement Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

3.7 **Privacy Statement**

If you complete an application for New Shares, you will be providing personal information to Karoon (directly or through the Registry). Karoon collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so, please contact the Registry at the relevant contact numbers set out in the Corporate Directory of this Information Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, Karoon may not be able to accept or process your application.

3.8 **Governing Law**

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms (whether online or hard copy) are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

3.9 **Foreign offer restrictions**

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia.

This Information Booklet does not constitute an offer in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand, except to the extent permitted below. Distribution of this Information Booklet outside Australia and New Zealand may be restricted by the securities laws of other jurisdictions. Any non-compliance with these restrictions may contravene applicable securities laws. See the "Foreign selling restrictions" section of the Investor Presentation for more information.

3.10 **Underwriting**

The Entitlement Offer is lead managed and underwritten⁴ by the Underwriter pursuant to an underwriting agreement dated November, 16 November 2023 (**Underwriting Agreement**).

A summary of the key terms of the Underwriting Agreement is provided on slides 3, 48, 52 and 53 of the Investor Presentation.

The Underwriting Agreement contains certain customary:

- conditions precedent (that must be satisfied or waived before the Underwriter is obliged under the Underwriting Agreement to, among other things, underwrite the Retail Entitlement Offer); and
- representations, warranties and indemnities in favour of the Underwriter.

The Underwriting Agreement is subject to generally customary termination events (a summary of these is included in the summary of the key terms on slides 3, 48, 52 and 53 of the Investor Presentation). If the Underwriting Agreement is terminated, the Retail Entitlement Offer may not proceed in its entirety.

The Underwriter reserves the right, at any time, to appoint sub-underwriters and co-managers in respect of any part of the Entitlement Offer in consultation with the Company and in accordance with the terms of the Underwriting Agreement. However, a sub-underwriter may be appointed only pursuant to documentation containing customary representations, warranties and agreements including with respect to United States securities laws in a form approved by Karoon (with such approval not to be unreasonably withheld or delayed), provided that any such sub-underwriter or co-manager may not be in the United States and may not offer or sell New Shares in the United States or to persons acting for the account or benefit of persons in the United States.

The Underwriter is entitled to be paid fees and expenses under the Underwriting Agreement.

3.11 **Disclaimer of representations**

Except as required by law, and only to the extent so required, none of Karoon or any other person, warrants or guarantees the future performance of Karoon or any return on any investment made pursuant to this Information Booklet.

3.12 **Underwriter's disclaimer**

No Underwriting Party has authorised, permitted or caused the issue, despatch or provision of this Information Booklet and there is no statement in this Information Booklet which is based on a statement made by an Underwriter Party. The Underwriter does not take responsibility for any statements made in this Information Booklet or any action taken by you on the basis of such information. The Underwriter has not authorised, approved or verified any forward-looking statements included in this Information Booklet. To the maximum extent permitted by law or regulation, and only to that extent, the Underwriter excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in, or failure to participate in, the Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this Information Booklet.

To the maximum extent permitted by law or regulation, and only to that extent, the Underwriter Parties, disclaim all responsibility for any part of the Information Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of the Information Booklet or reliance on anything contained in or omitted from it or otherwise arising in connection with it.

The Underwriter makes no recommendation as to whether you or your related parties should participate in the Entitlement Offer, nor does the Underwriter make any representations or warranties, express or implied, to you concerning this Entitlement Offer or any such information and you

⁴ Refer to slides 3, 48, 52 and 53 of the Investor Presentation released by Karoon to ASX on Thursday, 16 November 2023 for a description of the terms and conditions of the underwriting arrangements.

represent, warrant and agree that you have not relied on any statements made by the Underwriter in relation to the New Shares or the Entitlement Offer generally.

3.13 **Continuous disclosure**

Karoon is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

Karoon is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Karoon has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Karoon Shares. That information is available to the public from ASX.

4. **AUSTRALIAN TAXATION CONSIDERATIONS**

Set out below is a general summary (**Summary**) of the key Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer.

The Australian income tax comments in this summary relate to the implications of the Retail Entitlement Offer for Eligible Retail Shareholders who:

- are residents of Australia (but not temporary residents for Australian income tax purposes);
- hold their Shares and will hold their New Shares and Entitlements on capital account for Australian income tax purposes; and
- acquired (or are taken to have acquired) their existing Shares on or after 20 September 1985.

The Australian income tax comments in this Summary do not apply to Eligible Retail Shareholders who:

- (a) are not residents of Australia for Australian income tax purposes;
- (b) hold their Shares or will hold their New Shares as revenue assets or trading stock for income tax purposes, such as banks, insurance companies and taxpayers carrying on a business of share trading;
- (c) have acquired their Shares or will acquire their New Shares for the purposes of resale at a profit;
- (d) are subject to the Taxation of Financial Arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in respect of their Shares, New Shares or Entitlements;
- (e) are subject to special tax rules, such as entities that are exempt from Australian income tax, partnerships, insurance companies or trusts that are subject to special taxation regimes (such as "attribution managed investment trusts" and trusts that are taxed as companies); or
- (f) acquired their Shares or will hold their New Shares or Entitlements under an arrangement that constitutes an 'employee share scheme' for Australian income tax purposes.

The Summary is intended as a general guide only and is not an authoritative or exhaustive statement of all potential income tax, GST and stamp duty implications for each Eligible Retail Shareholder.

The Summary is not advice and should not be relied on as such. It also does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Taxation is a complex area of law and the taxation consequences for each Eligible Retail Shareholder may differ depending on their own particular circumstances. Accordingly, Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers. Neither Karoon, nor any of its officers, nor its taxation adviser, nor any other adviser to Karoon, accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Retail Entitlement Offer.

The Summary is based on the Australian income tax, GST and stamp duty laws in effect and administrative practices of the relevant revenue authorities as at the date of this Information Booklet. Future changes in Australian income tax, GST and stamp duty laws, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of the Retail Entitlement Offer and an investment in the New Shares or the holding and disposal of the New Shares. The Summary does not address the income tax, GST or stamp duty implications of the Retail Entitlement Offer under the laws of any jurisdiction other than the laws of Australia.

4.1 **Issue of Entitlements**

The issue of the Entitlements should not of itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

4.2 **Exercise of Entitlements and applying for Additional Shares under the Retail Oversubscription Facility**

If you exercise all or part of your Entitlements and, to the extent relevant, apply for Additional Shares under the Retail Oversubscription Facility, you will be allocated New Shares. In this case:

- (a) the Entitlement will cease to exist and a capital gains tax (**CGT**) event will occur, but any capital gain or loss made on the exercise of the Entitlement should be disregarded for CGT purposes;
- (b) the New Shares (other than any Additional Shares under the Retail Oversubscription Facility) acquired as a result of exercising the Entitlement should be treated for CGT purposes as having been acquired on the day on which the Entitlements are exercised;
- (c) the Additional Shares (if any) acquired as a result of applying under the Retail Oversubscription Facility should be treated for CGT purposes (including for the CGT discount) as having been acquired on the day on which the Additional Shares are issued or allotted;
- (d) the first element of the cost base (and reduced cost base) of the New Shares (including Additional Shares under the Retail Oversubscription Facility) for CGT purposes should include the Offer Price payable by you for those New Shares (including Additional Shares) plus certain non-deductible incidental costs you incur in acquiring them (if any).

4.3 **Entitlements not exercised**

If you do not exercise all or some of your Entitlements, those Entitlements will lapse and you will not receive any consideration for the lapsed Entitlements. The lapsing of your Entitlements for no consideration should not have any tax implications.

4.4 **New Shares**

If you exercise all or some of your Entitlements and, to the extent relevant, apply under the Retail Oversubscription Facility for Additional Shares, you will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares should generally be subject to the same taxation treatment as dividends or other distributions made in respect of Shares held in the same circumstances.

On any future disposal of New Shares, you may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base (in the case of a capital gain) or less than the reduced cost base of those shares (in the case of a capital loss).

Any capital gain arising to Eligible Retail Shareholders who are individuals or trusts (other than trusts that are complying superannuation funds) can generally be reduced by 50% (after first offsetting any current year or prior year capital losses) if the New Shares are held for at least 12 months between the date the New Shares are treated as having been acquired (as outlined in section 4.2 above) and the date of disposal for CGT purposes. Taxation of trusts and their beneficiaries is a complex area of the taxation law and trustees should seek specific advice in relation to the tax consequences arising for them (and their beneficiaries) of any capital gains of the trust.

For Eligible Retail Shareholders that are complying superannuation funds, any capital gain can generally be reduced by one-third (after first offsetting any current year or prior year capital losses) if the New Shares are held for at least 12 months between the date the New Shares are treated as having been acquired (as outlined in section 4.2 above) and the date of disposal for CGT purposes.

The CGT discount is generally not available to Eligible Retail Shareholders that are companies.

A capital loss made by an Eligible Retail Shareholder can only be used to offset a capital gain made in the same or later income year (subject to satisfying any applicable loss utilisation tests). A capital loss cannot be used to offset other income nor carried back to earlier income years.

4.5 **Provision of Tax File Number or Australian Business Number**

We are authorised under the *Taxation Administration Act 1953* (Cth) and the *Income Tax Assessment Act 1936* (Cth) to collect TFNs and ABNs in connection with your shareholding in the Company.

If an Eligible Retail Shareholder has quoted their ABN, TFN or provided an exemption from quoting their TFN in respect of an existing Share, this quotation or exemption will also apply in respect of any New Shares acquired by that Eligible Retail Shareholder.

While you are not required to quote your TFN and it is not an offence not to provide your TFN, tax may be required to be deducted by Karoon from any distributions at the highest marginal tax rate if an ABN or TFN has not been quoted, or an appropriate TFN exemption has not been provided.

4.6 **GST**

No liability to GST should arise for Eligible Retail Shareholders in respect of the issue, exercise or lapse of their Entitlement or the acquisition of New Shares pursuant to the Retail Entitlement Offer. If an Eligible Retail Shareholder incurs GST on acquisitions (eg GST on legal, financial or tax advice), to the extent that the acquisition relates to the exercise of the Entitlement or the acquisition of New Shares, they may not be entitled to claim input tax credits or may only be entitled to reduced input tax credits in relation to that GST. Eligible Retail Shareholders should seek independent tax advice in relation to their individual circumstances.

4.7 **Brokerage and Stamp duty**

No Australian brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable by Eligible Retail Shareholders in respect of the issue, exercise or lapse of their Entitlement or the acquisition of New Shares pursuant to the Retail Entitlement Offer. This is provided that the acquisition of New Shares by Eligible Retail Shareholders pursuant to the Retail Entitlement Offer does not result in any Eligible Retail Shareholder (or any other person who holds shares in Karoon) alone or together with any associated persons, related persons or as part of an associated transaction or associated transactions (as those terms take their meaning for Australian stamp duty purposes) having an aggregate interest in Karoon of 90% or greater.

5. GLOSSARY

ABN means Australian Business Number.

ACN means Australian Company Number.

Additional Shares means the additional New Shares that Eligible Retail Shareholders can subscribe for under the Retail Oversubscription Facility up to a maximum of 55% of their Entitlement.

Application means a duly completed Entitlement and Acceptance Form, and payment in full for New Shares subscribed for under the Retail Entitlement Offer in cleared funds, lodged with the Registry on or prior to 5.00pm on Wednesday, 6 December 2023.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® (or, with the express consent of the Company, through such other agreed payment mechanism), being the consideration for New Shares under the Retail Entitlement Offer.

ASIC means the Australian Securities and Investments Commission.

ASIC Instruments means *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Offer Announcements means the ASX announcements reproduced in Annexure A to this Information Booklet, being the announcement to ASX on 16 November 2023 in respect of the launch of the Entitlement Offer, the Investor Presentation and the announcement to ASX on 17 November 2023 of the successful completion of the Institutional Entitlement Offer.

Capital Raising means collectively, the Entitlement Offer and the Institutional Placement.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Eligible Institutional Shareholder means institutional shareholders who were invited to participate in the Institutional Entitlement Offer and ultimately did so.

Eligible Retail Shareholders has the meaning given in section 1.3 of the Information Booklet.

Eligible Shareholders means all Eligible Institutional Shareholders and all Eligible Retail Shareholders.

Entitlement means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 3.75 Shares held at the Record Date.

Entitlement and Acceptance Form means the personalised form accompanying this Information Booklet to be used to make an application in accordance with the instructions set out on that form or the offer website at www.computersharecas.com.au/karoffer.

Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of 1 New Share for every 3.75 Shares held at the Record Date.

Entitlement Offer Information Line means the information line operated in relation to the Retail Entitlement Offer, which can be contacted by dialling 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 Retail Entitlement Offer period.

Excess Amount has the meaning given in section 2.2 of this Information Booklet.

GST means has the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Institutional Shareholder means institutional shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer.

Ineligible Retail Shareholders has the meaning given in section 1.8 of this Information Booklet.

Information Booklet means this information booklet in relation to the Retail Entitlement Offer, including the ASX Offer Announcements reproduced in Annexure A to this Information Booklet, and the personalised Entitlement and Acceptance Form accompanying this information booklet.

Institutional Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer made to Eligible Institutional Shareholders and successfully completed on Friday, 17 November 2023.

Institutional Placement means the placement of new Shares offered to institutional investors under the Capital Raising.

Investor Presentation means the Investor Presentation released to ASX by Karoon on Thursday, 16 November 2023 and reproduced in Annexure B to this Information Booklet.

Karoon or the **Company** means Karoon Energy Ltd ACN 107 001 338.

Listing Rules means the official listing rules of the ASX.

New Shares means the fully paid ordinary shares in Karoon to be offered under the Entitlement Offer.

Offer Price means \$2.05, being the price payable per New Share under the Entitlement Offer.

Record Date means 7:00 pm (Sydney time) on Monday, 20 November 2023, being the record date for determining Eligible Shareholders' entitlement to participate in the Entitlement Offer (including in the Retail Entitlement Offer).

Record Date Shareholding means the shareholding of a Shareholder on the Record Date.

Registry means Computershare Investor Services Pty Limited.

Retail Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer of 1 New Share for every 3.75 Shares held at the Record Date at an Offer Price of \$2.05 made to Eligible Retail Shareholders.

Retail Entitlement Shares means the New Shares to be offered to Shareholders under the Retail Entitlement Offer.

Retail Oversubscription Facility means the facility through which Eligible Retail Shareholders may apply for Additional Shares at the Offer Price.

Share means a fully paid ordinary share in Karoon.

Shareholder means a holder of a Share.

TERP means the theoretical ex-rights price.

TFN means tax file number.

U.S. Securities Act means the U.S. Securities Act of 1933 (as amended).

Underwriter means Macquarie Capital (Australia) Limited ACN 123 199 548.

Underwriting Agreement means the underwriting agreement between Karoon and the Underwriter under which the Underwriter has agreed to lead manage and underwrite the Capital Raising.

Underwriter Parties means the Underwriter, any of its affiliates or related bodies corporate (as defined in the Corporations Act) and any of its directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries.

VWAP means the volume weighted average market price as defined in ASX Listing Rule 19.

ANNEXURE A
ASX OFFER ANNOUNCEMENTS

For personal use only

ASX RELEASE

16 November 2023 | ASX: KAR

Transformational acquisition of interests in the US Gulf of Mexico and A\$480 million equity raising

- Karoon to acquire a 30% interest in Who Dat and Dome Patrol oil and gas fields, associated infrastructure and adjacent exploration acreage, offshore Louisiana in the Gulf of Mexico, USA.
- Acquisition consideration of US\$720 million¹ and US\$27 million associated costs² funded by US\$171 million cash, US\$274 million debt and a US\$300 million (A\$480 million)³ fully underwritten equity raise.
- Equity raise comprises a A\$310m pro rata accelerated non-renounceable entitlement offer (including an institutional and retail component) and a A\$170m institutional placement of new Karoon shares (New Shares).
- The transaction achieves Karoon's key M&A objectives and establishes a platform for growth.
- Builds scale with a 57-63% increase in CY24E production, a 75% lift in 2P Reserves (net working interest) and a material increase in Contingent and Prospective Resources⁴.
- Diversifies Karoon both geographically and by asset.
- Offsets the natural decline from Baúna with a long-life asset with material near term development and exploration upside.
- Generates immediate cash flow, mid teens cash flow per share accretion and earnings accretive.
- Balance sheet remains strong, with peak leverage at 0.4x FY23A proforma EBITDA and liquidity of US\$80m⁵.

TRANSACTION OVERVIEW

Karoon Energy Limited (**Karoon** or the **Company**) has entered into binding arrangements to acquire a 30% interest in the Who Dat and Dome Patrol fields and associated infrastructure, including the Who Dat Floating Production System (**FPS**), plus a ~16% interest in the Abilene field, from LLOG Exploration Offshore, L.L.C. and LLOG Omega Holdings, L.L.C. (collectively, **LLOG**) (the **Acquisition**). In addition, Karoon will acquire various interests in adjacent acreage which contains the Who Dat East (40%), Who

¹ The Acquisition includes a combined carry of US\$39.2 million for the exploration acreage of Who Dat East, Who Dat South and Who Dat West.

² Uses of funds includes an adjustment for the Acquisition effective date offset of ~US\$2 million.

³ Assumes AUD/USD = 0.625.

⁴ Based on Net Working.

⁵ Cash and debt as at 31 October 2023.

Dat West (35%) and Who Dat South (30% interest) exploration and appraisal opportunities. The total Acquisition consideration is US\$720 million (A\$1,152 million)^{1, 3}.

The Acquisition remains subject to customary conditions for a transaction of this nature.

Who Dat is a high quality, low cost, conventional deepwater oil and gas operation located in ~800 metres of water, offshore Louisiana within federal waters of the US Gulf of Mexico. The assets are expected to add approximately 4.0 - 4.5 MMboe to Karoon's CY24 production on a Net Revenue Interest (NRI) basis, taking the Company's total proforma CY24 production to 12.0 – 14.5 MMboe⁶. Post-acquisition, Karoon will have a diversified production base in two prolific hydrocarbon basins and material near term organic growth potential.

Dr Julian Fowles, Karoon's Managing Director and CEO said:

"This transaction meets our strategic objectives to acquire a material, value and earnings accretive, producing asset with expansion opportunities in either Brazil or the Gulf of Mexico (GoM).

The GoM is a Tier 1 jurisdiction with a stable and well understood regulatory and fiscal regime. The Who Dat assets provide Karoon with both geographical and asset diversification, complementing our existing Brazilian business with a second high quality operation.

Production from Who Dat will help offset the natural decline from Baúna and, with a unit operating cost of less than US\$6 per boe in FY23, will add a high margin, long term cash flow stream to Karoon. There are significant development and exploration opportunities in our view analogous to Who Dat within the associated acreage. These provide the potential for future infrastructure-led developments, to increase production and extend the Who Dat field life. Importantly, sustaining capital requirements are low, and development and exploration activities are expected to be funded from Who Dat cash flows.

We are delighted to have secured a high quality debt and equity funding package to underpin this acquisition. Following the transaction, we will have a robust balance sheet and the flexibility to deliver on our organic growth opportunities, including the potential Neon development. Strong proforma cash flows are expected to enable repayment of drawn debt from our new facility within two years. Our long term strategy remains to maintain low leverage and high liquidity to enable value-accretive organic growth, M&A and returns to shareholders.

We look forward to working closely with LLOG, a very well respected and established offshore GoM operator, and joint venture partner, Westlawn Group, on this exciting asset."

WHO DAT OVERVIEW

The Who Dat development, operated by LLOG, an experienced and well respected GoM operator with a strong track record, came onstream in 2011. Oil and gas production (which is currently 42,000 boepd⁷, comprising approximately 60% oil and 40% gas⁸ from nine wells) is processed through an FPS facility, then transported to markets through common carrier pipelines. Since first commercial

⁶ Based on Baúna CY24 guidance production of 8 - 10 MMboe and Who Dat CY24 net production guidance of 4.0 - 4.5 MMboe. Gas converted to MMboe at 6 mcf = 1 boe.

⁷ Gross as at 26 October 2023.

⁸ Based on Who Dat CY23A production composition, rounded to the nearest 10%.

production began in 2011, the facilities have achieved high reliability, with an average uptime of 94%⁹. Natural decline has been largely offset by an active in-field development program. Most recently, two wells and a subsea pump were brought online in CY23 adding approximately 10,000 boepd (gross)¹⁰ to production, with an additional 6,000-8,000 boepd (gross)¹¹ expected to be added in CY24 from two further wells.

The acquisition provides significant opportunities for potential expansion. Subject to Joint Venture approvals, an appraisal well on the Who Dat East oil accumulation, discovered in 2011, is expected to take place in the second quarter of CY24. This discovery, which has gross 2C Contingent Resources of 17 MMboe and unrisked 2U Prospective Resources of 34 MMboe, is located 27 kilometres east of the Who Dat FPS. In addition, several other nearby exploration targets analogous to Who Dat have been identified. These include Who Dat South and Who Dat West, which contain combined unrisked gross prospective resources of 108 MMboe. Exploration wells are scheduled to be drilled on the Who Dat South and Who Dat West prospects in the second and third quarters of 2024, respectively, subject to Joint Venture approvals. Drilling costs for these prospects are estimated at approximately US\$60 million per well on a gross, dry hole basis.

The US GoM has extensive existing infrastructure, which allows hydrocarbons to be extracted at a comparatively low CO₂e/boe¹². It is anticipated that the acquisition will result in a reduction in Karoon's proforma carbon intensity. The Company's targets, to be carbon neutral for Scope 1 and 2 emissions from FY21 and net zero by 2035, remain unchanged¹³.

JOINT VENTURE OVERVIEW

Karoon is acquiring a 30% interest in Who Dat and Dome Patrol from LLOG. The transaction will reduce LLOG's interest to 45%. Westlawn Group (**Westlawn**) owns the remaining 25% of Who Dat and Dome Patrol¹⁴.

LLOG was founded in 1977 and is a leading private pure-play deepwater US GoM operator. LLOG has drilled 308 wells in the GoM since 2002, including 116 wells in deep water, and is the 7th largest producer in the region by production volume¹⁵ with 25 currently producing wells.

Founded in 2021, Westlawn is a private investment firm based in Houston, TX focused on long-term investment in the global oil and gas industry. Westlawn acquires operated and non-operated interests in producing, development and exploration assets, as well as technologies that improve production. Westlawn is focused on investments across the United States (Lower 48, Gulf of Mexico and Alaska), as well as in Latin America, the Caribbeans and the Middle East.

⁹ Based on proportion of days with recorded production in the year.

¹⁰ Equivalent to 1,800-2,400 boepd to Karoon (Net Working Interest).

¹¹ Equivalent to 3,000 boepd to Karoon (Net Working Interest).

¹² Woodmac Report: Understanding the US GoM's emissions advantage, June 2023.

¹³ Carbon neutral refers to firstly, reducing or avoiding operational Scope 1 and 2 greenhouse gas (GHG) emissions and, secondly, acquiring carbon offsets to balance the remaining Scope 1 and Scope 2 emissions.

¹⁴ These ownership interests and percentages have been provided by the Vendor and are subject to verification in the U.S. federal, state and parish public records which will be done after signing of the PSA by way of a customary title review and defect process as set out in the purchase and sales agreement.

¹⁵ Based on CY22 production.

ACQUISITION FUNDING

The Acquisition and transaction costs will be funded via:

- A US\$300 million (A\$480 million) equity raising by way of a fully underwritten institutional placement and accelerated non-renounceable entitlement offer (**Equity Raising**).
- US\$274 million (A\$438 million) drawdown from a new US\$340 million debt facility with a syndication of banks.
- Existing cash of US\$171 million (A\$274 million) (with US\$80 million cash on hand remaining post-acquisition).

Karoon has signed a new general corporate purpose, 5 year, revolving reserve based lending facility (**RBL**) with a facility limit of US\$340m with a banking syndicate comprising Macquarie, Deutsche Bank, ING and Shell Western Supply and Trading Limited. The RBL will be made available to Karoon, subject to the completion of customary conditions precedent, drawdown is expected to occur on or prior to completion of the transaction. A summary of the key terms of the RBL is annexed to this announcement.

In conjunction with Shell Western Supply and Trading Limited's participation in the RBL, Karoon has extended its volume based offtake and marketing agreement with Shell Western Supply and Trading Limited for a period being the later of (i) delivery of a specified number of barrels, and (ii) December 2028.

EQUITY RAISING

The fully underwritten Equity Raising of approximately A\$480 million consists of:

- A fully underwritten institutional placement of A\$170 million to new and existing eligible institutional investors (**Placement**); and
- A fully underwritten 1-for-3.75 accelerated non-renounceable entitlement of A\$310 million (**Entitlement Offer**).

Up to approximately 234 million New Shares are to be issued under the Equity Raising representing approximately 41% of current issued capital of Karoon.

Under the Entitlement Offer eligible shareholders are invited to subscribe for 1 New Share for every 3.75 existing Karoon shares (**Entitlement**) held as at 7.00 pm (Sydney time) on Monday, 20 November 2023.

All New Shares under the Equity Raising will be issued at A\$2.05 per New Share (**Offer Price**) representing:

- 10.8% discount to the theoretical ex-rights price (TERP¹⁶) of A\$2.30 per share

¹⁶ TERP includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer and is based on the closing price of \$2.40 as at Tuesday, 14 November 2023. TERP is a theoretical calculation only and the actual price at which KAR shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. KAR's last traded price on Wednesday, 15 November 2023 was \$2.15.

- 12.4% discount to the 5 day VWAP of A\$2.34 per share on Tuesday, 14 November 2023
- 14.6% discount to Karoon's close price of A\$2.40 per share on Tuesday, 14 November 2023

Each New Share issued under the Equity Raising will rank equally with existing fully paid ordinary shares in Karoon on issue.

PLACEMENT

The Placement will result in approximately 83 million New Shares being issued under Karoon's available placement capacity under ASX Listing Rule 7.1. The Placement will be conducted concurrently with the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**). New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

INSTITUTIONAL ENTITLEMENT OFFER

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Institutional Entitlement Offer, which will open today, Thursday, 16 November 2023.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their entitlement. Institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, will be offered to new and existing eligible institutional shareholders concurrently with the Institutional Entitlement Offer.

RETAIL ENTITLEMENT OFFER

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**). The Retail Entitlement Offer will be open from 9:00am (Sydney time) on Thursday, 23 November 2023 and close at 5:00pm (Sydney time) on Wednesday, 6 December 2023.

Eligible retail shareholders with a registered address in Australia or New Zealand as at Monday, 20 November 2023 at 7.00 pm Sydney Time (**Eligible Retail Shareholders**) will be entitled to participate in the Retail Entitlement Offer on the terms and subject to conditions set out in the retail offer booklet (**Retail Offer Booklet**). The Retail Offer Booklet is expected to be made available on Thursday, 23 November 2023.

The Entitlement Offer is non-renounceable and Entitlements will not be made tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full Entitlement will not receive any payment or value in respect of Entitlements they do not take up and their percentage equity interest in Karoon will be diluted.

Eligible Retail Shareholders who take up their full Entitlement will be offered the opportunity to apply for additional New Shares (up to 55% of their Entitlement) (**Oversubscription Facility**). The allocation of additional New Shares under the Oversubscription Facility will be subject to the availability of New

Shares under the Retail Entitlement Offer. Karoon retains the flexibility to scale back applications for additional New Shares at its discretion. Further details will be included in the Retail Offer Booklet.

INDICATIVE TIMETABLE¹⁷

Event	Date
Announcement of Acquisition and Equity Raising, trading halted and Institutional Entitlement Offer and Placement opens	Thu, 16 November 2023
Announcement of completion of Institutional Entitlement Offer and Placement	Fri, 17 November 2023
Trading halt lifted and shares recommence trading	Fri, 17 November 2023
Record date under the Entitlement Offer	Mon, 20 November 2023
Lodge Retail Offer Booklet on ASX announcement platform	Thu, 23 November 2023
Retail Entitlement Offer opens and Retail Offer Booklet dispatched	Thu, 23 November 2023
Settlement of Institutional Entitlement Offer and Placement	Fri, 24 November 2023
Allotment and trading of New Shares issued under the Institutional Entitlement Offer and Placement	Mon, 27 November 2023
Retail Entitlement Offer closes	Wed, 6 December 2023
Announce results of Retail Entitlement Offer	Mon, 11 December 2023
Settlement of Retail Entitlement Offer	Tue, 12 December 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Wed, 13 December 2023
Trading of New Shares issued under the Retail Entitlement Offer	Thu, 14 December 2023
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Mon, 18 December 2023

All dates and times are indicative and subject to change.

ADVISORS

Karoon is being advised by Gresham as financial advisor and Ashurst as legal advisor in relation to the Equity Raising.

Macquarie Capital (Australia) Limited is acting as sole Lead Manager and Underwriter to the Equity Raising.

This announcement has been authorised by the Board of Karoon Energy Ltd.

FURTHER INFORMATION

Further details of the Offer and the Acquisition are set out in the Investor Presentation also lodged on the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Offer.

¹⁷ These timings are indicative only and subject to variation. KAR reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Australian Standard Time (AEST) In particular, the Company reserves the right to either, generally or in particular cases, extend the closing date of the institutional or retail components of the Entitlement Offer, to accept late applications or to withdraw the Entitlement Offer prior to the issue of the relevant securities without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

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ABOUT KAROON ENERGY LTD

Karooon 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.

IMPORTANT NOTICE AND DISCLAIMER

Reserves and Resources statements – Historical

The estimates of Reserves, Contingent Resources and Prospective Resources referred to in this announcement relating to Karooon prior to the Acquisition were prepared on a probabilistic and deterministic basis by arithmetic summation and are referenced to the Company's 2023 Annual Report in which the estimates were first disclosed by Karooon.

The estimates of Reserves, Contingent Reserves and Prospective Resources have been estimated in accordance with the requirements of the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS) 2018, which may differ from the requirements that apply under other reporting systems, including the rules and regulations of the US Securities and Exchange Commission (SEC). In particular, issuers are generally not permitted to disclose non-Reserve quantities of oil and gas, such as Contingent and Prospective Resources in an SEC filing.

Karooon is not aware of any new information or data that materially affects the information included in the 2023 Annual Report and Karooon considers that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Reserves and Resources Statements – Acquisition

The estimates of Reserves, Contingent Resources and Prospective Resources referred to in this announcement relating to the Acquisition were prepared on a deterministic basis by arithmetic summation at a well level.

The estimates of Reserves, Contingent Reserves and Prospective Resources have been estimated in accordance with the requirements of the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS) 2018, which may differ from the requirements that apply under other reporting systems, including the rules and regulations of the US Securities and Exchange Commission (SEC). In particular, issuers are generally not permitted to disclose non-Reserve quantities of oil and gas, such as Contingent and Prospective Resources in an SEC filing.

Governance and Competent Person's Statement - Acquisition

All estimates of Reserves, Contingent Resources and Prospective Resources referred to in this announcement relating to the Acquisition have been prepared by Netherland Sewell & Associates, Inc. (NSAI). NSAI is qualified in accordance with listing rule 5.41 and has consented to the use of the reserves and resources estimates, in the form and context in which these statements appear.

NSAI is an independent consultancy specialising in, amongst other services, resources assessments. Except for the provision of professional services on a fee basis, NSAI does not have any commercial arrangements with any other person or company involved in the interests that are the subject of this announcement.

The evaluation was managed by Lee E. George, who is a Vice President of NSAI and a Licensed Professional Engineer in the State of Texas (P.E. 95018) with over 42 years of experience. The report was supervised by Lee E. George. The report was signed off by Richard B. Talley, Jr.; Lee E. George; and Edward C. Roy III. All three are permanent employees of NSAI which has extensive experience resources assessments.

In addition, members of Karoon's Subsurface and Engineering teams have considered and assessed all proposed changes and additions to the Company's reserves and resources (as set out in this announcement), considering advice and contributions from subject matter experts and external consultants.

All Reserves, Contingent Resources and Prospective Resource statements in this announcement are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Martin Austgulen, SVP New Business, Karoon Energy Limited. Martin Austgulen is qualified in accordance with ASX listing rule 5.41 being a member of the Society of Petroleum Engineers (SPE) and has consent in writing to the inclusion of reserves and resources in the format and context in which they appear.

Reserves and Resources Statements Disclaimer

Petroleum exploration and production operations rely on the interpretation of complex and uncertain data and information which cannot be relied upon to lead to a successful outcome in any particular case. Petroleum exploration and production operations are inherently uncertain and involve significant risk of failure. All information regarding reserve and contingent resource estimates and other information in relation to Karoon's assets is given in light of this caution. Oil and gas Reserves and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly due to new information or when new techniques become available. Additionally, by their nature, Reserves and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further data becomes available through, for instance, production, the estimates are likely to change. This may result in alterations to production plans, which may in turn, impact the Company's operations. Reserves and resource estimates are by nature forward looking statements and are the subject of the same risks as other forward-looking statements.

FORWARD-LOOKING STATEMENTS

This announcement includes certain "forward-looking statements" such as indications of, and guidance on, future events, future earnings and the future financial performance and financial position of Karoon. Forward- looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "projection", "estimate", "target", "outlook", "guidance" or other similar expressions and include statements regarding the timing and outcome of the Equity Raising, Karoon's strategies and plans and the future operational and financial performance of Karoon. Any forward-looking statements included in this announcement involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies and other factors, including the risks described in the Investor Presentation under "Key risks" and "Key acquisition risks" many of which are outside the control of, and are unknown to, Karoon and its officers, employees, agents or associates and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward looking statements are based on information available to Karoon as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), Karoon undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

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.

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ANNEXURE A

Key Terms of RBL

Facility limit	US\$340 million
Term	~5 years (with reserve tail)
Lenders	Macquarie Bank, Deutsche Bank, ING and Shell Western Supply and Trading Limited
Initial Borrowing Base Amount	US\$274 million
Original Borrowers	Karoon Petróleo e Gás Ltda KEI (Brazil Santos) Pty Ltd KEI Finance 1 Pty Ltd
Reduction Schedule	Maximum facility limit of US\$340 million until March 2026, thereafter, straight line semi-annual reductions to maturity
Conditions precedent	Customary conditions precedent for a facility of this nature
Guarantors	Includes group companies comprising no less than 90% of total assets and 90% EBITDAX
Security	Customary security package over the assets of the Obligors including the Borrowing Base Assets
Hedging	Hedging subject to agreed hedging principles based on a laddering approach according to the level of collateral coverage (determined as the value of the borrowing base / borrowings)
Borrowing Base Assets	Baúna, Piracaba, Patola, Neon Flexibility to add further borrowing base assets with majority lender approval.
Accordion	Ability to establish additional US\$200 million accordion facility

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ASX RELEASE

17 November 2023 | ASX: KAR

Karooon Energy successfully completes the placement and institutional entitlement offer

- **Completion of the Placement raised gross proceeds of approximately A\$170 million.**
- **Completion of the Institutional Entitlement Offer raised gross proceeds of approximately A\$214 million.**
- **Excellent support shown by both existing and new institutional shareholders, with issue strongly oversubscribed.**
- **Retail offer component of the Entitlement Offer opens on Thursday, 23 November 2023.**

Karooon Energy Limited (**Karooon**), is pleased to announce the successful completion of its fully underwritten institutional placement (**Placement**) and the institutional component (**Institutional Entitlement Offer**) of its 1 for 3.75 pro-rata non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid Karoon ordinary shares (**New Shares**) announced on Thursday, 16 November 2023 (**Equity Raising**).

The Placement and the Institutional Entitlement Offer attracted strong support from both existing and new institutional shareholders, together raising approximately A\$384 million at an offer price of A\$2.05 per New Share (**Offer Price**) representing a:

- 10.8% discount to the theoretical ex-rights price (TERP¹) of A\$2.30 per share
- 12.4% discount to the 5 day VWAP of A\$2.34 per share on Tuesday, 14 November 2023
- 14.6% discount to Karoon's close price of A\$2.40 per share on Tuesday, 14 November 2023

The Institutional Entitlement Offer was well supported by Karoon's institutional shareholders with approximately 95% of entitlements available to eligible institutional shareholders taken up.

Commenting on the outcome of the Placement and Institutional Entitlement Offer Dr Julian Fowles, Karoon's Managing Director and CEO said:

"We are delighted with the strong support shown by our existing shareholders and new investors for the equity raising which underpins the acquisition of the Who Dat and Dome

¹ TERP includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer and is based on the closing price of A\$2.40 as at Tuesday, 14 November 2023. TERP is a theoretical calculation only and the actual price at which KAR shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. KAR's last traded price on Wednesday, 15 November 2023 was A\$2.15.

Patrol fields. The acquisition is transformational for Karoon and provides significant scale to production, reserves and resources. It represents a highly strategic entry into the US Gulf of Mexico which diversifies Karoon's asset and production base, while establishing a platform for further growth".

Each New Share issued under the Equity Raising ranks equally with existing fully paid ordinary shares in Karoon on issue. Settlement of the Placement and Institutional Entitlement Offer is expected to take place on Friday, 24 November 2023, with the New Shares expected to be allotted and commence trading on Monday, 27 November 2023.

RETAIL ENTITLEMENT OFFER

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer (**Retail Entitlement Offer**). The Retail Entitlement Offer will be open from 9:00am (Sydney time) on Thursday, 23 November 2023 and close at 5:00pm (Sydney time) on Wednesday, 6 December 2023.

Eligible retail shareholders with a registered address in Australia or New Zealand as at Monday, 20 November 2023 at 7.00 pm Sydney Time (**Eligible Retail Shareholders**) will be entitled to participate in the Retail Entitlement Offer on the terms and subject to conditions set out in the retail offer booklet (**Retail Offer Booklet**). The Retail Offer Booklet is expected to be made available on Thursday, 23 November 2023.

The Entitlement Offer is non-renounceable and Entitlements will not be made tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full Entitlement will not receive any payment or value in respect of Entitlements they do not take up and their percentage equity interest in Karoon will be diluted.

Eligible Retail Shareholders who take up their full Entitlement will be offered the opportunity to apply for additional New Shares (up to 55% of their Entitlement) (**Oversubscription Facility**). The allocation of additional New Shares under the Oversubscription Facility will be subject to the availability of New Shares under the Retail Entitlement Offer. Karoon retains the flexibility to scale back applications for additional New Shares at its discretion. Further details will be included in the Retail Offer Booklet.

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INDICATIVE TIMETABLE²

Event	Date
Announcement of Acquisition and Equity Raising, trading halted and Institutional Entitlement Offer and Placement opens	Thu, 16 November 2023
Announcement of completion of Institutional Entitlement Offer and Placement	Fri, 17 November 2023
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Retail Entitlement Offer closes	Wed, 6 December 2023
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Settlement of Retail Entitlement Offer	Tue, 12 December 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Wed, 13 December 2023
Trading of New Shares issued under the Retail Entitlement Offer	Thu, 14 December 2023
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Mon, 18 December 2023

All dates and times are indicative and subject to change.

ADVISORS

Karoon is being advised by Gresham as financial advisor and Ashurst as legal advisor in relation to the Equity Raising.

Macquarie Capital (Australia) Limited is acting as sole Lead Manager and Underwriter to the Equity Raising.

This announcement has been authorised by the CEO and Managing Director of Karoon Energy Ltd.

FURTHER INFORMATION

Further details of the Equity Raising and the acquisition are set out in the Investor Presentation also lodged on the ASX. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Equity Raising.

² These timings are indicative only and subject to variation. Karoon reserves the right to alter the timetable at its absolute discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws. All references are to Australian Standard Time (AEST) In particular, the Company reserves the right to either, generally or in particular cases, extend the closing date of the institutional or retail components of the Entitlement Offer, to accept late applications or to withdraw the Entitlement Offer prior to the issue of the relevant securities without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

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ABOUT KAROON ENERGY LTD

Karooon 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

FORWARD-LOOKING STATEMENTS

This announcement includes certain "forward-looking statements" such as indications of, and guidance on, future events, future earnings and the future financial performance and financial position of Karooon. Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "projection", "estimate", "target", "outlook", "guidance" or other similar expressions and include statements regarding the timing and outcome of the Equity Raising, Karooon's strategies and plans and the future operational and financial performance of Karooon. Any forward-looking statements included in this announcement involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies and other factors, including the risks described in the Investor Presentation under "Key risks" and "Key acquisition risks" many of which are outside the control of, and are unknown to, Karooon and its officers, employees, agents or associates and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct.

Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward looking statements are based on information available to Karooon as at the date of this announcement.

Except as required by law or regulation (including the ASX Listing Rules), Karoon undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

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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.

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ANNEXURE B
INVESTOR PRESENTATION

For personal use only



16 November 2023

Company Announcements Office
ASX Limited

Dear Sir / Madam

Acquisition of interest in the US Gulf of Mexico

Enclosed is a presentation for release. This announcement was authorised by the Board of Directors.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Daniel Murnane'.

Daniel Murnane
Company Secretary

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For personal use only



Karoon enters US Gulf of Mexico

Acquisition of interests in Who Dat and surrounding acreage in the US Gulf of Mexico

16 November 2023



Important notice and disclaimer



This presentation is dated 16 November 2023 and has been prepared by Karoon Energy Ltd ACN 107 001 338 (Karoon or the Company) in relation to:

- The acquisition by Karoon of the assets described on page 7 of this presentation (the Acquisition)
- a placement of new fully paid ordinary shares in Karoon (New Shares) to sophisticated and professional investors (Placement) and
- an accelerated non-renounceable pro rata entitlement offer of New Shares, to be made to eligible institutional shareholders of Karoon (Institutional Entitlement Offer) and eligible retail shareholders of Karoon (Retail Entitlement Offer), under Section 708AA of the Corporations Act 2001 (Cth) (Corporations Act), as modified by Australian Securities and Investments Commission (ASIC) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (Entitlement Offer), (the Placement and the Entitlement Offer together, the Equity Raising).

Summary information

The following disclaimer applies to this presentation and any information provided regarding the information contained in this presentation (the Information). This presentation contains summary information about the Company and its activities which is current as at the date of this presentation and remains subject to change without notice. The Information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company, or that would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. The historical information in this presentation is, or is based upon, information that has been released to the Australian Securities Exchange (ASX). This presentation should be read in conjunction with Karoon's other periodic and continuous disclosure announcements which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this presentation or any information contained in this presentation. In accepting this presentation, you agree to be bound by the following terms and conditions including any modifications to them.

Not an offer

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law (and will not be lodged with ASIC) or the law of any other jurisdiction. This presentation is not a financial product or investment advice, or a recommendation to acquire Karoon shares, nor is it legal or tax advice. You are solely responsible for forming your own opinions and conclusions on such matters and the market and for making your own independent assessment of the Information. You are solely responsible for seeking independent professional advice in relation to the Information and any action taken on the basis of the Information. Before making an investment decision, prospective investors should consider the appropriateness of the Information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

The Information does not and will not constitute or form part of an offer, invitation, solicitation or recommendation in relation to the subscription, purchase or sale of securities in any jurisdiction and neither this presentation nor anything in it shall form any part of any contract for the acquisition of Karoon shares. The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. See Section D "Offering Jurisdictions".

Any decision to purchase New Shares in the Retail Entitlement Offer must be made on the basis of the information to be contained in a separate offer document to be prepared and issued to eligible retail shareholders. The retail offer booklet for the Retail Entitlement Offer will be available following its lodgment with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement

Offer will need to apply in accordance with the instructions contained in the retail offer booklet and the entitlement and application form.

Not for release to US wire services or distribution in the United States of America

This presentation must not be released to US wire services or distributed in the United States or any other jurisdiction where it would be illegal. The New Shares described in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States (or for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The distribution of this presentation outside Australia may be restricted by law. Persons who come into possession of this presentation should observe any such restrictions as any noncompliance could contravene applicable securities laws. Please refer to the section of this document headed "International Offer Restrictions" for more information.

Investment risk

An investment in Karoon shares are subject to investment and other known and unknown risks, some of which are beyond the control of Karoon. Karoon does not guarantee any particular rate of return or the performance of Karoon, nor does it guarantee the repayment of capital from Karoon or any particular tax treatment. You should have regard to the risk factors outlined in this presentation when making any investment decision.

Financial information

Investors should note that this presentation contains historical, pro forma historical and forecast financial information of Karoon. The pro forma historical and forecast financial information provided in this presentation are for illustrative purposes only and are not represented as being indicative of Karoon's views on its actual or future financial position and/or performance. The pro forma historical financial information included in the Information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission, and such financial information does not purport to comply with Article 3-05 of Regulation S-X.

Non-IFRS financial information

Investors should also note that Karoon's historical results are reported under Australian Accounting Standards, or AAS, which are consistent with International Financial Reporting Standards (IFRS). The historical financial information included in this presentation is, or is based on, information that has previously been released to the market. Investors should also be aware that certain financial data included in this presentation including "EBITDA", "Underlying EBITDA", "Average net working capital", "net debt", and measures described as "core" may be "non-IFRS financial information" under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC or "non-GAAP financial measures" within the meaning of Regulation G of the US Securities Exchange Act of 1934. The non-IFRS financial information/ non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS. Although Karoon believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/ non-GAAP financial measures included in this presentation.

Information relating to LLOG and the Acquisition

This presentation contains information about LLOG and the Acquisition. Certain of this information has been sourced from LLOG as part of the sale process of LLOG. Neither Karoon nor any other person makes any representation or warranty with respect to the fairness, accuracy, completeness or adequacy of such information.

Reserves and Resources statements – Historical

The estimates of Reserves, Contingent Resources and Prospective Resources referred to in this presentation relating to Karoon prior to the Acquisition were prepared on a probabilistic and deterministic basis by arithmetic summation and are referenced to the Company's 2023 Annual Report in which the estimates were first disclosed by Karoon.

The estimates of Reserves, Contingent Reserves and Prospective Resources have been estimated in accordance with the requirements of the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS) 2018, which may differ from the requirements that apply under other reporting systems, including the rules and regulations of the US Securities and Exchange Commission (SEC). In particular, issuers are generally not permitted to disclose non-Reserve quantities of oil and gas, such as Contingent and Prospective Resources in an SEC filing.

Karoon is not aware of any new information or data that materially affects the information included in the 2023 Annual Report and Karoon considers that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Reserves and Resources Statements – Acquisition

The estimates of Reserves referred to in this presentation relating to the Acquisition were prepared on a deterministic basis by arithmetic summation at a well level. The estimates of Contingent Resources and Prospective Resources referred to in this presentation relating to the Acquisition were prepared on a probabilistic basis and by arithmetic summation at field or prospect level.

The estimates of Reserves, Contingent Reserves and Prospective Resources have been estimated in accordance with the requirements of the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS) 2018, which may differ from the requirements that apply under other reporting systems, including the rules and regulations of the US Securities and Exchange Commission (SEC). In particular, issuers are generally not permitted to disclose non-Reserve quantities of oil and gas, such as Contingent and Prospective Resources in an SEC filing.

Governance and Competent Person's Statement - Acquisition

All estimates of Reserves, Contingent Resources and Prospective Resources referred to in this presentation relating to the Acquisition have been prepared by Netherland Sewell & Associates, Inc. (NSAI). NSAI is qualified in accordance with listing rule 5.41 and has consented to the use of the reserves and resources estimates, in the form and context in which these statements appear.

NSAI is an independent consultancy specialising in, amongst other services, resources assessments. Except for the provision of professional services on a fee basis, NSAI does not have any commercial arrangements with any other person or company involved in the interests that are the subject of this presentation.

The evaluation was managed by Lee E. George, who is a Vice President of NSAI and a Licensed Professional Engineer in the State of Texas (P.E. 95018) with over 42 years of experience. The report was supervised by Lee E. George. The report was signed off by Richard B. Talley, Jr.; Lee E. George; and Edward C. Roy III. All three are permanent employees of NSAI which has extensive experience resources assessments.

Important notice and disclaimer (cont.)



Governance and Competent Person's Statement – Acquisition (cont.)

In addition, members of Karoon's Subsurface and Engineering teams have considered and assessed all proposed changes and additions to the Company's reserves and resources (as set out in this presentation), considering advice and contributions from subject matter experts and external consultants.

All Reserves, Contingent Resources and Prospective Resource statements in this presentation are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Martin Austgulen, SVP New Business, Karoon Energy Limited. Martin Austgulen is qualified in accordance with ASX listing rule 5.41 being a member of the Society of Petroleum Engineers (SPE) and has consent in writing to the inclusion of reserves and resources in the format and context in which they appear.

Reserves and Resources Statements Disclaimer

Petroleum exploration and production operations rely on the interpretation of complex and uncertain data and information which cannot be relied upon to lead to a successful outcome in any particular case. Petroleum exploration and production operations are inherently uncertain and involve significant risk of failure. All information regarding reserve and contingent resource estimates and other information in relation to Karoon's assets is given in light of this caution. Oil and gas Reserves and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly due to new information or when new techniques become available. Additionally, by their nature, Reserves and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further data becomes available through, for instance, production, the estimates are likely to change. This may result in alterations to production plans, which may in turn, impact the Company's operations. Reserves and resource estimates are by nature forward looking statements and are the subject of the same risks as other forward-looking statements.

Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of Karoon cannot be relied upon as an indicator of (and provides no guidance as to) future Karoon performance including future share price performance.

Future performance

This presentation includes certain "forward-looking statements" such as indications of, and guidance on, future events, future earnings and the future financial performance and financial position of Karoon. Forward-looking statements can generally be identified by the use of forward-looking words such as "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "projection", "estimate", "target", "outlook", "guidance" or other similar expressions and include statements regarding the timing and outcome of the Equity Raising, Karoon's strategies and plans and the future operational and financial performance of Karoon. Any forward-looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies and other factors, including the risks described in this presentation under "Key risks" and "Key acquisition risks" many of which are outside the control of, and are unknown to, Karoon and its officers, employees, agents or associates and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication, prediction or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including

the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward-looking statements in this presentation speak only as at the date of this presentation.

In particular, the risk factors detailed in this presentation may affect the future operating and financial performance of Karoon. Investors should consider the forward-looking statements contained in this presentation in light of those disclosures. Actual results, performance or achievement may vary materially from any forward-looking statements and the assumptions on which those statements are based.

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All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated. The information may not necessarily be in statutory format. Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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This presentation has been prepared, drafted approved and authorised for despatch by the Company. Neither the underwriter of the Equity Raising (Underwriter), nor any of its affiliates or related bodies corporate, nor any of its respective Directors, officers, partners, employees, agents or advisers (Underwriter Parties or Underwriter) have caused, permitted or authorised the issue, submission, despatch or provision of this presentation.

The Underwriter has entered into an Underwriting Agreement in respect of the Equity Raising to which only the Underwriter and the Company are a party (refer to Appendix C). The Underwriting Agreement provides that the Underwriter will not be issued any shares that would

cause them to breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). If the Underwriter was required to take up shares on issue which would otherwise cause them to breach the takeover threshold, then for the purposes of ASIC Report 612 (March 2019): (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the Underwriting Agreement by the completion date; (ii) the number of excess shortfall shares would be up to the number of shares offered under the Equity Raising less the number of shares that have been subscribed for and the number of shares that the Underwriter is able to take up without causing it to breach the takeover threshold when aggregated with any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after completion of the Equity Raising at the same price as the Equity Raising price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

For the avoidance of doubt, the Underwriter Parties have not made or purported to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

Accordingly, given the presentation is the Company's document, to the maximum extent permitted by law, the Underwriter Parties:

- exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Company's Equity Raising and the information in the Issuer's presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and take no responsibility for any part of this presentation or the Equity Raising.

The Underwriter Parties make no recommendations as to whether you or your related parties should participate in the Equity Raising nor do they make any representations or warranties to you concerning the Equity Raising, and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the Equity Raising and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Eligibility

You acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Underwriter and each of the Company and the Underwriter (and their respective advisers, affiliates, related bodies corporate, Directors, officers, partners, employees and agents) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. Further, you acknowledge and agree that any allocation of New Shares (other than pursuant to an entitlement under the Entitlement Offer) is at the sole discretion of the Company and the Underwriter and each of the Company and the Underwriter (and their respective advisers, affiliates, related bodies corporate, Directors, officers, partners, employees and agents) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Company and the Underwriter reserve the right to change the timetable in their absolute discretion without recourse to them or notice to you.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this presentation you acknowledge and agree to the terms set out in the section of this presentation entitled "Important Notice and Disclaimer".

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C	Underwriting Agreement termination events
D	International offer jurisdictions
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Section 1

Transaction summary



Compelling value proposition

High margin production, near term appraisal, and infrastructure-led exploration upside

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Transaction highlights

Karoon to acquire a 30% interest in offshore Who Dat and Dome Patrol oil and gas fields, associated infrastructure and adjacent exploration acreage¹

Entry to US Gulf of Mexico



Low risk entry into a Tier 1 prolific hydrocarbon Basin with a highly experienced operator LLOG

Acquisition of high value, low emission intensity barrels



Low cost barrels (unit opex of US\$5.70 per boe²) to deliver long term production and pre tax cash operating margin of 67%⁷

Delivers immediate financial return



Mid teens cash flow per share accretion and earnings per share accretive³, and exceeds Karoon's IRR hurdles⁴

Low risk infrastructure-led growth



Growth from low risk, low cost near term infill development, material discovered resource upside and attractive exploration opportunities

Karoon pro-forma

Acquisition consideration of US\$720m⁵ funded by cash, debt and a fully underwritten equity raise

Highly strategic acquisition



Achieves Karoon's M&A objectives and establishes platform for further growth

Increases scale



Builds scale with +57-63% CY24E production, +75% 2P Reserves and +50% 2C + 2U Resources⁶

Materially diversifies business



Geographically diversifies asset base and offsets the natural decline from Baúna with a long-life asset

Robust balance sheet



Balance sheet remains strong, with peak leverage at 0.4x FY23A pro forma EBITDA and liquidity of US\$80m⁷

Notes: 1. Refer to Appendix A for detailed breakdown of permits and Blocks acquired. 2. Gross Interest basis, LTM (Last Twelve Months) to July 2023. 3. Reflects the first full year of ownership. The purchase price accounting for the transaction has not been finalised, resulting in the inclusion of an estimated depreciation and amortisation charge relating to the Acquisition. The cash flow accretion analysis includes approved CAPEX and excludes debt repayments, and the one-off integration costs. The newly issued shares are calculated based on the Offer Price of \$2.05. 4. Karoon's internal pre tax IRR hurdles align with industry normal practices and target an average (across all investments) in the mid teens, adjusted for geopolitical and fiscal stability risk of the region of investment. 5. Exploration is subject to carry of US\$39.2 million on a 2 for 1 basis. 6. Net Working Interest basis, refer to page 8 for further detail. 7. Refer to page 30 for further detail.

Transaction summary



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Transaction overview	<ul style="list-style-type: none"> ▶ Karoon Energy Limited (“KAR”, “Karoon”) has entered into an agreement to acquire a 30% interest in Who Dat, Dome Patrol, Who Dat South, a ~16% interest in the Abilene fields, a 35% interest in Who Dat West and a 40% interest in Who Dat East from LLOG Exploration Offshore, L.L.C. (“LEO”), a deepwater Gulf of Mexico (“GoM”) operator, and LLOG Omega Holdings, L.L.C. (“LOH” and collectively, “LLOG”) for US\$720 million (A\$1.15bn) (the “Acquisition”)¹
Expected financial impacts	<ul style="list-style-type: none"> ▶ Acquisition expected to be earnings and free cash flow per share accretive from CY24 ▶ Karoon proforma gearing (net debt / EV) of 14% and leverage (net debt / FY23A EBITDA) of 0.4x ▶ A diversified asset and production base with increased scale is expected to improve future funding optionality ▶ Who Dat and Dome Patrol are expected to require low capex (as mature and mid-life), providing strong cash flow to support deleveraging and future growth initiatives including exploration of newly acquired acreage ▶ Acquisition sits under the US GoM fiscal reporting regime, where Gross Interest (“Gross”) means 100% prior to royalties, Net Working Interest (“NWI”) means Karoon’s working interest share of Gross and Net Revenue Interest (“NRI”) means Karoon’s working interest net of royalties and similar burdens on production. Refer to slide 39 for further detail
Transaction funding	<ul style="list-style-type: none"> ▶ Acquisition, including US\$27 million of associated costs, to be funded via: <ul style="list-style-type: none"> ▶ US\$300 million² (A\$480 million) equity raising by way of a fully underwritten institutional placement and accelerated non-renounceable entitlement offer (“Equity Raising”) ▶ US\$274 million (A\$438 million) drawdown from a new US\$340m debt facility with a syndication of banks comprising Macquarie, ING, Deutsche Bank and Shell Western Supply and Trading Limited (“Debt Facility”) ▶ Existing cash of US\$171 million (A\$274 million) (with US\$80 million cash on hand remaining post-acquisition)
Timetable and conditions	<ul style="list-style-type: none"> ▶ Acquisition remains subject to customary conditions for a transaction of this nature, including a customary regulatory approval from various U.S. Governmental authorities, including the Federal Trade Commission and the U.S. Department of Interior, title and environmental review of the assets, the truth of representations and warranties (both by the buyer and seller), observance of covenants by all parties, lack of lawsuits and other proceedings to enjoin the transaction or recover substantial funds in connection therewith, and receipt of third party consents to assign and waiver of preferential purchase rights ▶ Subject to the satisfaction of all conditions precedent, completion of the Acquisition is expected to occur in the last quarter of CY2023, with an effective date of 1 October 2023 (12:00am Houston time, Central Time GMT-6)

Notes: 1. The Acquisition includes 35% interest in Who Dat West, 30% interest in Who Dat South and 40% interest in Who Dat East exploration permits for a combined carry of US\$39.2 million on a 2 for 1 basis. 2. Assumes AUD/USD = 0.625.



Acquisition overview

High margin asset with material production growth underway, development and exploration upside

Asset overview

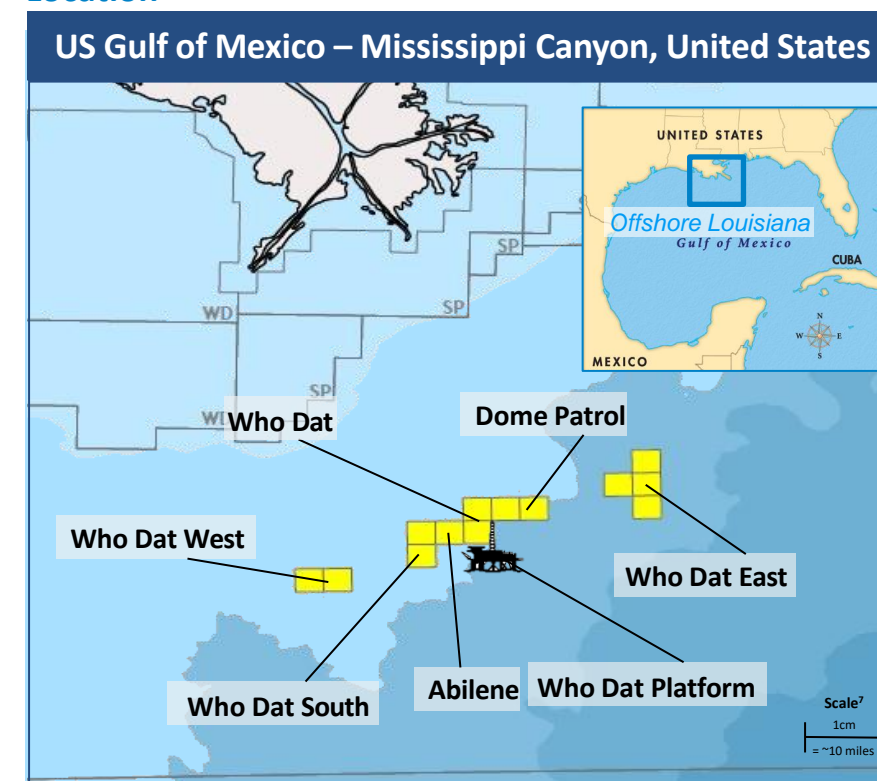
Location	▶ Mississippi Canyon, US Gulf of Mexico (offshore Louisiana, ~800m water depth)
Current production rate¹	▶ ~42,000 boepd Gross (ramping up through development program)
FY23 (LTM Jul23) production	▶ ~33,000 boepd - 61% oil / 39% gas
FY23A (LTM Jul23) operating costs	▶ US\$5.7/boe (Gross) / US\$7.1/boe (NRI)
Nameplate capacity of Floating Production System (FPS)	▶ 40,000 bbl oil + 150 MMscf/d gas
2P Reserves²	▶ 129 MMboe (Gross) / 39 MMboe (NWI) / 31 MMboe (NRI)
2C Resources²	▶ 17 MMboe (Gross) / 7 MMboe (NWI) / 5 MMboe (NRI)
2U Resources^{2,6}	▶ 143 MMboe (Gross) / 50 MMboe (NWI) / 40 MMboe (NRI)

Proforma Net Working Interests^{3,4,5}

Assets	Producing			Exploration		
	Who Dat	Dome Patrol	Abilene	Who Dat South	Who Dat West	Who Dat East
	30%	30%	~16%	30%	35%	40%
	45%	45%	~21%	70%	65%	60%
	25%	25%	~12%	-	-	-
CNOOC ⁶	-	-	50%	-	-	-

Note: Conversion of gas based on 6 mcf gas = 1 boe. 1. References oil and gas production as of 26 October 2023. 2. Reserves and Resources as at 30 June 2023, refer to Appendix A. Who Dat Reserves and Resources as at 1 August 2023. Detail on Reserves and Resources stated in Appendix A. 3. These ownership interests and percentages will be validated after signing of the PSA by way of a customary title review and defect process as set out in the PSA. 4. See Appendix A for a detailed breakdown of well area by block/lease. 5. Working Interest table as at the date of this transaction Thursday, 16 November. Ongoing discussions are expected to result in Westlawn increasing their interest in the Producing assets to 30% and to between 20% - 30% of the Exploration assets. 6. China National Offshore Oil Corporation (CNOOC). 6. Excludes Who Dat East Deep Prospect. 7. Scale is approximate.

Location



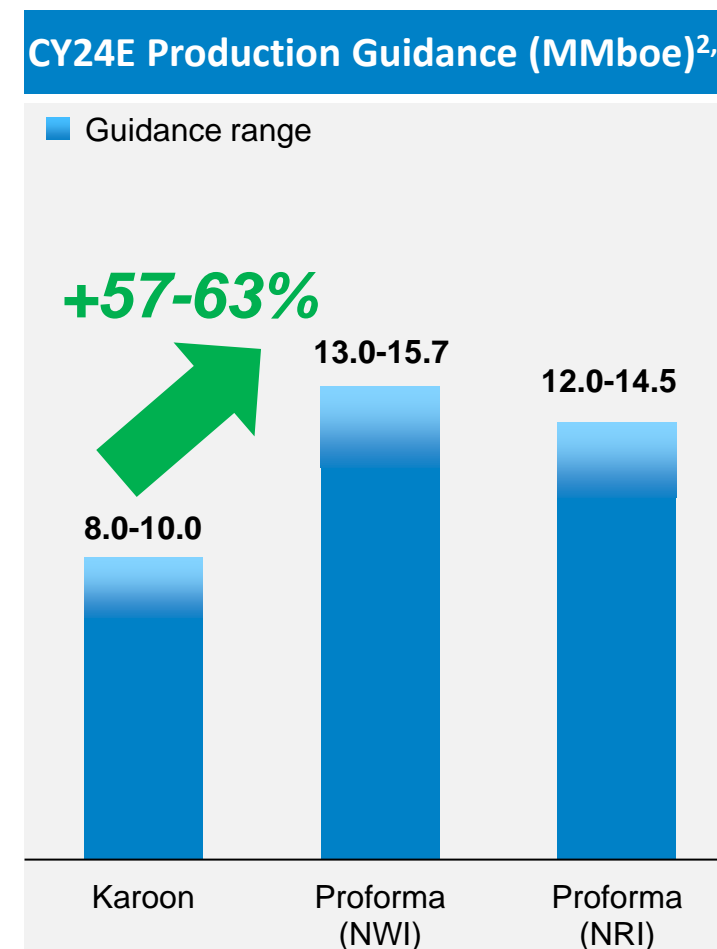
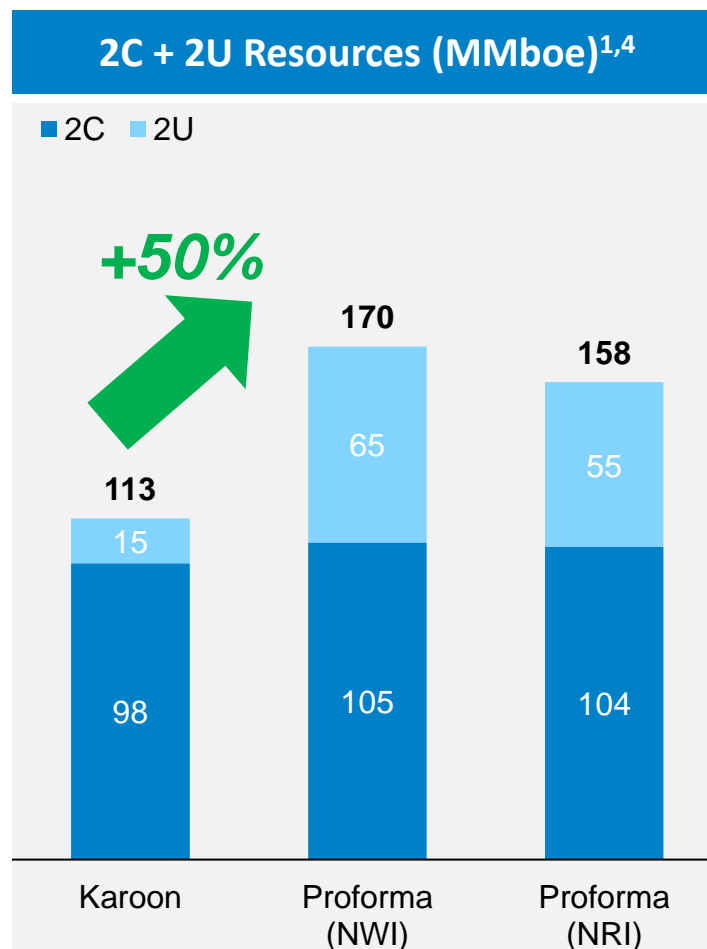
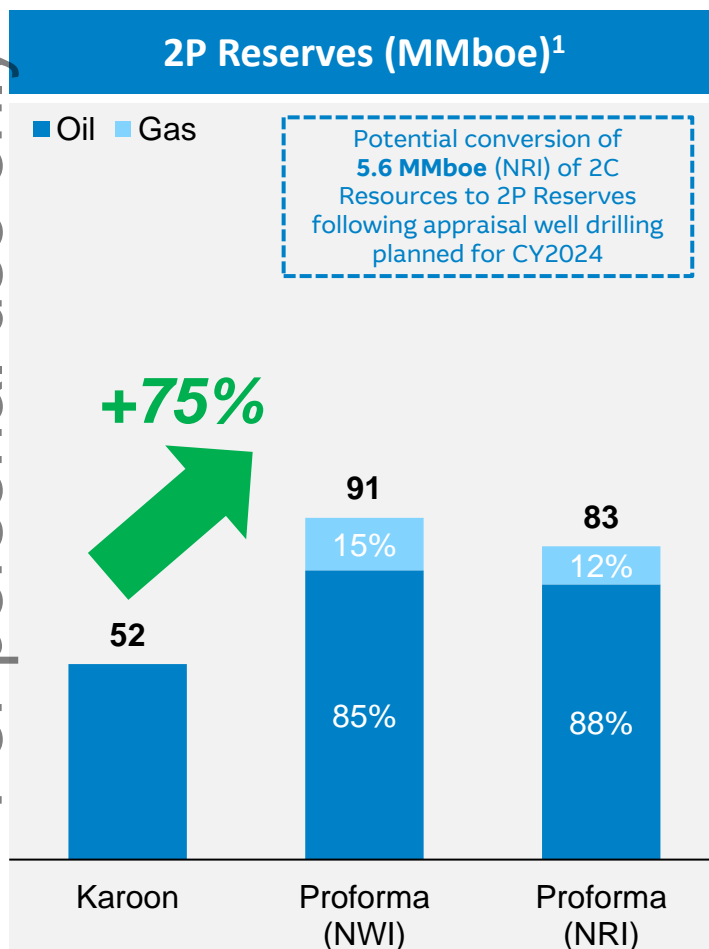
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Transformational impact on Karoon's metrics

Material increase in Reserves, Resources and production



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Note: 1. Karoon Reserves and Resources as at 30 June 2023. Who Dat Reserves and Resources as at 1 August 2023. 2. Production ranges based on CY24E management guidance for Karoon and Who Dat. Who Dat breakdown of oil vs gas production projected based on CY23A percentages. 3. Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Refer to page 31 for further details on guidance. 4. Excludes Who Dat East Deep Prospect.



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Section 2

Strategic rationale and investment highlights

Karoon's M&A objectives

Delivering Karoon's key strategic acquisition objectives



Karoon's M&A objectives	Who Dat and Dome Patrol acquisition
● Producing asset	✔ Adds 4.0-4.5 MMboe (NRI) production to Karoon in CY24
● Generating immediate cash flow	✔ Expected to be cash flow accretive and capable of self-funding growth
● Existing development opportunities and exploration upside	✔ Further infill development opportunities, near term appraisal and exploration upside
● Competitive cost structure	✔ US\$5.7 per boe (Gross) operating cost driving high margin barrels equating to US\$48 per boe operating cash flow pre capex in LTM July 23 ¹
● Fundable acquisition	✔ Strong balance sheet and ample liquidity post-acquisition
● Geopolitically low risk jurisdiction	✔ Stable and well-understood regulatory and fiscal regime
● Ability to leverage existing capabilities	✔ Deep-water operations in similar time zone to Brazil, expected to require minimal additional corporate overhead
● Aligns with carbon management objectives	✔ Provides a reduction in proforma carbon intensity, with US GoM production among lowest GHG intensity in North America ²

Notes: 1. LTM means Last Twelve Months to July 2023. 2. Woodmac Report: *Understanding the US GoM's emissions advantage*, June 2023.

Investment highlights



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1 Transforms Karoon into a geographically diversified producer with entry into the US GoM, a Tier 1 hydrocarbon jurisdiction

2 Immediate cash flow generation from low cost, high margin offshore oil and gas asset

3 Historically stable production with high facility uptime driven by an experienced operator in LLOG

4 Production and reserve growth potential from low risk infill development, near term appraisal and high quality exploration prospects

5 Provides significant production uplift, creating an ASX oil producer of scale

1a Acquisition diversifies Karoon with long-life asset

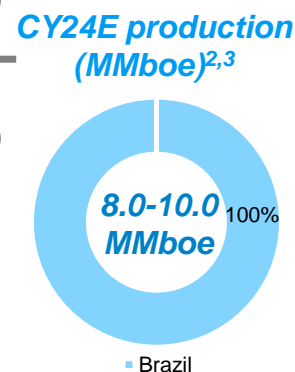
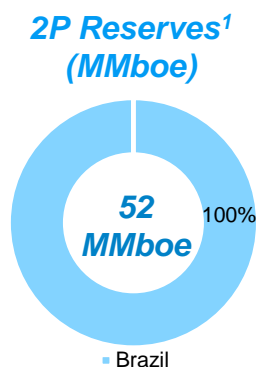
Provides low risk geographic diversity and significantly expands the asset base



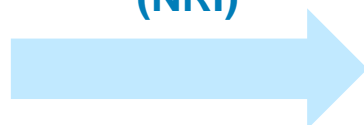
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Geographic diversification overview

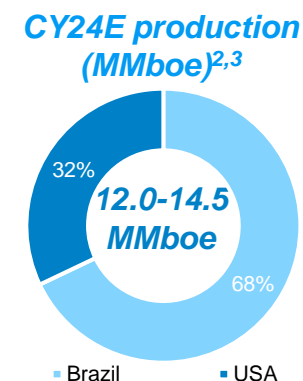
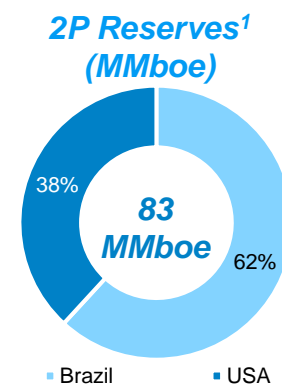
Karoon standalone



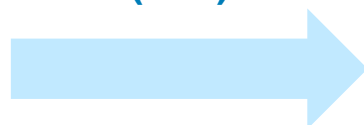
+60% 2P Reserves
(NRI)



Karoon proforma



+45-50% production
(NRI)



- ✓ Located in a Tier 1 oil and gas jurisdiction in US Gulf of Mexico
- ✓ De-risks Karoon's production profile by adding a second asset
- ✓ Increases fiscal stability through exposure across two countries
- ✓ Addition of long-life asset offsets Baúna's natural decline
- ✓ Adds a deepwater, oil and gas asset which leverages existing knowledge and expertise
- ✓ Diversifies product mix with addition of gas

Note: 1. Karoon Reserves as at 30 June 2023. Who Dat Reserves as at 1 August 2023. 2. Production ranges based on CY24E management guidance for Karoon and Who Dat. 3. Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Refer to page 31 for further details on guidance.

1b) Strategic entry to the US GoM

Tier 1 US jurisdiction provides a foundation for growth

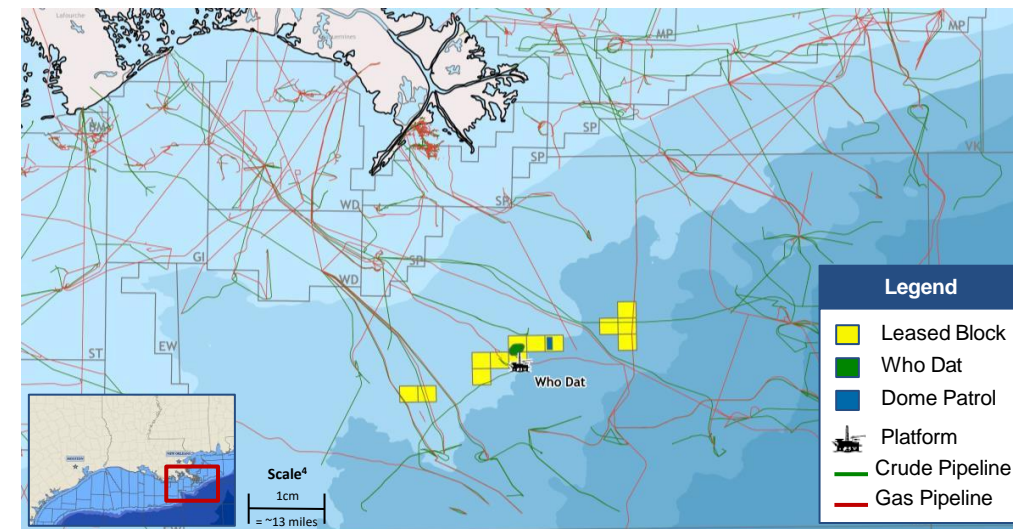


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Why invest in the US Gulf of Mexico?

- 1 Geological and facility similarities between US GoM and Brazil¹
- 2 Low risk entry provides platform for growth
- 3 Low operating cost environment
- 4 Opportunity for non-greenfield infrastructure-led exploration
- 5 Lower direct carbon emissions production relative to other Basins²

US Gulf of Mexico surrounding infrastructure



Notable GoM operators include:



GoM accounts for ~15% of total US crude oil production and ~97% of all US offshore oil and gas production³

Note: 1. Based on deepwater turbidite reservoirs producing to a floating production system with subsea wells. 2. Woodmac Report: *Understanding the US GoM's emissions advantage*, June 2023. 3. US Energy Information Administration – Gulf of Mexico Fact Sheet, Bureau of Ocean Energy Management. 4. Scale is approximate.

② Low cost asset driving strong margins and cash flow

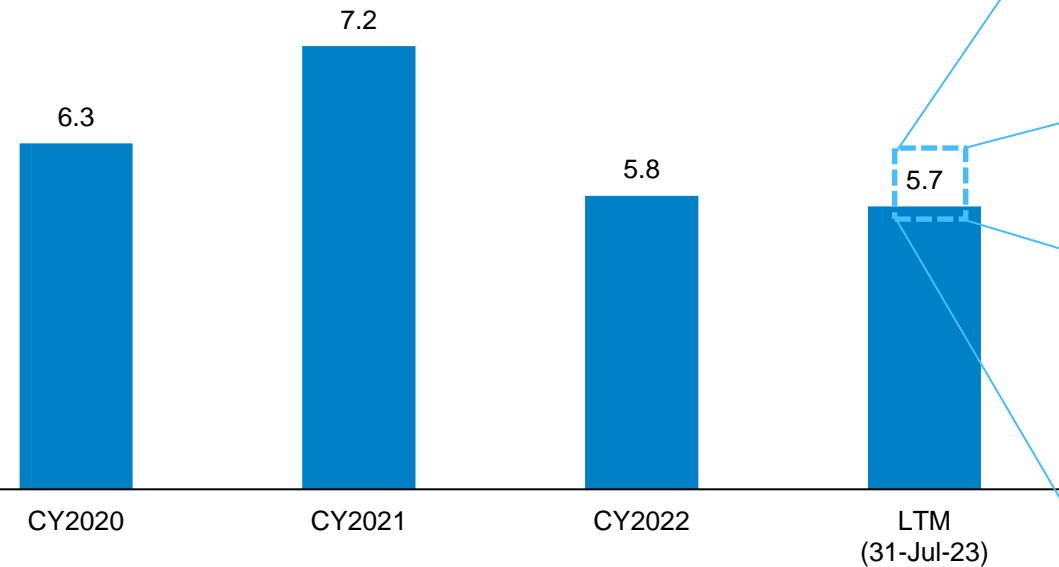
High margin bbls due to low operating cost of US\$5.70/boe¹ (KAR US\$15.75/bbl²)



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Who Dat Gross operating cost and margin per barrel

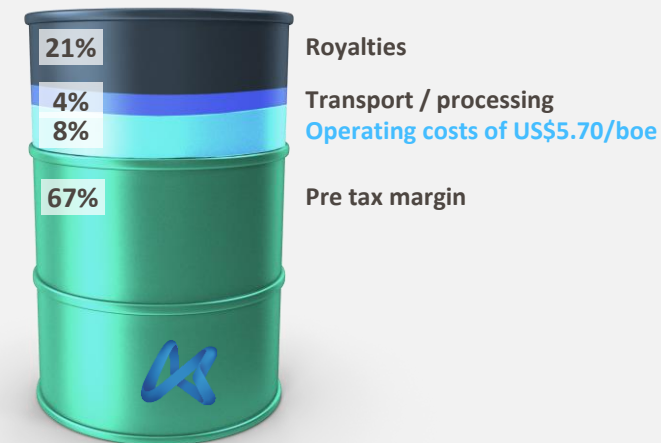
Who Dat historical opex / boe Gross (US\$/boe)



LTM July 2023 pre tax operating margin breakdown for Who Dat

For illustration, the following cost percentages are calculated on LTM July 2023 using gross revenue per boe as the denominator.

- This results in a 67% pre tax margin.



Note: 1. Based on 12 months to 31 July 2023. 2. Based on Karoon's FY2023 unit cost per bbl.

3a LLOG is a leading Gulf of Mexico operator

Strong operating track record in cost, efficiency, safety and production



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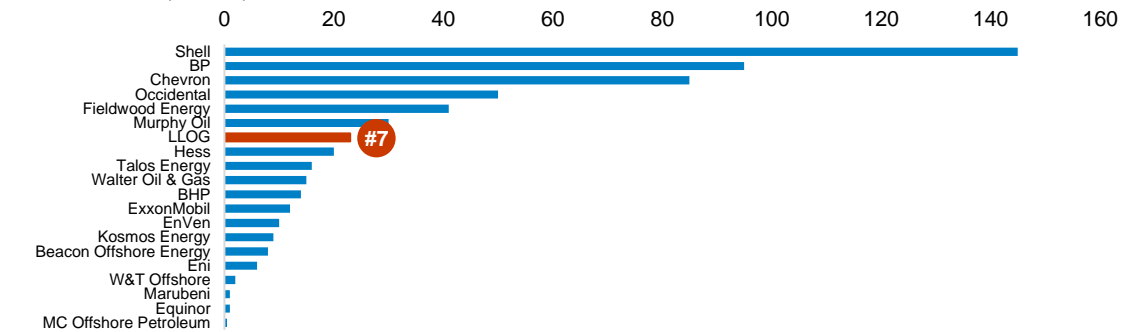
Overview

- ▶ Private company founded in 1977
- ▶ Pure-play deepwater US GoM operator with 25 producing wells (with 14 wells drilled to date at Who Dat)
- ▶ Headquartered in Covington, LA with an office in Houston, TX
- ▶ Drilled 308 wells in the Gulf of Mexico since 2002, 116 wells in deep water
- ▶ Average cycle time (discovery to first production) of 3.4 years for floating production systems compared to 7.7 years for other operators
- ▶ Average cycle time of 2.1 years in subsea tieback compared to 4.5 years for other operators

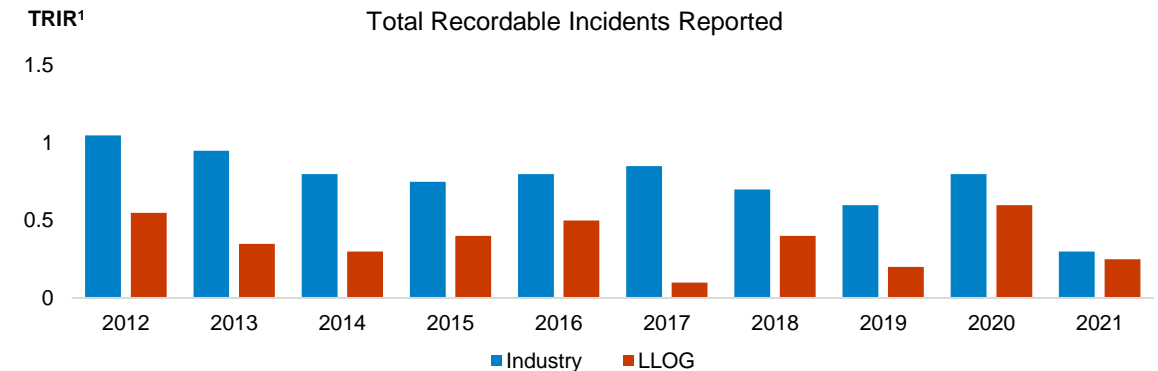
7th largest gross producer in the US GoM

Top 20 Oil & Gas Producers in the OCS: Ranked by Operator

Full Year 2022 (MMboe)



LLOG safety record



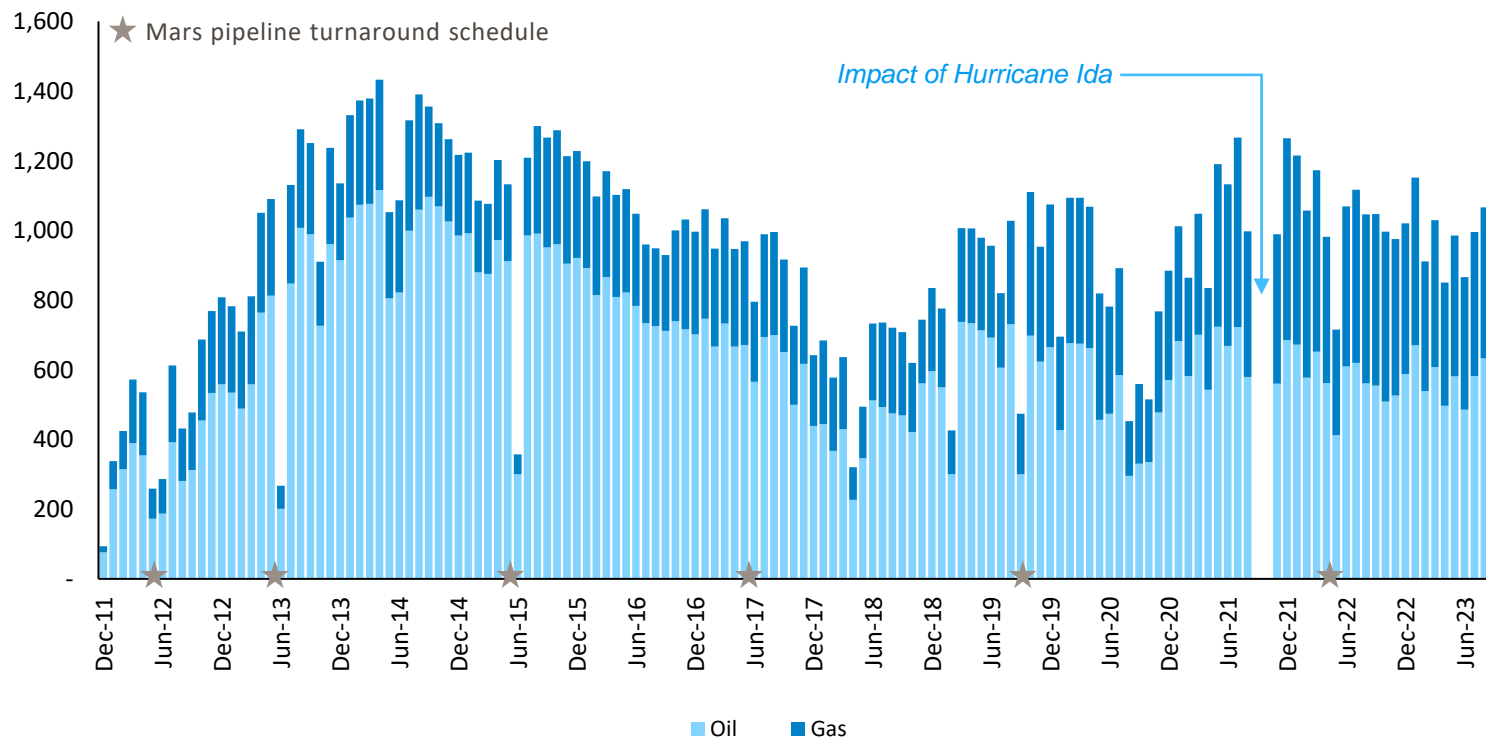
Note: 1. Welligence. TRIR is a safety metric that considers how many recordable incidents a company has per number of hours worked. Formula = (# of incidents * 200,000) / Manhours worked
 Industry statistics obtained from BSEE (2021). Above statistics are for GOM incidents only.

3b) Reliable operational performance and facility uptime

94% uptime since first production in 2011

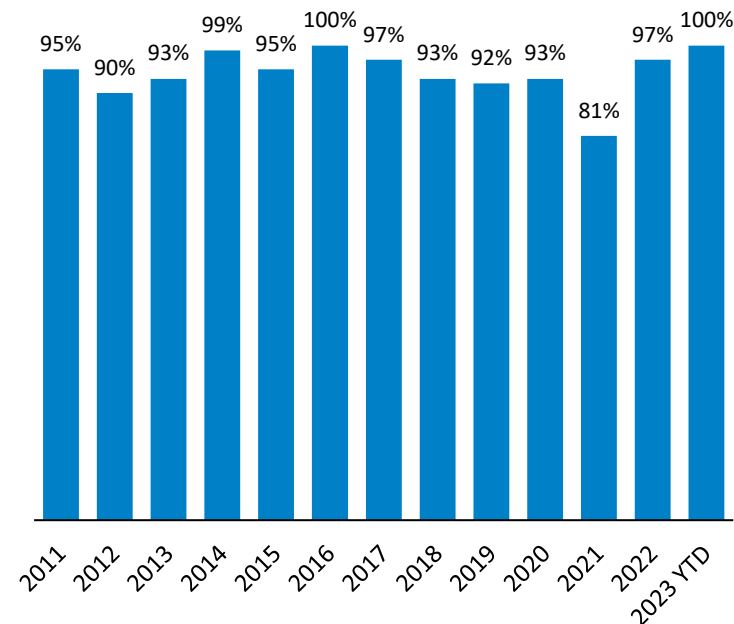


Gross monthly production since inception ('000 boe)¹



Yearly average Floating Production Facility uptime (%)²

Who Dat has demonstrated reliable production and facility uptime, averaging **94%** since inception³



Note: 1. Data shown on a 100% Who Dat basis. 2. 2023 YTD to 31 July 2023. Each year of uptime is calculated by days producing (including maintenance days) / total days in the year. 3. Based on proportion of days with recorded production in the year.



④ Material further growth potential

Development program underway, attractive near-field exploration identified

Current development program



- ✓ In Sept Q 23, **E-2 and E-7** wells brought online, adding ~2,000 boepd and ~5,000 boepd (Gross), respectively
- ✓ **Subsea Pump** initial production occurred in October 2023 adding ~3,000 boepd (Gross) and performing above expectations
- › **G-4** targeting initial production in December 2023 (4,000-5,000 boepd Gross)
- › **G-2** targeting initial production in February 2024 (2,000-3,000 boepd Gross)

+16,000 boepd
(Gross production)^{1, 2}

Near term appraisal



- › Significant Contingent and Prospective Resources in Who Dat East with potential to tie back to the Who Dat FPS
- › Appraisal well expected to be drilled in CY2024, subject to JV approval with Gross drilling costs of ~US\$60m
- › Other infill development opportunities being evaluated
- › Potential to convert 17 MMboe (Gross) 2C Contingent Resource into 2P Reserve with additional 34 MMboe (Gross) of unrisks 2U Prospective Resource

+52 MMboe
(Gross 2C + 2U unrisks Who Dat East Resource)³

Infrastructure-led exploration



- › **Infrastructure-led exploration** with several nearby targets identified analogous to Who Dat
- › Who Dat West (unrisks 2U Resource of 77 MMboe Gross / 22 MMboe NRI)
- › Who Dat South (unrisks 2U Resource 31 MMboe Gross / 8 MMboe NRI)
- › Who Dat South scheduled to be drilled in Q2 2024 and Who Dat West in Q3 2024, subject to JV approval
- › Drilling costs (Gross, dry hole basis) ~US\$60m/well
- › **Opportunity to tieback future** developments to existing FPS, reducing development capex required

+108 MMboe
(Gross 2U Prospective Resource for Who Dat West and Who Dat South)¹

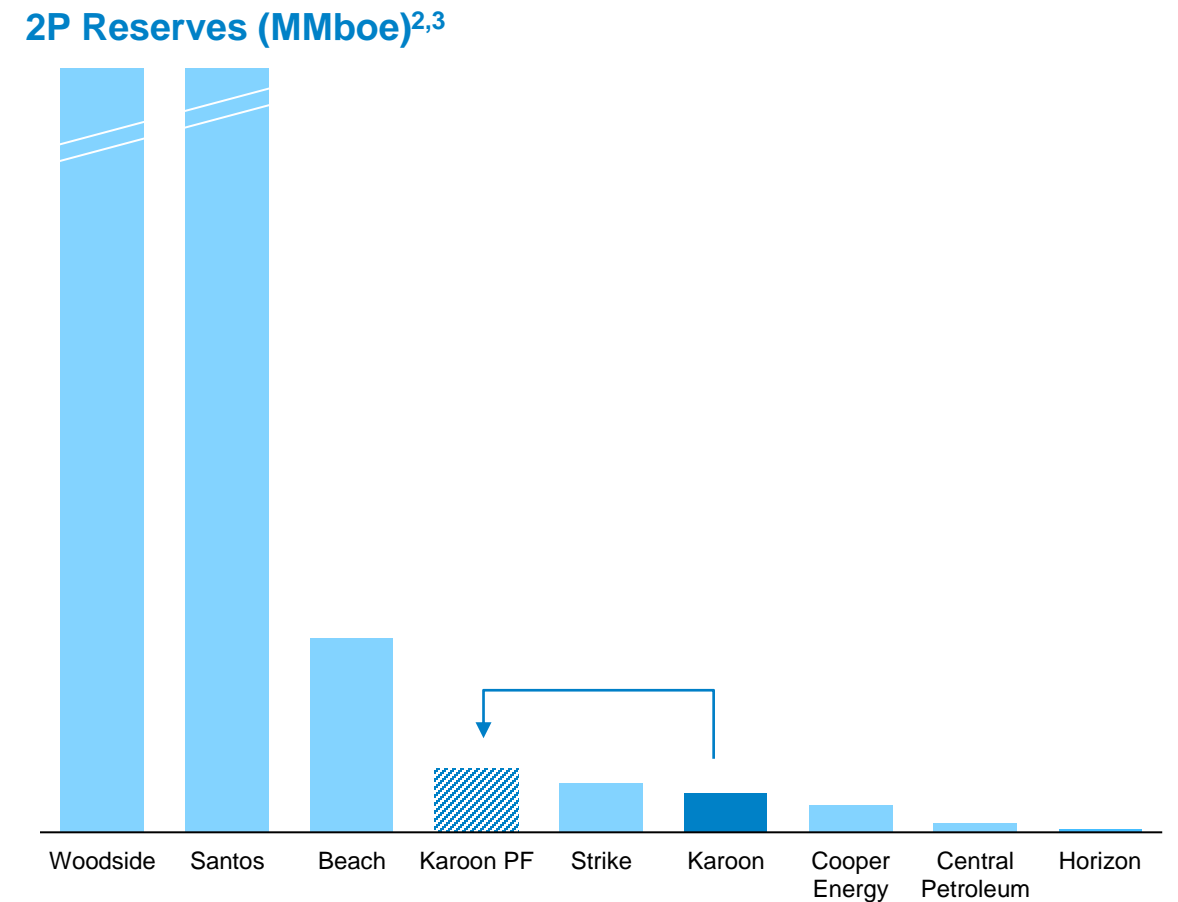
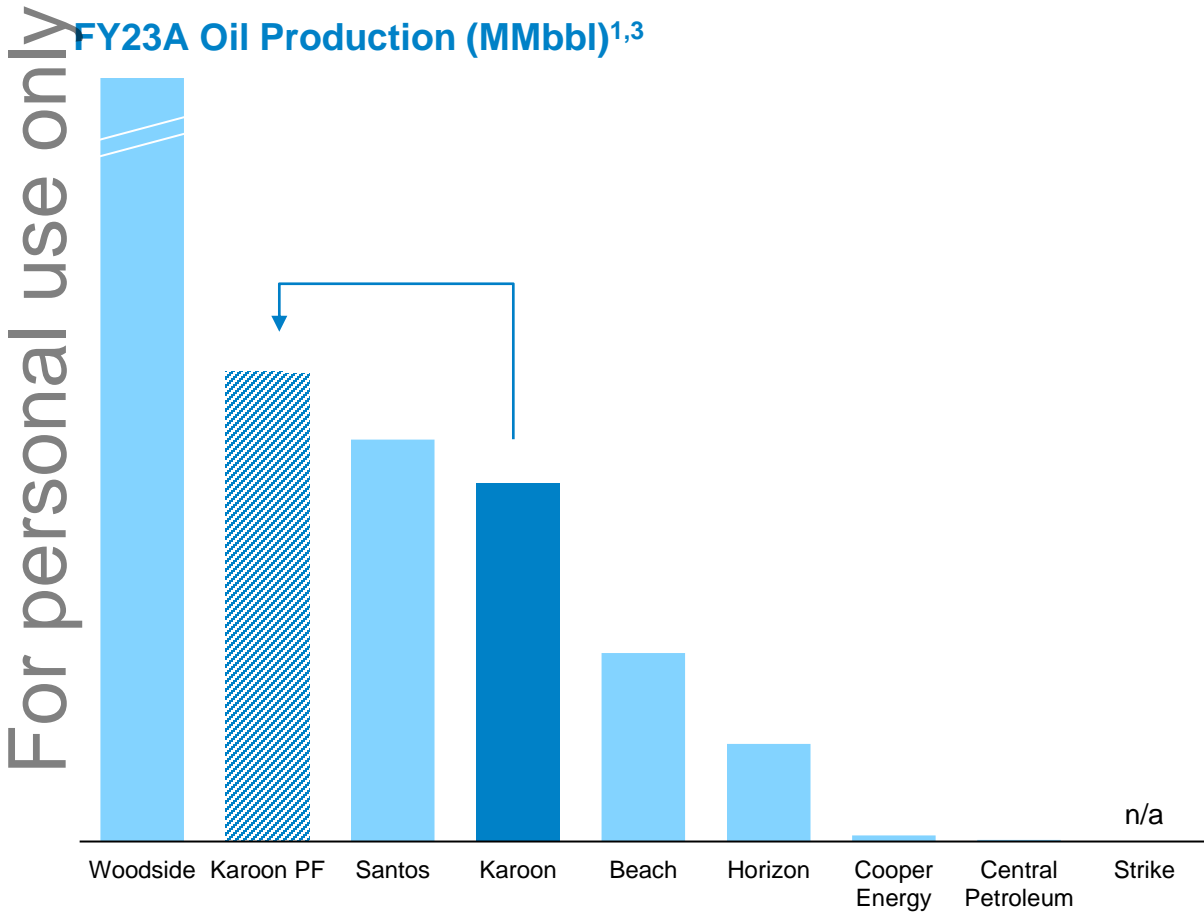
The estimate quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further, exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons

Note: 1. Excluding Who Dat East 2U Prospective Resource. 2. On a net Karoon proforma attributable 30% basis equivalent to ~10% of Karoon FY23A production. 3. Includes 17.2 MMboe of 2C Contingent Resources and 34.4MMboe of unrisks 2U Prospective Resources.

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⑤ Significant increase in scale

Strengthens Karoon's position as a material ASX oil producer



Notes: 1. 12 months to 30 June 2023 (Who Dat production shown on a net Karoon proforma attributable 30% basis). 2. As at 30 June 2023 for Beach, Karoon, Strike, Cooper Energy, Central Petroleum and Horizon. As at 31 December 2022 for Woodside and Santos. Who Dat Reserves as at 1 August 2023. 3. Not to scale.



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Section 3

Overview of Who Dat, Dome Patrol, development and exploration assets

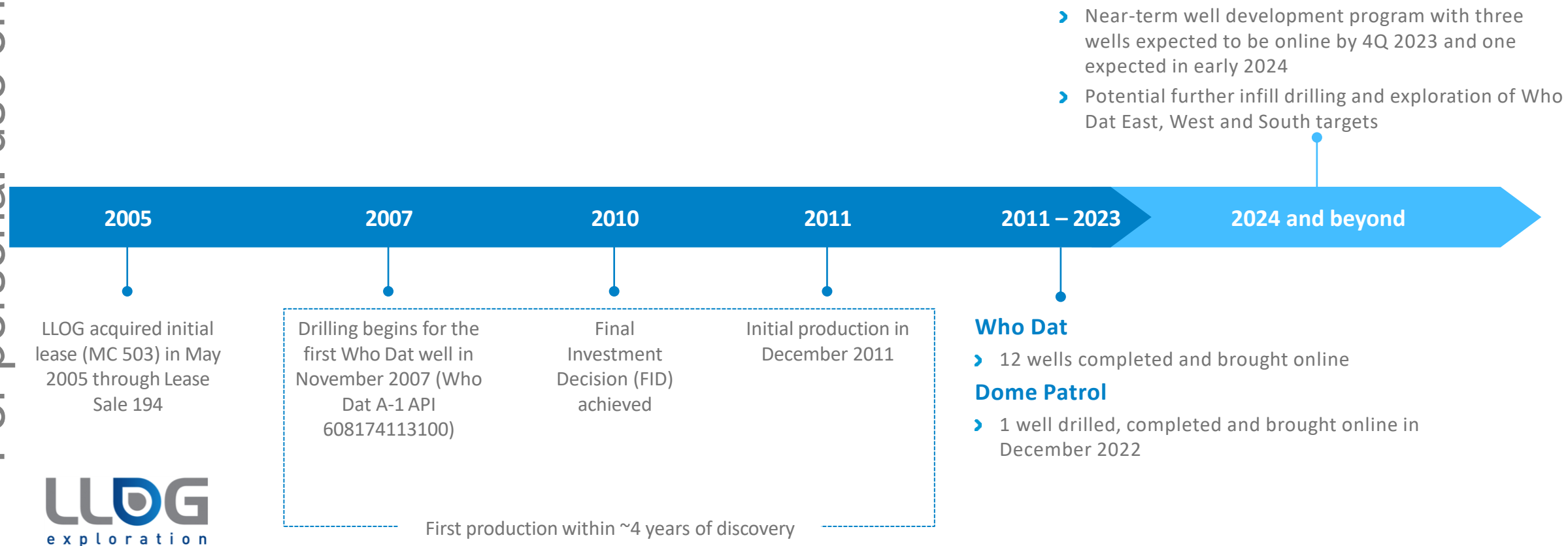
Who Dat development milestones

Ongoing development program



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Who Dat development timeline



Who Dat reservoir development plan

Stacked reservoir sands allow low-cost development and reserves replacement



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Overview

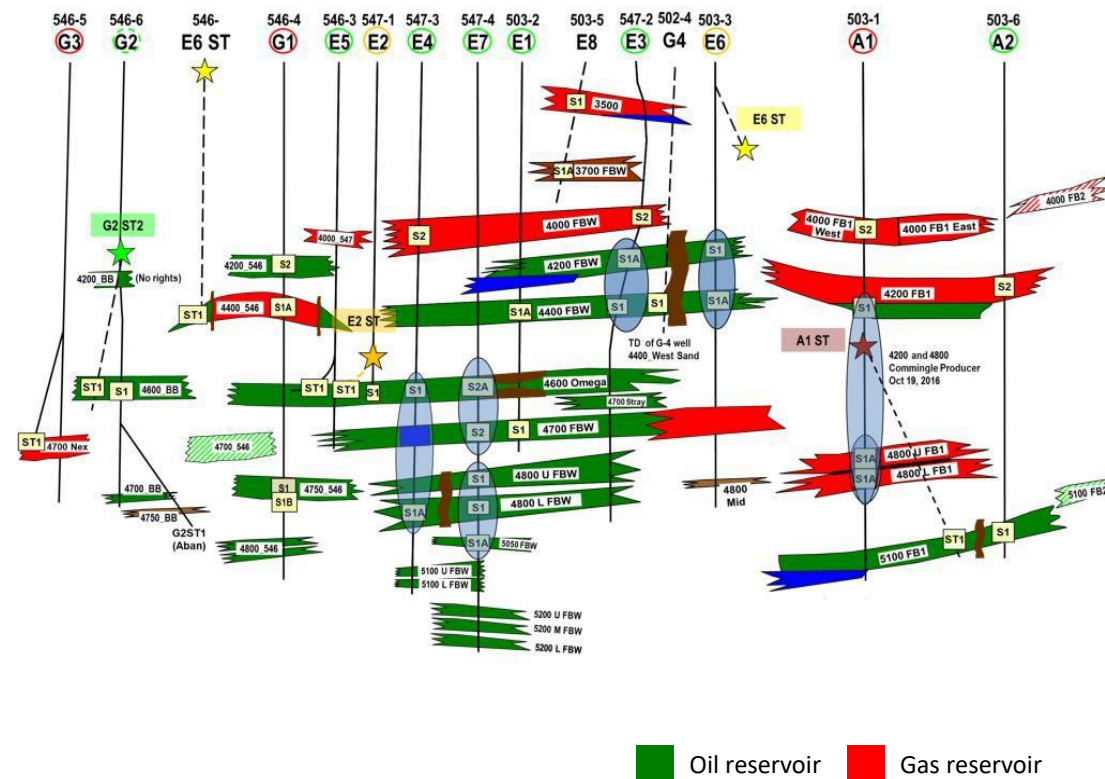
Subsurface geology

- High quality turbidite reservoirs with high net to Gross, high porosity and permeability
- Extensive production history providing calibration of forecasts
- Further infield upside potential with undrilled fault blocks supported by seismic amplitude anomalies
- All drilling opportunities are amplitude-supported and calibrated by nearby wells and proven reservoirs, leading to high drilling success rates
- 25 reservoirs penetrated in total, providing numerous additional upside opportunities

Ongoing Infill Development program

- Development program includes a subsea tieback, two sidetracks and installation of multiphase subsea pumps, with three new wells expected to be online by 4Q 2023 (E2, E7, G4)
- Wells equipped with sliding sleeves to allow wellbore access to multiple reservoirs in each well
- The development program will target adding ~56 MMboe of 2P Gross wellbore recovery
- Future infill development plans include additional recompletions and drilling of proved and discovered reservoirs

Reservoir cross section



Who Dat infrastructure overview

Existing infrastructure with expansion capacity available



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Overview

OptiEx Floating Production System (FPS)

- Water removed and oil and gas separated at FPS before entering export pipeline system:
 - 16 riser slots, with only eight currently in use, providing ullage that can be leveraged for future developments or tiebacks
- FPS has been in operation since 2011, designed to withstand 100 year hurricanes and 100 year winter storms
 - Held in place by a 12-point mooring system

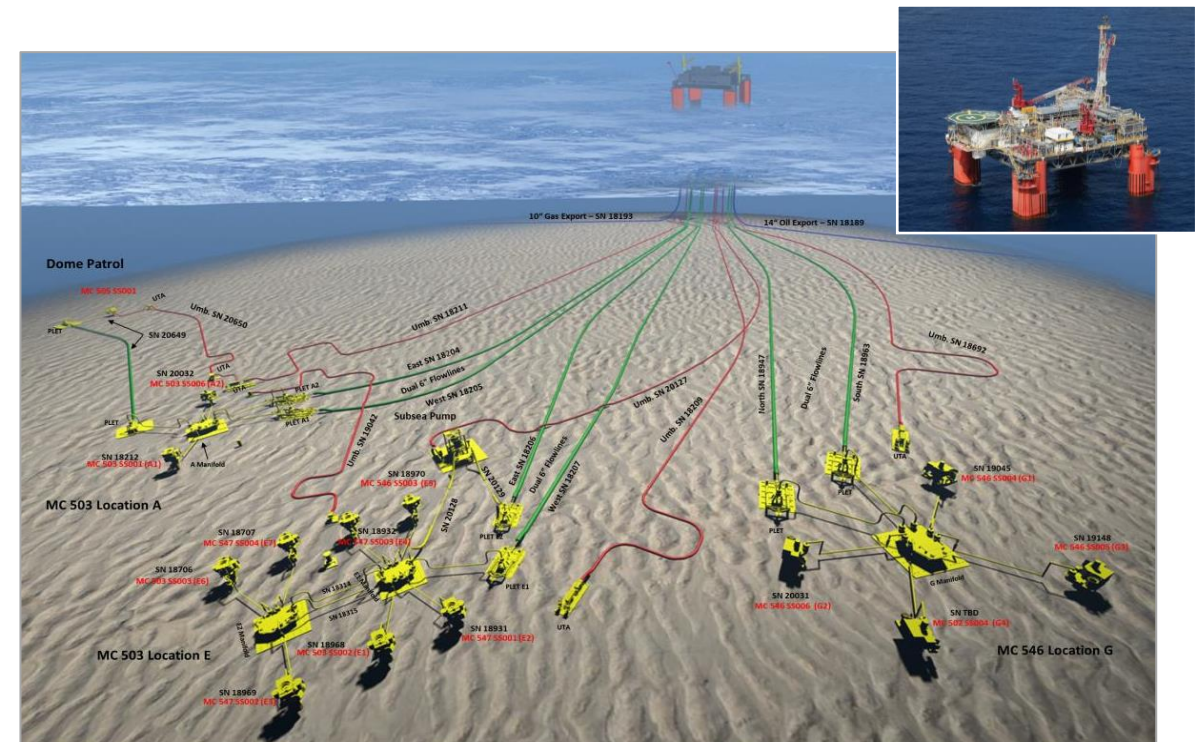
Subsea infrastructure

- Includes nine producing wells with associated flowlines
- Wells include smart completions connected to the FPS via umbilicals
- Two lateral export pipelines connecting to the Mars Pipeline (oil) and Canyon Chief pipeline (gas)

Environmental advantages

- Produced water is treated onsite and discharged overboard within regulatory limits
- All production is transported via a network of flowlines, pipelines and the production facility
- Produced gas is processed and piped to sales points, minimising waste, CO₂ and methane emissions during normal operations, with flaring only in emergency

Subsea infrastructure



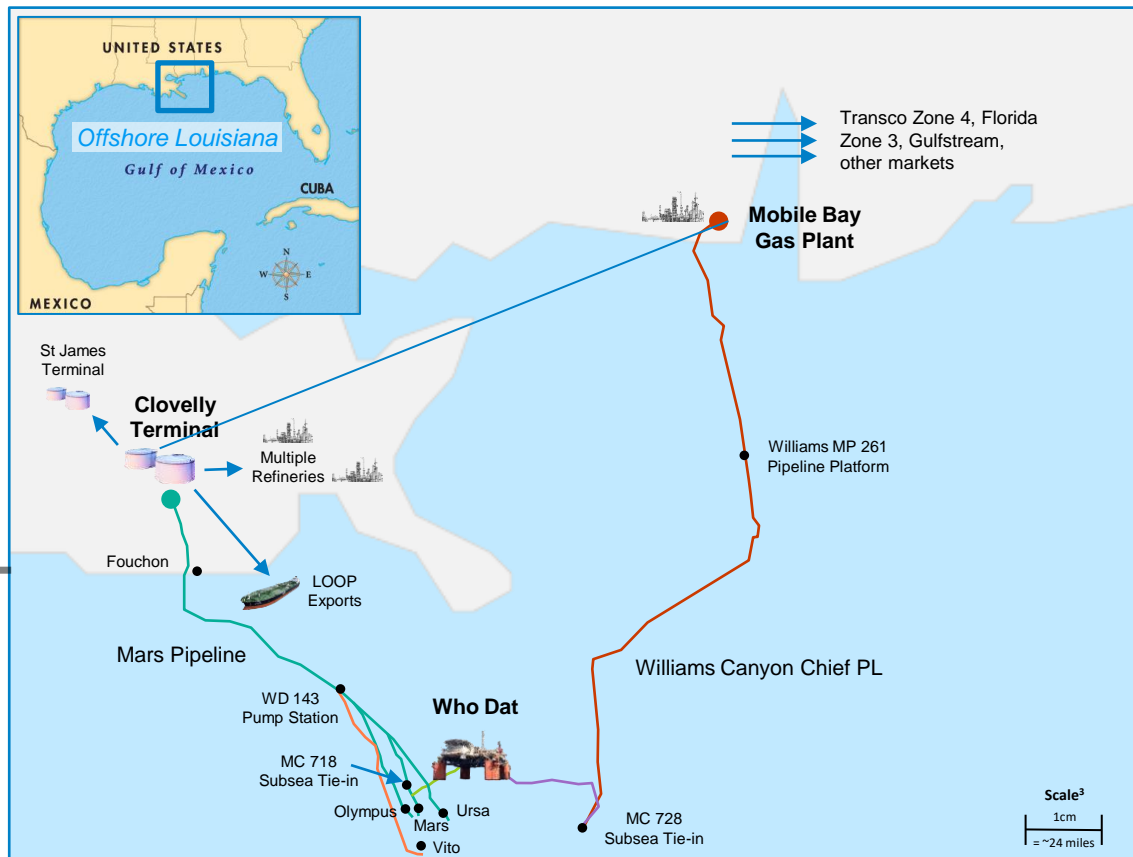


Pathway to market

Existing pipelines provide access to Gulf Coast markets

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Access to market



Overview

Oil transport

- Oil exported via the Mars Pipeline from a Who Dat owned lateral pipeline
- The Mars Pipeline, operated by Shell, is a common carrier system with published rates to multiple terminals, refineries and Louisiana Offshore Oil Port (LOOP) for exporting
- Oil from Who Dat is marketed as a Mars grade and priced on a Mars Argus index (currently a small premium to WTI)¹

Gas transport

- Gas exported into Canyon Chief pipeline via a Who Dat owned lateral pipeline
- The Canyon Chief pipeline, operated by Williams², is an offshore gathering system which delivers gas into Transco
- Transco pipeline provides service through the Williams Mobile Bay Gas Plant, and then into multiple onshore markets
- Who Dat gas typically priced off Platt's Florida Zone 3 or Transco Zone 4 index (typically a small premium to Henry Hub/NYMEX)

Note: 1. Mars/WTI basis Argus spot price as of 15 November 2023. 2. Williams is a Fortune 500 energy infrastructure corporation headquartered in Tulsa, Oklahoma. 3. Scale is approximate.



Reserve growth opportunities

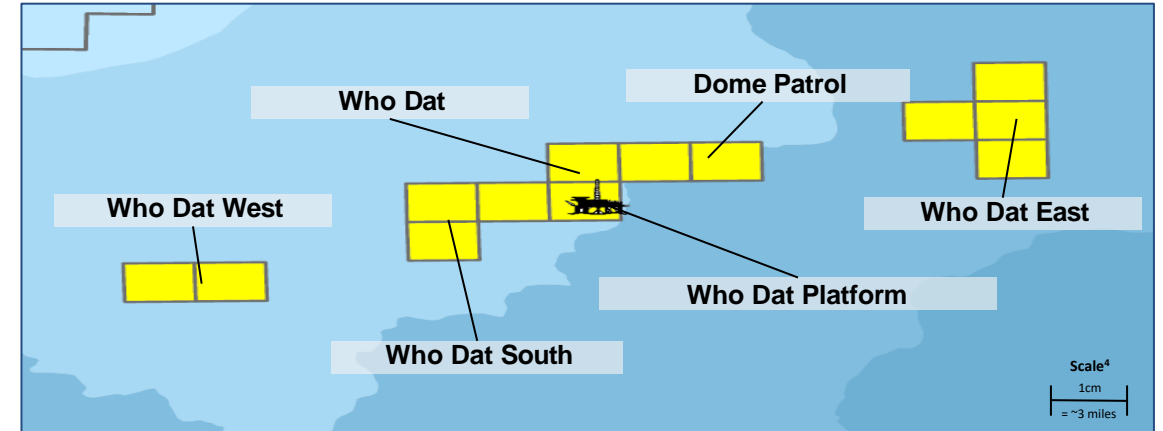
Significant potential upside from potential subsea tiebacks

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Overview

Who Dat East	<ul style="list-style-type: none"> Discovered 2C Continent Resource of 17 MMBoe (Gross) and 2U Prospective Resource of 35 MMBoe (Gross)^{1,2} Appraisal well expected to be drilled in CY2024, subject to JV approval Successful appraisal well to be tied back to Who Dat (17 miles) Targeting discovered pay in the Upper Miocene
Who Dat West	<ul style="list-style-type: none"> The deeper Cretaceous target has 2U Prospective Resource (unrisked) 168 MMBoe Gross No other well penetrations in this play in this part of the basin Further seismic studies ongoing to mature and de-risk the prospect
Who Dat South	<ul style="list-style-type: none"> Estimated 2U Prospective Resource of 31 MMBoe (Gross) based on seismic imaging and analogs^{1,2} Targets are supported by numerous analogs in the Who Dat Field Exploration plan approved for multiple locations for both surface and bottom hole Development plan would include one to two well tieback to G Manifold (4 miles) or Who Dat (7 miles)

Map of prospect locations (offshore Louisiana)



Key prospect information

Prospect	Gross Resource ³		Target
	2C (MMboe)	2U (MMboe)	
Who Dat East	17	35	Mid Miocene and Cretaceous 4-way
Who Dat West	-	77	Two upper Miocene Amplitudes
Who Dat South	-	31	Two Miocene Amplitudes
Total	17	143	

Note: 1. Reserves and Prospective Resources as at 1 Aug 2023. 2. Refer to cautionary statement relating to Prospective Resources on slide 18. 3. Karoon's NWI and NRI in the Resources are set out in the Who Dat Resources per Appendix A. 4. Scale is approximate.

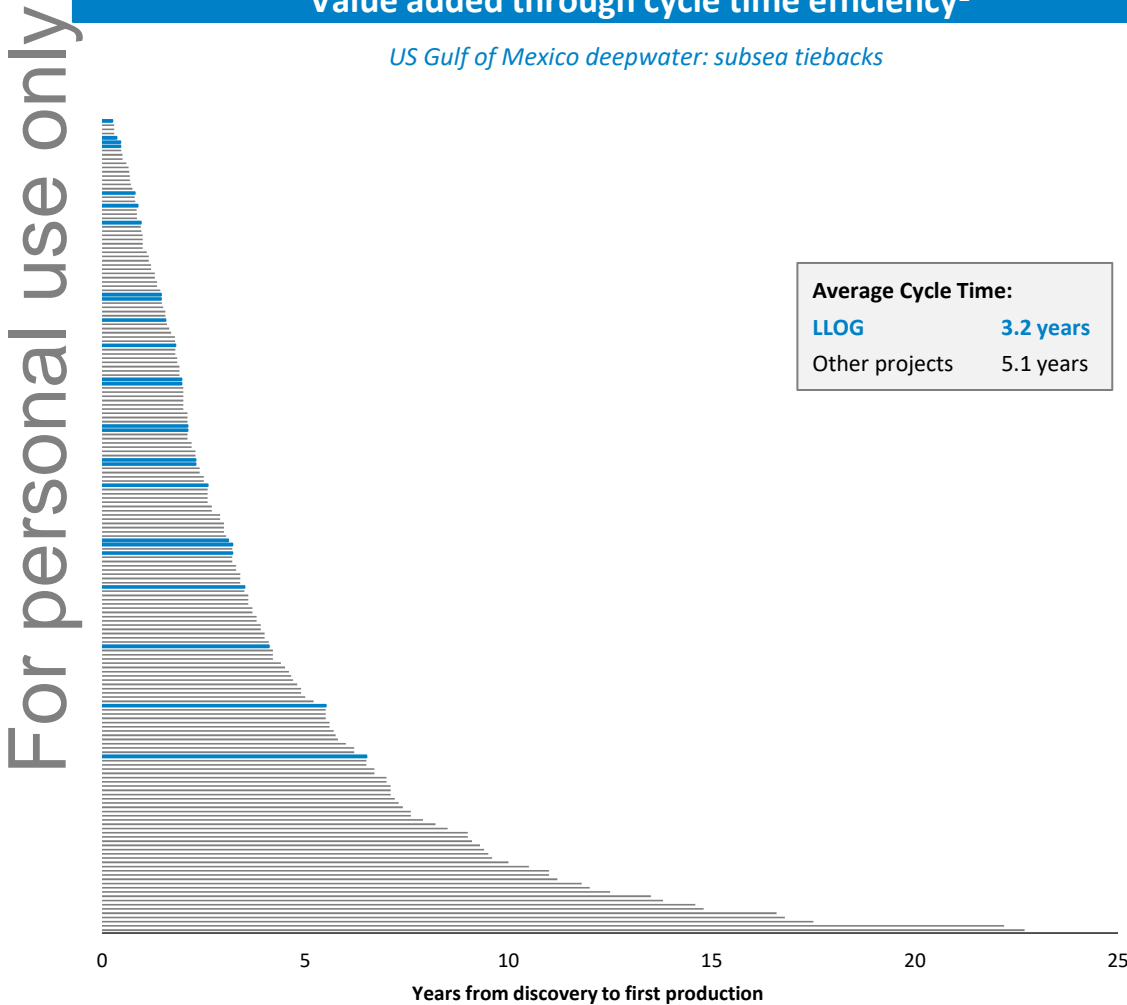
LLOG has a proven track record

Leading exploration returns alongside highly efficient development and drilling



Value added through cycle time efficiency¹

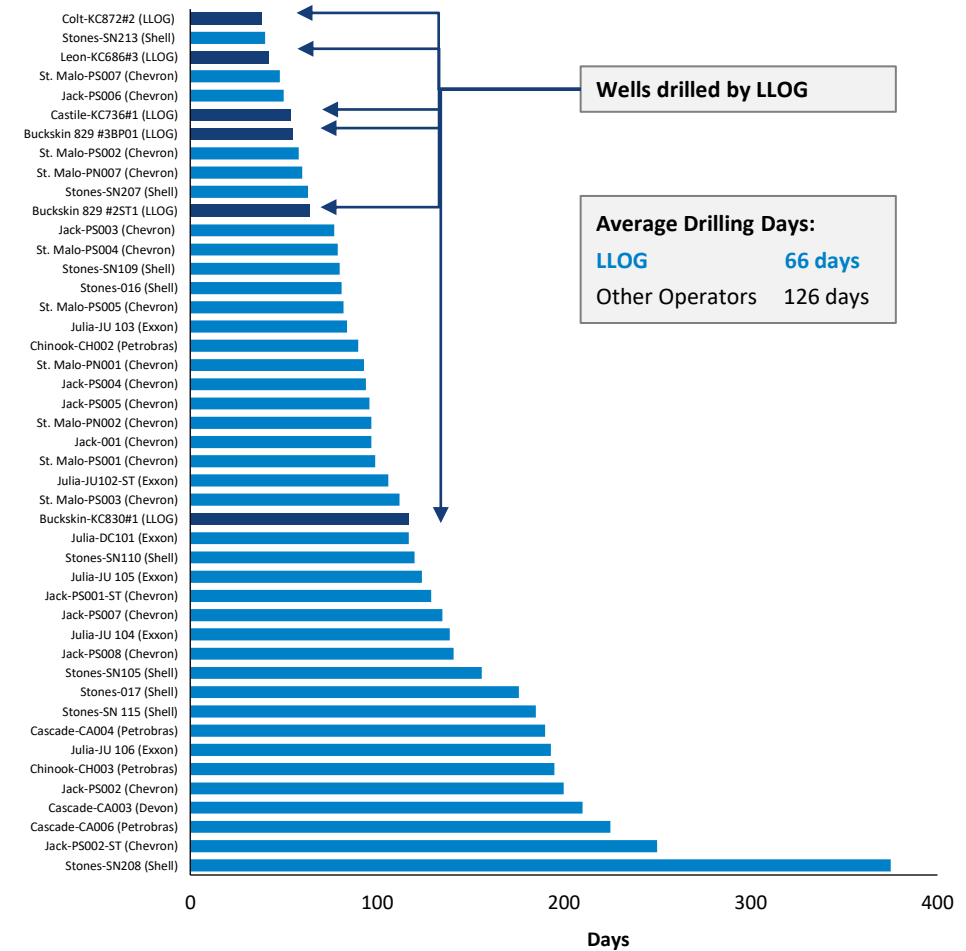
US Gulf of Mexico deepwater: subsea tiebacks



Average Cycle Time:
LLOG 3.2 years
Other projects 5.1 years

Leader in drilling efficiency¹

Drilling days for deepwater wells



Wells drilled by LLOG

Average Drilling Days:
LLOG 66 days
Other Operators 126 days

Source: OWL. Note: 1. Drilling days are calculated from spud to total depth.

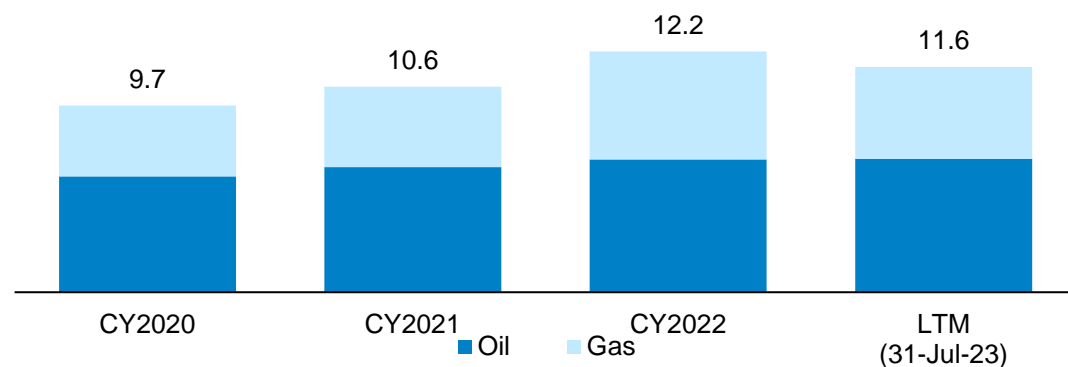
Who Dat asset historical performance

Strong production and earnings results

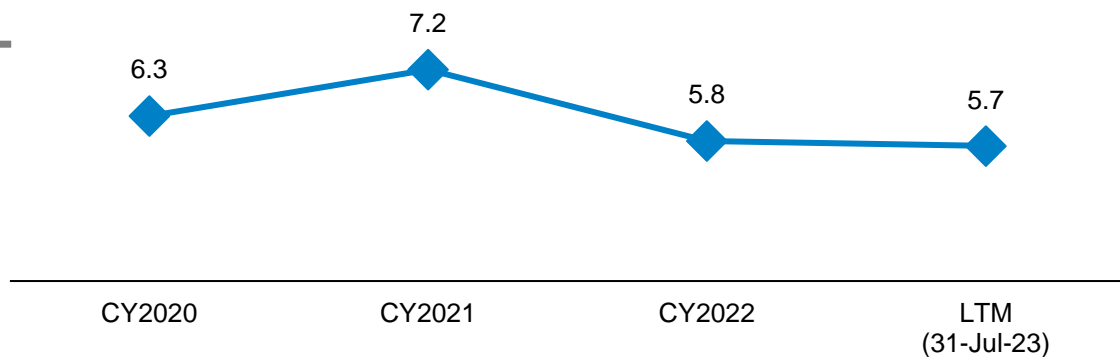


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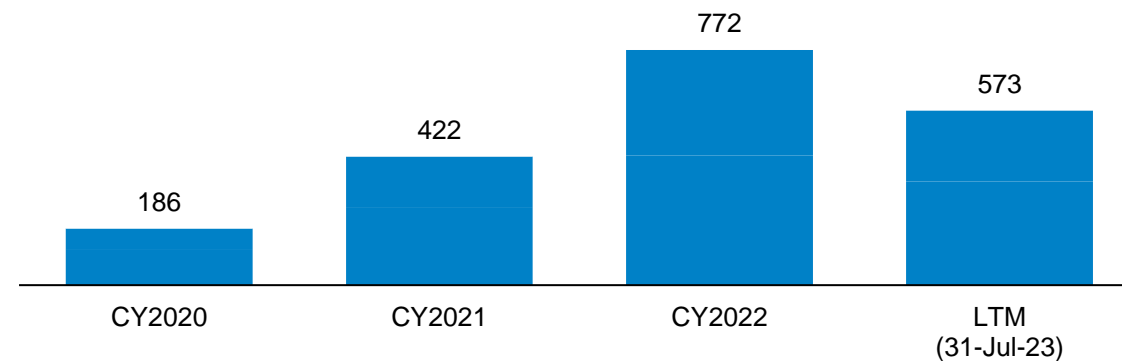
Production Gross (MMboe)¹



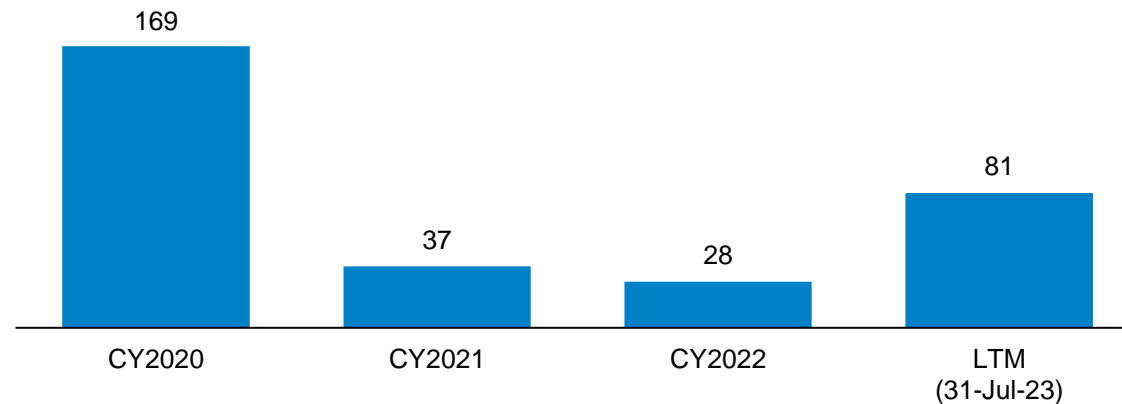
Operating cost Gross (US\$/boe)¹



EBITDA Gross (US\$m)^{1,2}



Capital cost Gross (US\$m)¹



Note: 1. Refer to Appendix A for net working interest to Karoon. 2. Operating cash flow used as an indicative EBITDA.



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Section 4

Karoon proforma summary

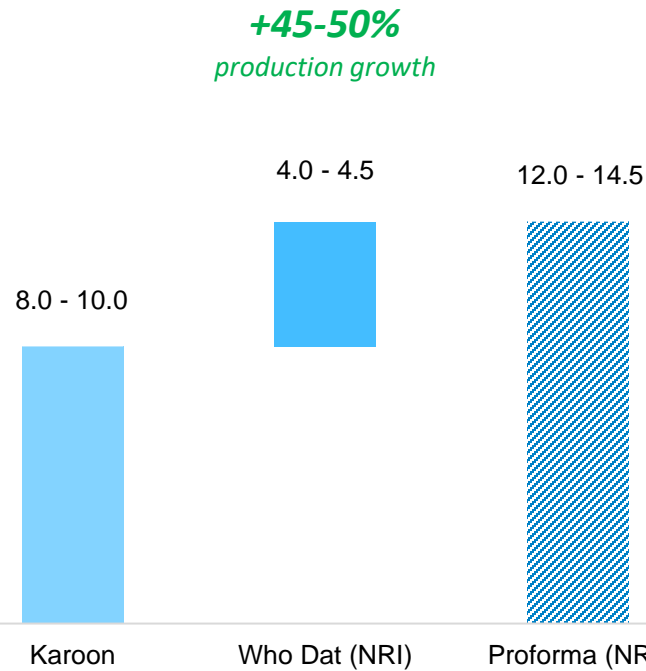
Karoon proforma earnings and scale uplift

The acquisition materially increases Karoon's scale

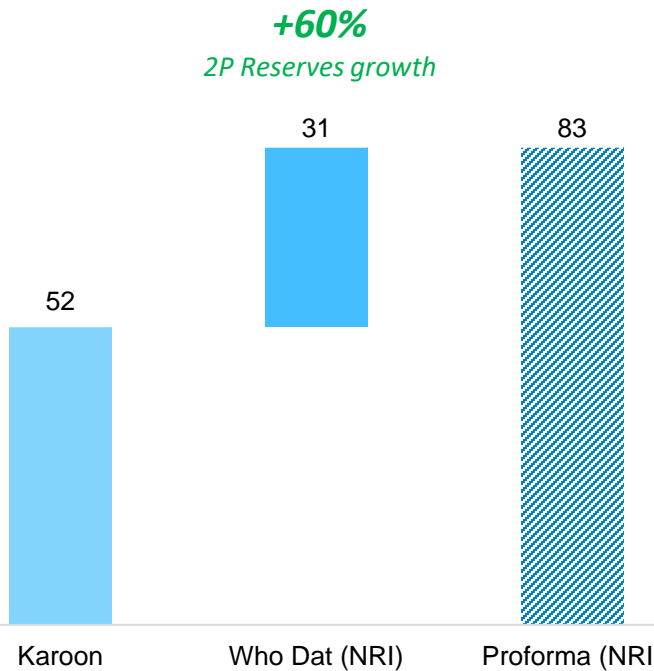


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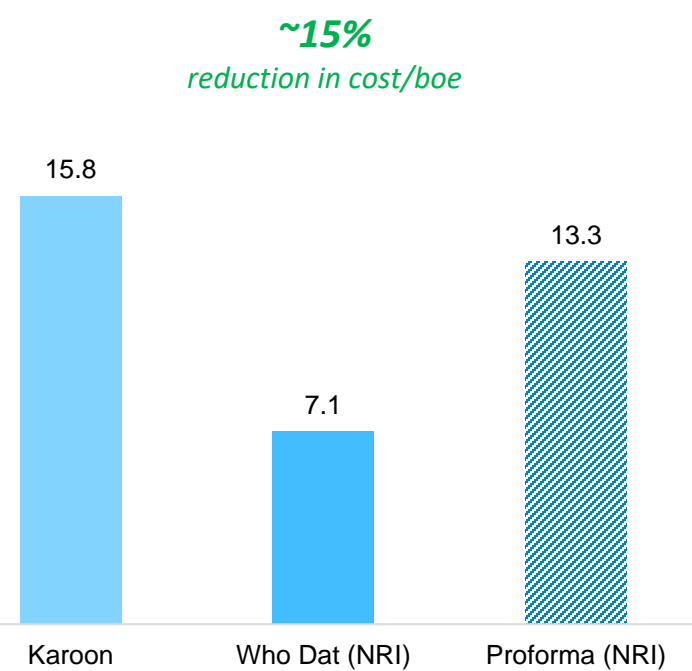
Proforma CY24E production guidance (MMboe)^{1,2,3,4}



Proforma 2P Reserves (MMboe)³



FY23A operating cost (US\$/boe)³



Notes: 1. Karoon estimate shows management CY24 guidance range (midpoint charted for demonstration). 2. Who Dat shown on a 30% net Karoon proforma attributable basis. 3. Refer to slide 31 for guidance assumptions. 4. Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Refer to page 31 for further details on guidance.



Well-capitalised post completion

Strong balance sheet and liquidity to support post-acquisition growth

Karoon's proforma capital structure^{1,2}

		Karoon Standalone	Transaction Adjustments	Karoon Pro Forma
Share price ³	A\$/shr	2.40	2.05	2.30
Shares on issue	#m	567	234	801
Market Capitalisation (indicative)	A\$m	1,360	480	1,840
Market Capitalisation (indicative)	US\$m	850	300	1,150
(-) Cash (as at 31 October 2023) ⁴	US\$m	251	(171)	80
(+) Debt (as at 31 October 2023) ⁵	US\$m	-	274	274
Enterprise Value (indicative)	US\$m	599	745	1,344
Net Debt / (Cash)	US\$m	(251)	445	194
Gearing (Net Debt / Enterprise Value)	%	Net cash		14%
FY23A EBITDA	US\$m	322	143	465
Leverage (Net Debt / FY23A EBITDA)	X	Net cash		0.4x

Balance sheet commentary

- ▶ Strong balance sheet post Acquisition, with proforma net debt at completion of US\$194m translating to gearing of ~14% and US\$80m cash on hand post Acquisition plus Brazil free cash flow in the period from 1 November 2023
- ▶ Transaction will result in a Karoon leverage of 0.4x FY23A EBITDA6
- ▶ Post transaction leverage sized in consideration of Q1 2024 expected tax and Petrobras payments
- ▶ Strong proforma EBITDA is expected to provide flexibility for accelerated debt repayment
- ▶ Uplift in proforma EBITDA allows for potential capital allocation towards balance sheet flexibility, organic growth, acquisitions and returns to shareholders
- ▶ Oil price hedging currently in place consists of 25-31% of pre Acquisition volumes (US\$65/bbl floor) out to 31 March 2024⁷
- ▶ Post Acquisition hedging requirements are based on a laddering approach according to the level of collateral coverage⁸

Notes: 1. Market data as at Tuesday 14 November 2023. 2. Assumes AUD/USD = 0.625. 3. Karoon last close share price as at Tuesday 14 November 2023. TERP includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer and is based on the closing price of \$2.40 as at Tuesday, 14 November 2023. TERP is a theoretical calculation only and the actual price at which KAR shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. KAR's last traded price on Wednesday, 15 November 2023 was \$2.15. 4. 31 October 2023 closing cash of US\$281m less US\$30m to repay existing debt drawdown of US\$30m. 5. Assume nil drawn debt due to US\$30m cash repayment prior to establishment of new Debt Facility. 6. Leverage defined as Proforma Net Debt / Proforma FY23A EBITDA. 7. Oil price hedging includes a mix of bought put options and collars (consisting of a bought put and sold call) over Brent. 8. Collateral coverage according to the new Debt Facilities is determined as the value of the borrowing base divided by borrowings.



Guidance¹

Period		Proforma CY24	
		12 months to 31 Dec 24	
		Low	High
Production²			
Brazil	<i>MMboe</i>	8.0	10.0
Who Dat (NRI)	<i>MMboe</i>	4.0	4.5
Total Production	<i>MMboe</i>	12.0	14.5
Costs			
Unit Production Costs ³	<i>US\$/boe</i>	9.0	14.0
Business Development, share-based payments & Neon studies	<i>US\$m</i>	11.0	12.0
Finance costs and interest ⁴	<i>US\$m</i>	27.0	31.0
Other Operating Costs ⁵	<i>US\$m</i>	31.0	35.0
Investment Expenditure			
Neon	<i>US\$m</i>	13.0	14.0
Other capex	<i>US\$m</i>	12.0	13.0
Who Dat ⁶	<i>US\$m</i>	15.0	20.0
Total Capex	<i>US\$m</i>	40.0	47.0
Petrobras consideration ⁷	<i>US\$m</i>	85.0	87.0

BASIS OF GUIDANCE

1. Guidance is subject to various risks (including “Key Risks” set out in Appendix C of this Presentation and 2023 Annual Report)
2. Production assumes drilling results and expected future development and appraisal projects being delivered in accordance with their currently expected schedules
3. Unit Production Costs: based on daily operating costs associated with Baúna and Who Dat Production, and Baúna FPSO lease costs (Pre AASB 16)
4. Finance costs and interest include fees and debt interest
5. Other Operating costs: includes staff costs, IT, other corporate costs and non-oil and gas related depreciation. This excludes royalties and other government take, social investment/sponsorships in lieu of tax and foreign exchange gains/losses
6. Excludes exploration capex that is yet to be approved by the JV
7. Contingent consideration payable to Petrobras which is dependent on future oil prices

Guidance to 6 months to TY23 on an underlying basis excluding the impact of the transaction and associated costs remains unchanged

Note: Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Unit DD&A subject to the finalisation of the transaction and subsequent purchase price allocation.



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Section 5

Transaction funding

Sources and uses of funds



Sources and uses of funds¹

Sources	A\$m	US\$m
Equity	480	300
Drawn Debt (current borrowing base limit) ²	438	274
Existing Cash	274	171
Total sources	1,192	745

Uses	A\$m	US\$m
Consideration	1,152	720
Adjustments (Acquisition effective date offset)	(3)	(2)
Transaction costs ³	43	27
Total uses	1,192	745

Transaction funding structure

Equity Raising	<ul style="list-style-type: none"> Fully underwritten Equity Raising of approximately A\$480m comprising: <ul style="list-style-type: none"> A\$170m placement. and A\$310m entitlement offer Offer Price of A\$2.05 per New Share
Debt Facility	<ul style="list-style-type: none"> 5-year Reserve Based Lending (RBL) revolving Debt Facility <ul style="list-style-type: none"> RBL is secured against Baúna only, with a borrowing base of US\$274 million US\$340 million of capacity represents a significant uplift in commitments from a high quality lender group The intention is to add the acquired assets into the borrowing base during 1H 2024, accessing the higher facility amount and boosting liquidity Covenants include minimum cash requirements, DSCR, liquidity ratio and Karoon group wide leverage ratio The Debt Facility includes hedging commitments General purpose to support operations and growth US\$274 million drawdown of new debt facilities results in a Karoon leverage ratio of $\sim 0.4x^4$

Note: 1. Assumes AUD/USD = 0.625. 2. Existing drawn debt of US\$30m assumed to be repaid with cash on balance sheet prior to establishment of new Debt Facility. 3. Transaction costs include equity underwriting and associated raising fees, debt establishment, legal fees and diligence fees. 4. Leverage defined as Proforma Net Debt / Proforma FY23A EBITDA.

Equity raising details



Offer size and structure	<ul style="list-style-type: none"> › Fully underwritten Equity Raising of approximately A\$480 million, including: <ul style="list-style-type: none"> › A\$170 million institutional placement to eligible investors (“Placement”) › A\$310 million 1-for-3.75¹ pro rata accelerated non-renounceable entitlement offer (“Entitlement Offer”) › Approximately 234 million new fully paid ordinary shares (“New Shares”) to be issued under the Placement and Entitlement Offer, representing approximately 41% of existing shares on issue
Offer price	<ul style="list-style-type: none"> › The Placement and Entitlement Offer will be conducted at a price of A\$2.05 per New Share (“Offer Price”), representing: <ul style="list-style-type: none"> › approximately 10.8% discount to the theoretical ex-rights price (“TERP”²) of A\$2.30 per share⁵ › approximately 12.4% discount to the 5 day VWAP of A\$2.34 per share as at 14 November 2023 › approximately 14.6% discount to the close price of A\$2.40 per share as at 14 November 2023
Placement and Institutional Entitlement Offer	<ul style="list-style-type: none"> › Placement and Institutional Entitlement Offer to be conducted by way of bookbuild process that will open on Thursday, 16 November 2023 and close on Friday, 17 November 2023
Retail Entitlement Offer²	<ul style="list-style-type: none"> › The Retail Entitlement Offer will open at 9:00am on Thursday, 23 November 2023 and close at 5:00pm on Wednesday, 6 December 2023 › Under the Retail Entitlement Offer, eligible retail shareholders³ that take up their full Entitlement may also apply for additional New Securities in excess of their Entitlement, up to a maximum of 55% of their Entitlement at the Offer Price (Additional Securities)
Ranking	<ul style="list-style-type: none"> › All New Shares issued under the Equity Raising will rank pari passu with existing shares on issue
Underwriting	<ul style="list-style-type: none"> › The Equity Raising is fully underwritten
Underwriter	<ul style="list-style-type: none"> › Macquarie Capital (Australia) Limited is the Underwriter and Bookrunner to the Offer⁴
Record Date	<ul style="list-style-type: none"> › Monday, 20 November 2023 (7:00pm Sydney time)

Notes: 1. Fractional entitlements to New Shares will be rounded up to the nearest whole number. 2. TERP includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer and is based on the closing price of \$2.40 as at Tuesday, 14 November 2023. TERP is a theoretical calculation only and the actual price at which KAR shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. 3. Only certain retail shareholders including those registered in Australia or New Zealand will be eligible to participate in the Retail Entitlement Offer. 4. Karoon has entered into a underwriting agreement pursuant to which Macquarie Capital (Australia) has Agreed to underwrite the Equity Raising. The underwriting agreement is subject to customary conditions precedent and termination events. Refer to “Equity financing” in the “Key Risks” on slide 48 of this presentation and Appendix C “Underwriting Agreement Termination Events” on slide 51 of this presentation for further information. If the conditions precedent are not satisfied (or waived) or the underwriting agreement is terminated, Karoon would need to seek alternative sources of funding in order to complete the Acquisition. 5. Karoon’s last traded price immediately prior to entering trading halt on Wednesday, 15 November 2023 was A\$2.15 following media speculation of an imminent transaction.

Equity raising timetable



Event	Date ¹
Announcement of Acquisition and Equity Raising, trading halted and Institutional Entitlement Offer and Placement opens	Thu, 16 November 2023
Announcement of completion of Institutional Entitlement Offer and Placement	Fri, 17 November 2023
Trading halt lifted and shares recommence trading	Fri, 17 November 2023
Record date under the Entitlement Offer	Mon, 20 November 2023
Lodge Retail Offer Booklet on ASX announcement platform	Thu, 23 November 2023
Retail Entitlement Offer opens and Retail Offer Booklet dispatched	Thu, 23 November 2023
Settlement of Institutional Entitlement Offer and Placement	Fri, 24 November 2023
Allotment and trading of New Shares issued under the Institutional Entitlement Offer and Placement	Mon, 27 November 2023
Retail Entitlement Offer closes	Wed, 6 December 2023
Announce results of Retail Entitlement Offer	Mon, 11 December 2023
Settlement of Retail Entitlement Offer	Tue, 12 December 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Wed, 13 December 2023
Trading of New Shares issued under the Retail Entitlement Offer	Thu, 14 December 2023
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Mon, 18 December 2023

Notes: 1. The above timetable is indicative only and subject to change without notice. All dates and times are Sydney time. Karoon reserves the right to vary these dates or withdraw the Equity Raising at any time.



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Appendix A

Supporting information

Who Dat Reserves & Resources



As at 1 August 2023		1P			2P			3P			
Reserves		Gross	NWI	NRI	Gross	NWI	NRI	Gross	NWI	NRI	
Who Dat, Dome Patrol and Abilene	Oil (mmbbl)	60.5	18.1	14.5	83.1	24.9	19.9	121.7	36.5	29.2	
	NGL (mmbbl)	-	-	0.8	-	-	1.3	-	-	1.5	
	Gas (bcf) ¹	179.6	53.9	39.0	278.2	83.5	60.4	345.7	103.7	74.5	
	Oil Equivalent (mmboe)	90.4	27.1	21.8	129.4	38.8	31.2	179.4	53.8	43.2	
Contingent Resources		Gross	NWI	NRI	Gross	NWI	NRI	Gross	NWI	NRI	
Who Dat East	Condensate (mmbbl)	2.0	0.8	0.6	6.3	2.5	1.9	21.2	8.5	6.6	
	Gas (bcf) ¹	28.3	11.3	8.8	65.9	26.3	20.5	151.6	60.6	47.1	
	Oil Equivalent (mmboe)	6.7	2.7	2.1	17.2	6.9	5.4	46.5	18.6	14.4	
Prospective Resources ²		Gross	NWI	NRI	Gross	NWI	NRI	Gross	NWI	NRI	PoS
Who Dat East	Oil Equivalent (mmboe)	24.1	9.6	7.5	34.4	13.7	10.7	48.1	19.2	14.9	43-68%
Who Dat West	Oil Equivalent (mmboe)	45.4	15.9	12.7	76.9	26.9	21.6	143.3	50.2	40.2	32-37%
Who Dat South	Oil Equivalent (mmboe)	18.3	5.5	4.4	31.3	9.4	7.6	50.1	15.0	12.2	43-54%
Who Dat East Deep	Oil Equivalent (mmboe)	61.5	24.6	19.1	167.8	67.1	52.1	330.3	132.1	102.6	7%
Total	Oil Equivalent (mmboe)	149.3	55.6	43.8	310.4	117.2	92.0	571.9	216.6	169.9	

1. The conversion factor of 6 mcf = 1 boe has been used to convert from gas to oil equivalent. 2. Refer to cautionary statement relating to Prospective Resources on slide 18.

Land Overview



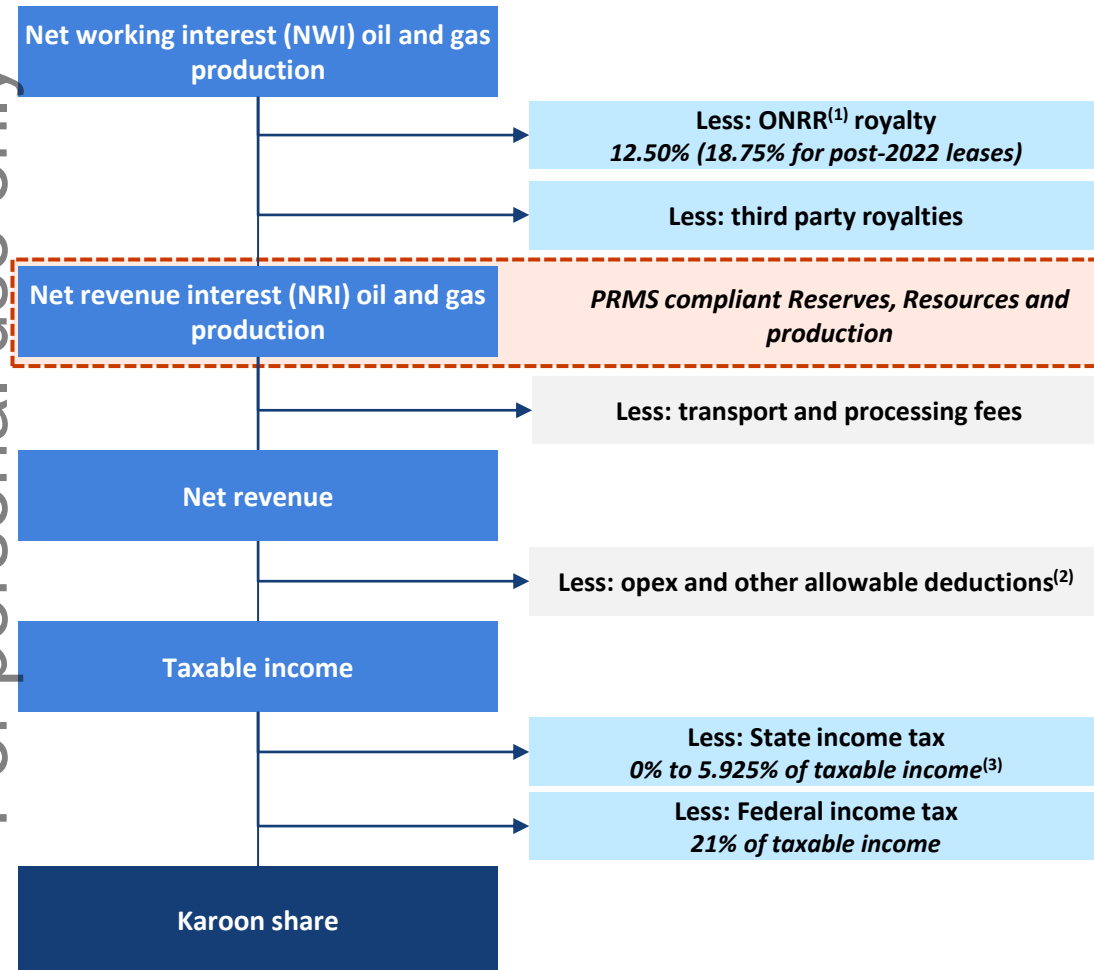
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Joint Venture	Blocks	Lease effective date	Lease expiry date
Who Dat	MC 502	1 May 2005	HBP (longhorn unit)
	MC 503	1 May 2005	HBP
	MC W/2 504	1 July 2014	30 June 2024
	MC E/2 546	1 July 2003	HBP (Who Dat and Longhorn Unit)
	MC E/2 547	1 July 2008	HBP
Dome Patrol	MC E/2 504	1 July 2014	30 June 2024
	MC E/2 505	1 July 2016	HBP
Abilene	MC W/2 546	1 July 2003	HBP
Who Dat South	MC 545	1 October 2017	30 September 2024
	MC 589	1 August 2017	31 July 2024
Who Dat West	MC 629 & 630	MC 629 – 1 December 2017 MC 630 – 1 December 2018	MC 629 - 30 November 2024 MC 630 – 30 November 2023
Who Dat East	MC 509 & 421	MC 509 - 1 July 2018 MC – 421 - 1 June 2017	MC 509 - 30 June 2025 MC 421 – 31 May 2024
	MC 464	1 June 2017	31 May 2024
	MC 465	1 June 2017	31 May 2024

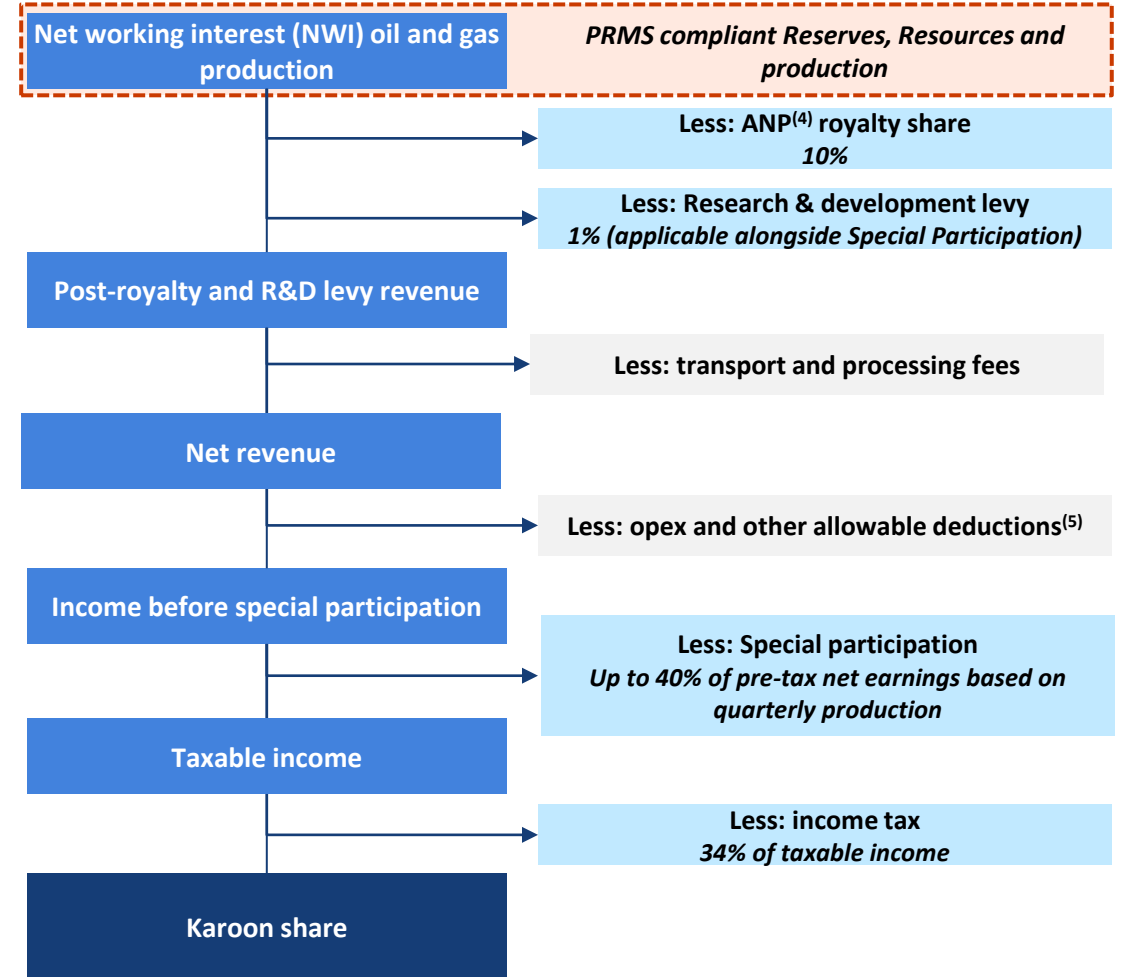


Fiscal regime comparison

US Deepwater Gulf of Mexico



Brazil



Notes: 1. Office of Natural Resources Revenue, being a unit of the United States Department of the Interior. 2. Intangible drilling can be immediately deducted whilst other costs are subject to either the modified accelerated cost recovery system or units of production method. 3. Prospective liability depends upon detailed assumptions regarding the destination of marketed goods and the way production is marketed. 4. The Brazilian National Agency for Petroleum, Natural Gas and Biofuels. 5. Depreciation is typically recorded using the straight-line method.

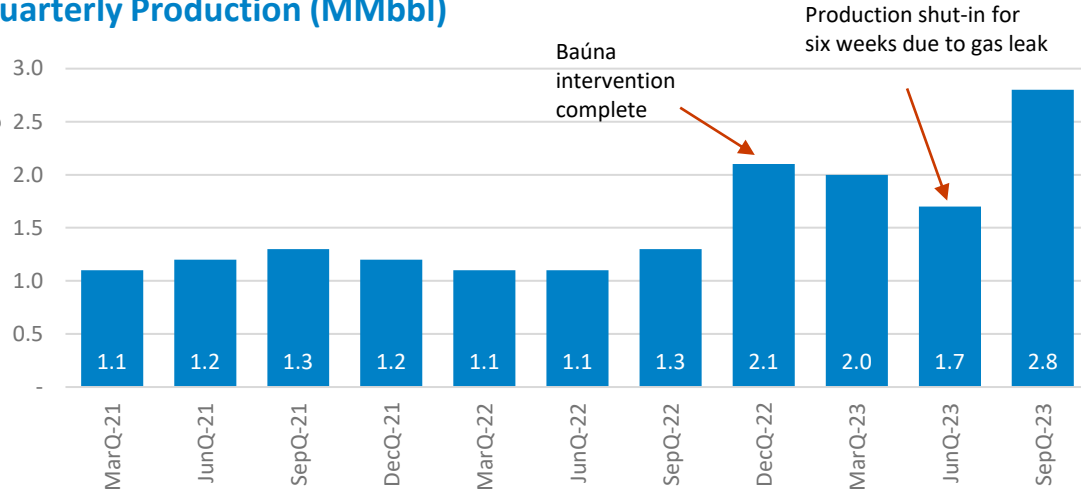
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Baúna operating performance

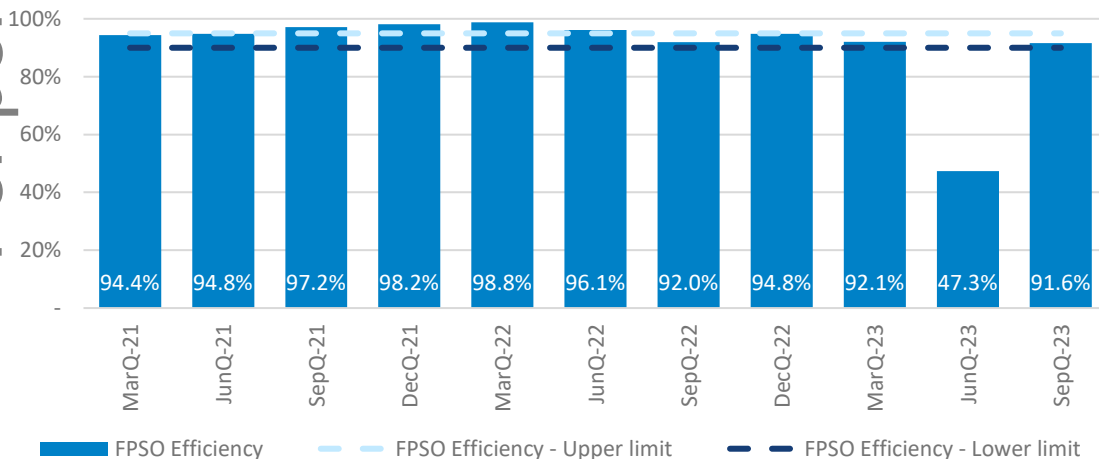
Focus on maintaining uptime on facilities and active well management



Quarterly Production (MMbbl)



Quarterly FPSO Efficiency (%)



- Key priority is maintaining safe and healthy work environment, and minimising environmental impact
- September quarter 2023 was first full quarter of production following Baúna Intervention campaign and Patola development
- Higher fluids production rates (oil, water and gas), allows Karoon to use both processing trains, leading to lower equipment redundancy
- FY23 average FPSO efficiency of 82% (including unplanned shutdown), Sept 23 Q 92%, within projected range of 90-95%¹
- Next planned maintenance shutdown scheduled for March 2024, including valves, tanks and hull inspections, subject to FPSO performance
- Excluding planned and unplanned downtime, natural decline rate over next twelve months expected to be ~15%

Notes: 1. FPSO efficiency is defined as the proportion of actual production to potential production.

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Appendix B

Key risks

Key risks



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- › This section sets out some key risks associated with an investment in Karoon, which may affect the value of shares in Karoon. The risks do not constitute an exhaustive list of all risks involved with an investment in Karoon.
- › Before investing in Karoon you should be aware that a number of risks and uncertainties, which are both specific to Karoon and of a more general nature, may affect the future operating and financial performance of Karoon and the value of the shares. You should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on Karoon (such as that available on the ASX website), and consult their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.
- › Key risks include: (a) Operational and business risks (including as relevant following the Acquisition); (b) Acquisition risks; and (c) General risks.

Operational and business risks

Oil price	<ul style="list-style-type: none"> › The financial performance of Karoon is significantly influenced by oil prices. Oil prices are volatile and affected by numerous factors beyond Karoon’s control, including consumer demand, industry supply trends, international financial market conditions, uncertainty in commodity markets, OPEC actions, global economic conditions, government pricing regulations, and competing fuel sources. › Increases or decreases in oil prices will affect Karoon’s profits, interim net cash flows from the Acquisition and cash flow available for debt service and funding capital expenditures and may impact Karoon’s ability to borrow money or raise additional capital. Lower oil prices may reduce oil and gas reserves. › Karoon’s cashflow forecasting is based on what management considers to be achievable Brent price through the budget period. Karoon may from time to time, enter into hedging arrangements to reduce its exposure to movements in oil price risk. There is no guarantee that any hedging arrangements will be effective in reducing Karoon’s exposure to movement in oil prices and may introduce forward delivery risk if production is insufficient to meet hedge volumes.
Estimation quantities of Reserves and Contingent Resources and recovery of Resources	<ul style="list-style-type: none"> › The estimation of hydrocarbon Reserves and Resources is not precise and is subject to significant uncertainties associated with hydrocarbon reservoir geology and the interpretation of seismic and well data, as well as assumptions regarding recovery factors, future oil prices and development and operating costs. Estimates may change significantly if new information becomes available. Changes in the level of Resources recoverable may adversely affect the economics of any given project and/or Karoon’s financial performance. › There is no guarantee that estimated hydrocarbon reserves are able to be successfully recovered or that contingent or prospective hydrocarbon resources are able to be converted to reserves.
Operational interruptions	<ul style="list-style-type: none"> › There are a number of risks associated with operating in the oil and gas industry, including fire, explosions, blow outs, pipe failures, unexpected maintenance (including capital repairs), abnormally pressured formations, asset loss, production disruption, possible regulatory interventions, personnel safety and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. Standard risks associated with offshore marine operations and workforce matters are also relevant. The occurrence of any event associated with these risks could result in production interruptions and/or substantial losses to Karoon. These events may have a material adverse effect on Karoon’s performance. As a single asset company these risks are currently heightened for Karoon. › To the extent that it is reasonable and possible to do so, Karoon mitigates the risk of losses associated with operating events through insurance contracts, monitoring and risk planning and mitigation. Karoon also relies on third parties to act as operators (under contract) of its assets.



Key risks

Operational and business risks

Laws, regulations and government policies	<ul style="list-style-type: none"> › Karooon’s business is subject to extensive laws, regulations and government policies in the jurisdictions where Karooon operates its assets and carries out its business. Failures to comply may result in reputational harm, operations being suspended or delayed, permits, licenses and concessions being cancelled, and fines and penalties being imposed. › Changes in laws, regulations or government policies cannot be predicted with any certainty. Such changes may result in the imposition of additional or onerous requirements resulting in delays to operations and additional cost. Karooon is aware that: <ul style="list-style-type: none"> › The U.S. Bureau of Ocean Energy Management (BOEM) is currently engaged in public consultation regarding a proposed rule entitled “Risk Management, Financial Assurance, and Loss Prevention” (RIN 1010-AE14) (Rule). Although not currently effective, the Rule if enforced would change the current bonding arrangements for decommissioning obligations associated with the Acquisition assets. Aspects of the Rule being consulted on, include the provision of decommissioning bonds, backed by surety’s or other instruments to cover a P70 decommissioning estimate. Given the current stage of the public consultation, neither the timing, the exact terms of, nor the effects of the Rule which ultimately becomes effective can be stated at this time, including whether the surety capacity is available at reasonable costs or at all to satisfy the security obligations in the proposed rule. › Constitutional Amendment Bill (PEC) No. 45/2019 is currently before the Brazilian Congress, having been passed by the Senate already. The bill may result in changes to Brazilian tax law, which could impact on the extractive industries including Karooon. The proposal is generally focused on the establishment of a regulated carbon marketing in Brazil, via a cap and trade system. Given the current stage of the legislative process, the ultimate scope, timing and likelihood of any such tax change is currently unknown.
Decommissioning	<ul style="list-style-type: none"> › Karooon may not have accurately anticipated required decommissioning costs and obligations, including due to higher standards being imposed in the future. › In relation to the Acquisition, the BOEM requires that lessees demonstrate financial strength and reliability according to its regulations or provide acceptable financial assurances to assure satisfaction of lease obligations, including decommissioning activities. If Karooon fails to comply with any orders of the BOEM to provide additional surety bonds or other financial assurances, the BOEM could commence enforcement proceedings or take other remedial action, including assessing civil penalties, suspending operations or production, or initiating procedures to cancel leases, which, if upheld, would have a material adverse effect on Karooon's business, properties, results of operations and financial condition. See also the ‘laws, regulations and government policies’ risk above.
Availability of parts, labor and logistics	<ul style="list-style-type: none"> › Maintenance of operations, including the FPSO and FSO and development work, including the Neon Project, if sanctioned requires significant capital and ongoing operational maintenance and expenditure. These works may be delayed or unsuccessful for many reasons including drilling outcomes, reservoir performance, regulatory approvals, technical requirements, weather events, cost overruns, equipment availability, contractor performance and labour shortages and industrial action.
Cyber security	<ul style="list-style-type: none"> › Karooon’s operations, including the assets acquired from the Acquisition, are and will continue to be reliant on various computer systems, data repositories and interfaces with networks and other systems. Failures or breaches of these systems (including by way of virus, ransomware, artificial intelligence fraud and hacking attacks) have the potential to materially and negatively impact Karooon. Whilst Karooon has barriers, contingency plans and risk management approaches in place to mitigate this situation, there is no guarantee that such plans will be effective. Karooon is also reliant on the operators of its assets to maintain similar barriers, plans and risk mitigation approaches. Karooon monitors performance under these material contracts, including enforcing legal rights and remedies to mitigate these risks however there is no certainty that such remedies will be sufficient to protect Karooon's business from material damages.
Insufficient cashflow	<ul style="list-style-type: none"> › Insufficient cash flows to meet debt servicing and/or hedging obligations and/or day to day operational commitments may result in either a default or review event under the Debt Facility as described on page 33 of this slide pack. › In circumstances where no funding was available to Karooon, Karooon could seek to raise capital via an equity raising in a short time frame (subject to its placement capacity at the time), however there is no guarantee that such funding would be available at the time, or on terms satisfactory to Karooon.

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Key risks



Operational and business risks

Health & Safety	<ul style="list-style-type: none"> › Exploration and production of oil and gas may expose Karoon's staff and contractors to potentially dangerous working environments. Health and safety legislation and regulations differ in each jurisdiction. If any of Karoon's employees or contractors suffer injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on Karoon's business and reputation.
Environment	<ul style="list-style-type: none"> › Oil and gas exploration, development and production activities may damage the environment. If Karoon is responsible, it will be required to remediate the damage which may involve substantial expenditure and adversely affect Karoon's reputation. A failure to comply with environmental legislation and regulations may result in reputational harm, operations being suspended or delayed, permits, licenses and concessions being cancelled, and fines and penalties being imposed. › In respect of the assets acquired under the Acquisition, oil and natural gas operations in the United States are subject to stringent federal, state and/or local laws and regulations relating to the release or disposal of materials into the environment or otherwise relating to environmental protection. These laws and regulations require the acquisition of a permit or other approval before drilling or other regulated activity commences. restrict the types, quantities and concentration of substances that can be released into the environment in connection with drilling and production activities. limit or prohibit exploration or drilling activities on certain lands lying within protected areas or that may affect certain wildlife, including marine species and endangered and threatened species and impose substantial liabilities for pollution resulting from operations. Additionally, the threat of climate change continues to attract considerable attention in the U.S., and the combat of climate change has been made a focal point of the Biden Administration's agenda. One or more of these developments that impact Karoon's oil and natural gas exploration and production activities in the Gulf of Mexico could have a material adverse effect on its business and results of operations.
Key personnel	<ul style="list-style-type: none"> › The ability of Karoon to achieve its objectives depends on the engagement of key employees, Directors and contractors with appropriate experience and expertise. If Karoon cannot secure required personnel there is risk of additional costs and delays which may adversely affect Karoon's financial performance.
Climate policies and the energy transition	<ul style="list-style-type: none"> › Policies related to climate and the energy transition in the countries in which Karoon operates and also in which its products are consumed may adversely affect oil demand, oil prices and oil industry investment and funding behaviour. Changes in these factors may adversely impact the Karoon's financial performance.
Weather conditions	<ul style="list-style-type: none"> › Karoon's operating results may be adversely affected by weather conditions. Karoon's assets, particularly those acquired from the Acquisition, are particularly vulnerable to significant risk from hurricanes and tropical storms in the U.S. Gulf of Mexico. Karoon is unable to predict what impact future hurricanes and tropical storms might have on its future results of operations and production. Adverse weather may result in a loss of production, including a complete cessation of production, where either the facility or downstream infrastructure is impacted by adverse weather conditions. If the level of production from these properties substantially declines, it could have a material adverse effect on Karoon's overall production level and revenue. › Karoon (via asset operators as appropriate) manages the impact of adverse weather conditions by carefully monitoring weather patterns and forecasts to ensure precautions can be taken to protect people and assets as necessary, ensuring appropriate allowance for weather disruption in operations planning and implementing contingency planning for weather-related disruptions. Karoon also considers opportunities for investment in physical climate change risk analysis studies for specific operating location(s).
Farm-out and Joint Venture Partners /Counterparts	<ul style="list-style-type: none"> › Karoon may enter into farm-out or joint venture agreements in relation to particular assets, including the assets acquired under the Acquisition. Farm-out or joint venture partners may be unable to pay for their share of applicable costs. Karoon cannot guarantee the financial performance or financial viability of its farm-out or joint venture partners.

Key risks



Operational and business risks

Insurance	<ul style="list-style-type: none"> › Karoon's insurance does not comprehensively cover all risks that may materialise and some insurances are prohibitively expensive making them not commercially viable. The occurrence of events which are uninsurable, not insured or partly insured may have a material impact on Karoon's financial performance.
Litigation risk	<ul style="list-style-type: none"> › There is a risk that Karoon may have claims made against it and be the subject of litigation or be required to commence litigation, including with respect to its other contracting parties. The impact of such actions may have a material adverse impact on Karoon.
Currency risk	<ul style="list-style-type: none"> › Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Karoon carries on part of its business outside of Australia and trades primarily in US dollars and intends to continue to do so. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian or US dollar.
Requirement to raise additional funding	<ul style="list-style-type: none"> › Karoon may be required to raise additional funds in the future. There is no guarantee that Karoon will be able to raise such additional capital when it is required, or on terms satisfactory to Karoon. If Karoon is unsuccessful in obtaining funding when required, Karoon may need to delay, scale down or cease its operations.
Industry competition	<ul style="list-style-type: none"> › Karoon conducts its business in a highly competitive industry in which there are a number of competitors who have greater resources and capabilities. Karoon's financial performance, the future prospects of the business and the value of Karoon's shares could be materially adversely affected if Karoon cannot compete with its competitors.

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Key risks



Acquisition risks

Risks related to operating in the U.S. Gulf of Mexico	<ul style="list-style-type: none"> Oil and gas drilling and production activities are subject to numerous risks, including the risk that no commercially productive oil or natural gas reserves are found. The cost of drilling and completing wells is often uncertain, particularly in the U.S. Gulf of Mexico. In addition, the geological complexity of the areas where the acquired assets are located may make it more difficult to sustain historical rates of drilling success. Furthermore, reserve replacement needs in the U.S. Gulf of Mexico may be greater than those of properties with longer-life reserves in other producing areas. Drilling and production activities in the U.S. Gulf of Mexico may be shortened, delayed or canceled as a result of a variety of factors, many of which are beyond Karoon's control. These factors include: unexpected drilling conditions, pressure or irregularities in formations, equipment failures or accidents, hurricanes and other adverse weather conditions, shortages in experienced labor, and shortages or delays in the delivery of equipment. Karoon cannot assure you that the wells it drills will be productive or that it will recover all or any portion of its investment.
US asset title risk	<ul style="list-style-type: none"> Title to oil and gas assets in the United States Outer Continental Shelf is complex, derived from multiple sources (including the records of BOEM and the adjacent county or parish real property records, none of which is necessarily determinative of title). Karoon and its advisors are in the process of reviewing title to the assets, as such review in the United States is customarily performed after the signing of a purchase and sale or other definitive agreement. Failure of title is not covered by representations and warranties in the purchase and sale agreement, and, other than a limited right to adjust the purchase price for title defects, any such failure would be borne by Karoon. Further, title to assets in the United States Outer Continental Shelf is frequently divided by depth or stratum. Title may vary by depth, and ownership by Karoon of title to a certain depth does not guarantee title to all depths. As noted above, Karoon and its advisors are in the process of reviewing title to the assets, but have not, at this time finished such review and cannot definitively determine whether the reserves included in the Acquisition assets noted herein will actually be owned by Karoon in the quantities set forth herein (or at all).
PSA risk allocation	<ul style="list-style-type: none"> If the Acquisition closes, Karoon will become responsible for the asset from the effective date and time of 1 October 2023 at 12:00 a.m. Central Time GMT -6 (and, with respect to decommissioning liabilities and environmental liabilities, before, on or after the effective time), subject to the risk allocation in the purchase and sale agreement. The purchase and sale agreement may not adequately compensate Karoon for materialised risks, including due to the warranty and indemnity regime not being exhaustive, liability limits and time bars on claims.
Integration risks, including new jurisdictional requirements	<p>The success of the Acquisition will be dependent on, among other things, the effective and timely integration of the assets into Karoon. Risks to achieving successful integration include:</p> <ul style="list-style-type: none"> Higher than anticipated integration costs. Integration of marketing, accounting and internal controls. Availability of resources required. Timeliness and terms provided by counterparties to contracted services and revenue arrangements. Unforeseen material costs relating to the integration of the acquired assets into the Karoon group may arise, including acquiring additional systems, processing, plant, equipment and licences. Unforeseen costs may be incurred in the short-term integration and management of the acquired assets, including familiarization and discharge of marketing and jurisdictional specific requirements, which may not be currently known or identified as part of due diligence. It is possible that the process of integrating the acquired assets may divert senior management's attention from the management of daily operations, or could result in the loss of key employees, customers, providers, vendors or business partners, inconsistencies in standards, controls, procedures and policies, potential unknown liabilities and unforeseen expenses, delays, or regulatory conditions associated with and following completion of the Acquisition or higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Even where the assets acquired in the Acquisition are successfully integrated into Karoon's operations, it may not be possible to realise the full benefits Karoon anticipates or Karoon may not realise these benefits within the expected timeframe. If Karoon fails to realise the benefits anticipated from the Acquisition, its business, results of operations and financial condition may be adversely affected.

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Key risks



Acquisition risks

Completion	<ul style="list-style-type: none"> ▶ The Acquisition may not close or may not achieve closing within the expected timing due to a failure to satisfy the conditions precedent in the purchase and sale agreement, which include a) approval from the regulators, including the expiration of the waiting period (and any extension of such period) under the Hart Scott Rodino (HSR) Act, b) no breach of the warranties, covenants, and agreements, and c) no material title or environmental failure. ▶ If the Acquisition is not completed for any reason, Karoon may be required to forfeit its deposit under the purchase and sale agreement as liquidated damages (or, if the deposit has not yet been paid, fund the deposit to the seller). In addition, the ongoing business of Karoon may be materially adversely affected and, without realizing any of the benefits of having completed the Acquisition, Karoon would be subject to a number of risks, including: negative reactions from the financial markets (such as negative impacts on the price of Karoon's shares), negative reactions from Karoon's customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners, the loss of substantial time committed by Karoon's management, which may have resulted in the distraction from ongoing business operations and pursuing other opportunities that could have been beneficial to Karoon. ▶ Completion of the Equity Raising is not conditional on the completion of the Acquisition. If the Equity Raising completes but the Acquisition is not consummated, Karoon intends to use the proceeds from the Equity Raising to fund further acquisition opportunities.
Product transportation	<ul style="list-style-type: none"> ▶ Subject to where Karoon sells its product, Karoon will rely on continued access to upstream infrastructure in the form of pipelines and associated infrastructure to facilitate the ongoing sales of crude oil and sales gas (Upstream Infrastructure). Access to this infrastructure is gained via a range of private tariff (access agreements) and common carrier arrangements. Fees and tariffs in respect of the Upstream Infrastructure are variable and changes to these fees or the imposition of surcharges for repairs or other additional costs may have an adverse effect on Karoon's business and the results of operations. ▶ Various risks arise from reliance on Upstream Infrastructure, including access, proration of capacity, interruption of supply due to weather, mechanical and other events outside of Karoon's control. The occurrence of any of these events, particularly subject to the duration, could have a material impact on Karoon's financial performance and the contribution of the Acquisition. ▶ Karoon will, as part of Upstream Infrastructure be required as a shipper to participate in a quality bank(s). The purpose of a quality bank is to mitigate material increases or decreases in each shipper's respective oil value due to the commingling of oil in the pipeline common stream. The quality bank charges or pays each shipper depending on the comparison of the quality of the pipeline common stream and the quality of each shipper's oil. Each shipper may be required, as a condition of tendering its oil, to participate in the quality bank depending on the pipeline's requirements.
Due diligence	<ul style="list-style-type: none"> ▶ Karoon undertook a due diligence process in respect of the Acquisition, which relied in part on the technical, financial and other information provided by the seller and its advisors. Although Karoon considers the due diligence process undertaken to be customary and appropriate for transactions of this nature, Karoon has not been able to verify the accuracy or completeness of all information provided or all of the effects of the matters disclosed in the information provided. Further, such information was provided and reviewed on an accelerated timeline and is still being provided. If any of the data or information provided to, and relied upon by, Karoon in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual performance of the assets relating to the Acquisition may be materially different to the performance expected by Karoon and reflected in this presentation. The information reviewed by Karoon included forward-looking information. While Karoon has been able to review some of the foundations of the forward-looking information relating to the Acquisition, forward-looking information is inherently unreliable and based on assumptions that may change in the future. ▶ Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified and avoided or management appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Karoon. This could adversely affect the operations, financial performance or position of Karoon. ▶ Similarly, Karoon has made a number of technical, financial and other assumptions and has carried out analysis based on the available information. Karoon's assumptions and analysis may be inaccurate including due to incorrect or missing information, flawed analysis methods or incorrect assumptions. ▶ As a result, the due diligence process may not have exhaustively or accurately identified or responded to all material risks, and actual performance or circumstances may differ from Karoon's conclusions.

Key risks



Acquisition risks

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Joint venture activities	<ul style="list-style-type: none"> ▶ As is common in the oil and gas industry, Karoon will as a consequence of the acquisition become a party to various unincorporated joint ventures and accordingly is subject to joint venture risks, which include devolved management control and disagreements with joint ventures partners regarding operational and financial matters. Joint venture partners may have economic or other business interests or goals that are inconsistent with the business interest or goals of Karoon and may be in a position to take actions contrary to Karoon's objectives or interests. There is also a risk that joint venture partners might become bankrupt or default on or fail to fulfill as expected their obligations thereby frustrating the performance of the joint venture and adversely affecting Karoon or its interests in the joint venture or resulting in the joint venturer's interest in the joint venture become subject to external administration, transferred to creditors or sold to third parties. Failure of joint venture partners to meet their financial and operational obligations may have an adverse impact on Karoon's performance. Decisions made in accordance with operating agreements may also deprive Karoon of the ability to exploit opportunities. ▶ Among other things, joint operating agreements governing joint ventures associated with the assets do not provide for annual binding work programs and budgets, but rather decisions are made through periodic approval of authorisations for expenditure (AFEs), with no prior plan or budget therefor. ▶ Voting mechanics in the relevant joint operating agreements may permit approval by the operator without Karoon's vote or approval or a vote or approval pass mark that allows an operation to take place without Karoon's approval. In some cases, Karoon's failure to approve a matter may result in the loss of its interest in one or more wells or operations. In others, a pass mark vote may be binding on Karoon, and failure to participate may be a default, resulting loss of production or interest in one or more assets. ▶ A joint venture partner is not obligated to either act in the interests of the joint venture or in the interest of Karoon. The Acquisition Assets are not held in the same working interests. joint venture partners' interest be they economic or otherwise may not be aligned across each Asset. Such misalignment may adversely affect Karoon's business, asset performance and the overall results of operations.
Debt financing	<p>As outlined in more detail on slide 33, Karoon has today announced entry into a new Debt Facility to provide part of the funding for the Acquisition. The new Debt Facility has a capacity of A\$340 million. Availability of the facility at the point in time when funding of the Acquisition is required is subject to customary conditions precedent. If any of those conditions are not satisfied then the financiers will not be required to provide funding under those facilities (including any funding proposed to be applied towards the funding of the Acquisition). If Karoon cannot complete the Acquisition, it may be required to forfeit its deposit under the purchase and sale agreement as liquidated damages.</p> <p>Failure to comply with the covenants of the new Debt Facility could limit financial flexibility or enable Karoon's financiers to terminate or withdraw the facility and/or accelerate repayment of the debt obligations which may adversely affect Karoon's financial performance. If repayment under the new Debt Facility is accelerated and Karoon does not satisfy its payment obligations, then the security for the facility could be enforced and demands made under the guarantees provided by members of the Karoon group. Any sale of assets on enforcement of the security may yield a return to Karoon (and ultimately its shareholders) which is significantly lower than that which could have been achieved by Karoon had those assets been otherwise sold in the ordinary course.</p> <p>Following draw down under the Debt Facility, Karoon's debt levels will increase. As a consequence, Karoon may be more exposed to risks associated with gearing and leverage. In addition, the new debt financing may leave Karoon more exposed to interest rate movements to the extent such financing arrangements are not adequately hedged.</p>
Equity financing	<p>Karoon has entered into an underwriting agreement under which MCAL (the Underwriter) has agreed to underwrite the Equity Raising (Underwriting Agreement), subject to the terms and conditions of the Underwriting Agreement. The Underwriter's obligation to underwrite the Equity Raising is conditional on certain customary matters, including Karoon delivering certain certificates, sign-offs and opinions. Further, if certain events occur, the Underwriter may terminate the Underwriting Agreement. Those events are summarised in Appendix C.</p> <p>Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Equity Raising. If the Underwriting Agreement is terminated, Karoon will remain bound to complete the Acquisition. In these circumstances, Karoon would need to utilise alternative funding to meet its obligations to complete the Acquisition. Termination of the Underwriting Agreement could materially adversely affect Karoon's business and financial condition.</p>

Key risks



General risks

Risks associated with an investment in shares and general economic conditions

- › There are general risks associated with investments in equity capital in general and oil and gas stocks in particular such as Karoon shares. Events may occur within or outside Australia, including in the jurisdictions where Karoon operates or plans on operating that could have an adverse effect on the global economies and Karoon's share price. This may result in the market price for the New Shares being less or more than the Offer Price.
- › Karoon operates in certain markets (for example, Brazil) and the Gulf of Mexico after the Acquisition is complete, where economic policies and conditions can have a direct impact on Karoon's business. Karoon's future performance and the market price for its shares may be affected by the following factors that are beyond Karoon's control:
 - › general movements in Australia and international stock markets.
 - › investor sentiment.
 - › Australian and international economic conditions and outlooks.
 - › changes in interest rates and the rate of inflation.
 - › currency fluctuations.
 - › changes in government legislation and policies, in particular taxation laws.
 - › announcement of new technologies.
 - › geo-political instability, including international hostilities and acts of terrorism, civil wars or labour strikes.
 - › outbreaks of disease.
 - › natural disasters or other man-made disasters
 - › demand for and supply of Karoon shares.
 - › announcements and results of competitors. and
 - › analyst reports.
- › No assurance can be given that the New Shares will trade at or above the Offer Price. None of Karoon, its Directors or any other person guarantees the performance of the New Shares. The operational and financial performance and position of Karoon and Karoon's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. The equity markets have in the past and may in the future be subject to significant volatility.

Access to debt capital markets

- › Karoon's activities require Karoon to obtain significant funding from domestic and international bank, capital and equity markets. Any material restriction on the ability of Karoon to source capital may restrict its operations and growth preventing Karoon from acquiring new assets and taking advantage of new development opportunities or delaying the commencement or completion of projects in which Karoon is involved.
- › Karoon may require capital in addition to the Equity Raising in order to fund exploration or development activities. Failure to obtain such finance in a timely manner could impact its ability to secure additional acquisition opportunities or the execution of required JV work programs. There is no assurance that the capital or debt markets will provide additional funding on reasonable terms or at all. Uncertainty in domestic and international credit markets could materially affect Karoon's ability to access sufficient capital for its capital requirements and as a result may have a material adverse effect on Karoon's ability to execute its business strategy and on its business, financial condition, results of operations and prospects. The possibility of material dilution for shareholders also exists if future equity raisings are completed during a period of general market or company share price weakness.

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Key risks



General risks

Risk of dilution	<ul style="list-style-type: none"> › Investors who do not participate in the Entitlement Offer, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in Karoon diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by future capital raisings by Karoon. Karoon may issue new shares to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. Karoon will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short term detriment caused by the potential dilution associated with a capital raising.
Taxation and Australian Accounting Standards risk	<ul style="list-style-type: none"> › Changes to the rate of taxes imposed on Karoon or changes in tax legislation or changing interpretations enforced by taxation authorities, whether in Australia or such other foreign jurisdictions in which Karoon may operate, may lead to an increase in Karoon's taxation obligations and a reduction in potential shareholder returns › Personal taxation liabilities are the responsibility of each individual shareholder, Karoon is not responsible either for taxation or tax penalties incurred by investors. › Australian Accounting Standards are set by the AASB and are outside the Directors' and Karoon's control. Changes to accounting standards issued by the AASB may have a material adverse impact on the financial performance and position of Karoon as reported in its financial statements.
Force majeure events	<ul style="list-style-type: none"> › Events may occur within or outside one or more of the jurisdictions in which Karoon operates that could impact upon the global and/or economies in one or more of those jurisdictions, Karoon's operations and the price of its shares. › These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on Karoon and its business and operations.
Unforeseen risk	<ul style="list-style-type: none"> › There may be other risks of which the Company is unaware at the time of issuing this Offer Document which may impact Karoon, its operations and/or the valuation and performance of its shares. The above list of key risks ought not to be taken as exhaustive of the risks faced by Karoon or by investors in Karoon. The above risks and others not specifically referred to above may in the future materially affect Karoon, its financial performance or the value of its shares.

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Appendix C

Underwriting Agreement termination Events

Underwriting Agreement Termination Events



Termination events

Below is a summary of the termination events set out in the Underwriting Agreement.

- › a statement contained in the offer materials prepared in connection with the Equity Raising is or becomes misleading or deceptive in a material respect (including by omission) or likely to mislead or deceive in a material respect, or the materials omit any information they are required to contain by applicable laws.
- › an obligation arises on Karoon to give ASX a notice in accordance with section 708AA(10), 708AA(12) or 709A(9) of the Corporations Act.
- › any Government agency commences, or gives notice of an intention to commence, any action, investigation, enquiry, hearing or proceedings in relation to the Company, the Equity Raising or the offer materials or prosecutes or commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, the Company, including under Part 9.5 of the Corporations Act and Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth).
- › ASX announces that the Company will be removed from the official list or that the Shares will be removed from official quotation or suspended from quotation by ASX for two or more trading days.
- › approval (subject only to customary conditions) is refused or not granted to the official quotation of all the New Shares.
- › there are certain delays in the timetable without the prior approval of the Underwriter.
- › Karoon fails to deliver certain certificates required under the Underwriting Agreement when required.
- › the Company or Karoon Energy International Pty Ltd is insolvent or there is an act or omission, or circumstance that arises which is likely to result in the Company or a Karoon group member becoming insolvent.
- › there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government agency which makes it illegal or commercially impossible for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Equity Raising.
- › Karoon, any of its Directors or the Chief Executive Officer or Chief Financial Officer of Karoon is charged in relation to any fraudulent conduct or activity whether or not in connection with the Equity Raising.
- › any of the following occur: (a) a Director or the CEO or CFO is charged with an indictable offence. (b) any Government agency charges or commences any court proceedings or public action against Karoon or any of its Directors in their capacity as a Director of Karoon, or announces that it intends to take action, or commences or gives notice of an intention to commence a hearing or investigation into Karoon. (c) any Director is disqualified from managing a corporation under the Corporations Act. Or (d) the CEO or CFO resign or are terminated.
- › Karoon withdraws the Equity Raising or notifies the Underwriter that it does not intend to, or is unable to, proceed with the Equity Raising;
- › Karoon is prevented from allotting and issuing the New Shares (i) within the times required by the timetable for the Equity Raising (other than as permitted by the term of the Underwriting Agreement) or (ii) under the ASX Listing Rules, applicable laws, an order for a court of competent jurisdiction or a Government agency;
- › any aspect of the Equity Raising does not comply with the Corporations Act 2001 (Cth), the ASX Listing Rule or any other applicable laws and regulations;

Underwriting Agreement Termination Events



Termination events (cont.)

- › any one of the following events occur, and the occurrence of such event has or is likely to have a material adverse effect on the success, settlement or marketing of the Equity Raising, the willingness of investors to subscribe for or settle the New Shares or will, or is likely to, give rise to a liability of the Underwriter or its affiliates under, or give rise to, or result in, a contravention by the Underwriter or its affiliates or the Underwriter or its affiliates being involved in a contravention of, any applicable law:
 - › a statement in any certificate delivered under the Underwriting Agreement is false, misleading, deceptive, untrue or incorrect;
 - › a representation, warranty or undertaking or obligation contained in the Underwriting Agreement is breached or misleading or deceptive or not true or correct when given or taken to be given by Karoon or Karoon fails to perform or observe any of its obligations under the Underwriting Agreement;
 - › any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of the Company to the Underwriter for the purposes of the due diligence for the Equity Raising is or becomes false, misleading or deceptive or is likely to mislead or deceive (including by omission);
 - › the offer materials or Karoon do not comply with or contravenes any provision of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law;
 - › there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Karoon group including, but not limited to: (a) any material adverse change in the earnings or future prospects of the Karoon group from those disclosed in the offer materials. or (b) any material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Karoon group from those respectively disclosed in the offer materials;
 - › there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia, the Congress of the United State of America or any State of the United States of America, the National Congress of Brazil or any State of Brazil, a new law or regulation, or the Reserve Bank of Australia, or any Government agency, adopts or announces a proposal to adopt a new policy (other than a law, regulation, or policy which has been announced prior to the date of the Underwriting Agreement);
 - › trading of all securities quoted on ASX, the London Stock Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading;
 - › a general moratorium on commercial banking activities in Australia, the United States, Hong Kong, Brazil, or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - › there is any adverse change or disruption to the financial markets of Australia, the United States or Brazil or any change involving a prospective adverse change in any of those markets;
 - › a national emergency not existing at the date of the Underwriting Agreement is declared by any one or more of Australia, the United States of America or Brazil;
 - › hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war or a national emergency has been declared or not), in either case, involving any one or more of Australia, New Zealand, Hong Kong, the People's Republic of China, South Korea, Japan, Israel, Iran, Brazil, the United States of America, the United Kingdom, any member of the European Union, or a major terrorist act is perpetrated in any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world or nuclear weapons of any sort are used in connection with, or the military of any member state of the North Atlantic Treaty Organization becomes directly involved in, the Ukraine conflict that is ongoing at the date of the Underwriting Agreement;
 - › the Company fails to perform or observe any of its obligations under the Underwriting Agreement; and
 - › Karoon contravenes any provision of the Corporations Act 2001 (Cth), its constitution, any of the ASX Listing Rules or any other applicable law.



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Appendix D

International offer jurisdictions

International offer jurisdictions



Bermuda	<ul style="list-style-type: none"> › No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.
Brazil	<ul style="list-style-type: none"> › The New Shares have not been, and will not be, registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários or CVM) or any other authority in Brazil and may not be offered or sold, directly or indirectly, to the public in Brazil. This document and any other document relating to an offer of New Shares may not be distributed in Brazil except to “professional investors” (within the meaning of Resolution 160 of the CVM) or otherwise in compliance with Brazilian law. › This document has not been approved by any Brazilian regulatory authority and does not constitute an offer to sell, or a solicitation of any offer to buy, any securities to the public in Brazil. › The Company’s ordinary shares are not listed on any stock exchange, over-the-counter market or electronic system of securities trading in Brazil.
Cayman Islands	<ul style="list-style-type: none"> › No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.
Canada (British Columbia, Ontario and Quebec provinces only)	<ul style="list-style-type: none"> › This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the “Provinces”), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are “accredited investors” within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators. › No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence. › No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Equity Raising will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares. › The Company as well as its Directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its Directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

International offer jurisdictions



Canada (British Columbia, Ontario and Quebec provinces only) (cont.)

- › Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.
- › Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.
- › Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.
- › Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

European Union (excluding Austria)

- › This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").
- › In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

- › WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).
- › No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.
- › The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Equity Raising. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International offer jurisdictions



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Malaysia	<ul style="list-style-type: none"> › This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.
New Zealand	<ul style="list-style-type: none"> › This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”). › The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. › Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: <ul style="list-style-type: none"> › is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act. › meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act. › is large within the meaning of clause 39 of Schedule 1 of the FMC Act. › is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act. or › is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.
Norway	<ul style="list-style-type: none"> › This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).
Singapore	<ul style="list-style-type: none"> › This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA. › This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. › Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International offer jurisdictions



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Switzerland	<ul style="list-style-type: none"> › The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland. › No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA). › Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as “professional clients” (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.
United Arab Emirates (excluding financial zones)	<ul style="list-style-type: none"> › This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority (“SCA”) or any other authority in the UAE. › No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to “professional investors” (as defined in the SCA Board of Directors’ Decision No.13/RM of 2021, as amended). › No offer of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.
United Kingdom	<ul style="list-style-type: none"> › Neither this document nor any other document relating to the Equity Raising has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares. › The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom. › Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company. › In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

International offer jurisdictions



United States

- › This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares 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.
- › The New Shares will only be offered and sold in the United States to:
- › “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act). and
- › dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

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Appendix E

Glossary

Glossary



Term	Definition	Term	Definition
A\$ or AUD	Australian Dollars	Concession	The geographic area in which the government allows a company to operate.
AASB	Australian Accounting Standards Board	Contingent Resources	Those quantities of hydrocarbons estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable (as evaluation of the accumulation is insufficient to clearly assess commerciality). 1C- Denotes low estimate scenario of Contingent Resources. 2C- Denotes best estimate scenario of Contingent Resources. 3C- Denotes high estimate scenario of Contingent Resources
AFE	Authorizations For Expenditure	DD&A	Depreciation, Depletion and Amortization
Amplitude	In a seismic survey, seismic amplitude is a measure of the contrast in properties between two layers.	Director	Director means the directors of the Company
API	The American Petroleum Institute gravity, or API gravity, is a measure of how heavy or light a petroleum liquid is compared to water.	EBITDA	Earnings before cash, interest on debt, interest on the lease liability recognised under AASB 16, income tax expense, depreciation and amortisation.
ASX	ASX Limited (ACN 008 624 691), trading as Australian Securities Exchange.	EV	Enterprise Value
barrel or bbl	Barrel of oil, inclusive of condensate. A quantity of 42 United States gallons. equivalent to approximately 159 litres	Field	An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area although it may refer to both the surface and underground productive formation.
Basin	A natural depression on the earth's surface in which sediments, eroded from higher surrounding ground levels, accumulated and were preserved.	FPS	Floating Production System
Baúna	Concession BM-S-40 containing the producing Baúna, Piracaba and Patola light oil fields in Brazil.	FPSO	Floating production, storage and off-loading facility.
Block	A license or concession area. It may be almost any size or shape, although usually part of a grid pattern.	GHG	Greenhouse gas emissions
BM-S-40	Concession BM-S-40, containing the Baúna, Piracaba and Patola oil fields, southern Santos Basin, offshore Brazil.	GoM	Gulf of Mexico
Boe	Barrels of oil equivalent	Hydrocarbon	An organic compound consisting entirely of hydrogen and carbon.
BOEM	U.S. Bureau of Ocean Energy Management	Infill drilling	The process of increasing the number of wells in an area by drilling wells in spaces between existing wells.
Brent index	A benchmark crude that serves as a quotable reference price for buyers and sellers of crude oil.	ING	ING Bank NV - a Dutch multinational banking and financial services corporation headquartered in Amsterdam.
Company	Karoon Energy Ltd.	Intervention	Any operation carried out on an oil or gas well during, or at the end of, its production life that alters the state of the well or well geometry, provides well diagnostics, or manages the production of the well.

Glossary (cont.)



Term	Definition	Term	Definition
Joint venture	A business entity created by two or more parties, generally characterised by shared ownership, shared returns and risks, and shared governance.	Petrobras	Petróleo Brasileiro S.A.
Karoon	Karoon Energy Ltd and its subsidiaries.	PoS	Probability of Success
LTM	Last Twelve Months	Porosity	Percentage of pore volume or void space or that volume within rock that can contain fluids.
m	Metres	Prospect	A geological or geophysical anomaly that has been surveyed and defined to the degree that its configuration is fairly well established, and on which further exploration such as drilling can be recommended.
MM	Million.	Prospective Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Low – Denotes the unrisks low estimate qualifying as Prospective Resources Best – Denotes the unrisks best estimate quality as Prospective Resources High – Denotes the unrisks high estimate qualifying as Prospective Resources
Mbbl	Thousand barrels (1,000 barrels).	Reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions 1P- Denotes low estimate of Reserves (Proved Reserves) 2P- Denotes the best estimate of Reserves (Proved plus Probable Reserves) 3P- Denotes the high estimate of Reserves (Proved plus Probable plus Possible Reserves)
MMbbl	Millions of barrels (1,000,000 barrels).	Reserve based lending	A type of financing where a loan is secured by the undeveloped Reserves of Oil and Gas of a borrower. The facility is repaid using the proceeds that derive from sales in the field or portfolio of fields in production.
MMboe	Millions (106) of barrels of oil equivalent	Reservoir	A porous and permeable rock formation to store and transmit fluids such as hydrocarbons and water
NTM	next twelve months	Resources	Term used to encompass all quantities of petroleum (recoverable and unrecoverable) naturally occurring in an accumulation on or within the Earth's crust, discovered and undiscovered, plus those quantities already produced. Further, it includes all types of petroleum whether currently considered conventional or unconventional.
NRI	Net Revenue Interest	Risk (geological)	Prospect risk or geologic risk is the assessed chance that the drilling of the prospect will be successful in finding significant volumes of hydrocarbons. The risk is calculated by multiplying the chance of success of each of the petroleum system elements involved in the prospect.
NWI	Net Working Interest	TERP	Theoretical ex-rights price
Permeability	The ability or measurement of a rock's ability to transmit fluids.		

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CORPORATE DIRECTORY

KAROON ENERGY LTD
ACN 107 001 338 (ASX Code: KAR)

REGISTERED OFFICE

Level 3, 6 Riverside Quay
Southbank VIC 3006

UNDERWRITER

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Level 35, 80 Collins Street
Melbourne VIC 3000

LEGAL ADVISER

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5 Martin Place
Sydney NSW 2000

REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

WEBSITE

<https://www.karoonenergy.com.au/>

ENTITLEMENT OFFER INFORMATION LINE

Australia: 1300 850 505
International: +61 3 9415 4000

Open between 8:30 am and 5:00 pm (Sydney time) on Monday to Friday during the Retail Entitlement Offer period.

OFFER WEBSITE

www.computersharecas.com.au/karoffer

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ABN 53 107 001 338

KAR
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

X 9999999991

I ND

Not for release to US wire services or distribution in the United States

KAROON ENERGY LTD

Thursday, 23 November 2023

Dear Shareholder,

KAROON ENERGY LTD A\$480 MILLION FULLY UNDERWRITTEN ACCELERATED NON-RENONCEABLE ENTITLEMENT OFFER AND INSTITUTIONAL PLACEMENT

RETAIL ENTITLEMENT OFFER NOW OPEN

On 16 November 2023, Karoon Energy Ltd (ACN 107 001 338) (**Karoon** or the **Company**) announced a fully underwritten \$480 million equity raising consisting of an institutional placement (to raise approximately \$170 million (before costs)) (**Placement**) and a 1 for 3.75 pro rata accelerated non-renounceable entitlement offer (to raise approximately \$310 million (before costs)) (**Entitlement Offer**, together with the **Placement**, the **Offer**).

The proceeds of the Offer will be used to partially fund the acquisition of 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
- 30%, 35% and 40% interest in the associated Who Dat South, Who Dat West and Who Dat East exploration acreage, respectively.

Refer to the Company's announcements to ASX on Thursday, 16 November 2023 for further details.

The Offer is underwritten by Macquarie Capital (Australia) Limited (ACN 123 199 548) (**Underwriter**).

The Entitlement Offer comprises an offer to eligible institutional shareholders, which closed on Friday, 17 November 2023 and raised approximately \$216 million (before costs) (**Institutional Entitlement Offer**), and a retail component to raise approximately \$94 million (before costs) (**Retail Entitlement Offer**).

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This letter is to inform you that the Retail Entitlement Offer opens today, and to explain that if you are an eligible shareholder, you will be able to subscribe for 1 New Share for every 3.75 existing full paid ordinary shares in the Company (**Entitlement**) held by you on 7.00pm (Sydney time) on Monday, 20 November 2023 (**Record Date**). The offer price is \$2.05 per New Share (**Offer Price**), representing:

- approximately 10.8% discount to the theoretical ex-rights price ("TERP") of A\$2.30 per share;
- approximately 12.4% discount to the 5 day VWAP of A\$2.34 per share as at 14 November 2023; and
- approximately 14.6% discount to the close price of A\$2.40 per share as at 14 November 2023.

New Shares issued under the Offer will rank equally with existing fully paid ordinary shares on issue in the Company (**Shares**). Fractional entitlements will be rounded up to the nearest whole number of shares.

In addition, Eligible Retail Shareholders who take up all of their Entitlement may apply for additional New Shares up to 55% in excess of their Entitlement via an oversubscription facility (**Oversubscription Facility**). There is no guarantee that Eligible Retail Shareholders will be issued any New Securities under the Oversubscription Facility. New Shares issued under the Oversubscription Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. To the maximum extent permitted by law, the Company retains absolute discretion in relation to the allocation of any additional New Shares under the Oversubscription Facility.

The Retail Entitlement Offer is scheduled to close at 5.00pm (Sydney time) on Wednesday, 6 December 2023. Payment must be received before this time.

You should read the offer booklet prepared in relation to the Retail Entitlement Offer (**Retail Offer Booklet**) carefully and in its entirety before deciding whether to participate in the Retail Entitlement Offer.

Eligibility criteria

Eligible Retail Shareholders are those persons who are registered as holders of existing Karoon shares as at 7.00pm (Sydney time) on the 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 such a person holds securities in Karoon for the account or benefit of such persons 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.

Shareholders who are not Eligible Retail Shareholders and who did not participate in the Institutional Entitlement Offer are ineligible shareholders.

Determination of eligibility of Shareholders for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Underwriter. The Company, the Underwriter and each of their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaims any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Retail Offer Booklet

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer. Full details of the Retail Entitlement Offer are set out in the Retail Offer Booklet, which will be made available on Karoon's Entitlement Offer website at: www.computersharecas.com.au/karoffer from Thursday, 23 November 2023.

Eligible Retail Shareholders can access the Retail Offer Booklet via the Entitlement Offer website: www.computersharecas.com.au/karoffer, together with a personalised entitlement details, on Thursday, 23 November 2023. Paper copies of these documents will also be available on request by contacting the Offer Information Line 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time between 8.30am and 5.00pm (Sydney time) Monday to Friday, during the Retail Entitlement Offer period. You should read the Retail Entitlement Offer Booklet carefully and in its entirety before deciding whether to participate in the Retail Entitlement Offer.

Action Required by Eligible Retail Shareholders

If you are an Eligible Retail Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Retail Entitlements:

1. Take up all of your Entitlement and also apply for additional New Shares under the Oversubscription Facility

If you wish to take up all of your Entitlement, you are encouraged to make payment via BPAY® or electronic funds transfer (EFT) by following the instructions set out on the offer website at: www.computersharecas.com.au/karoffer. Payment is due by no later than 5.00pm (Sydney time) on Wednesday, 6 December 2023.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Oversubscription Facility. Any Application Monies received for more than your full Entitlement of New Shares will be treated as applying for as many additional New Shares as it will pay for in full, up to an additional 55% of your Entitlement.

2. Take up all of your Entitlement but not apply for additional New Shares under the Oversubscription Facility

If you wish to take up all of your Entitlement, you are encouraged to make payment via BPAY® or EFT by following the instructions set out on the offer website at: www.computersharecas.com.au/karoffer. Payment is due by no later than 5.00pm (Sydney time) on Wednesday, 6 December 2023.

3. Take up part of your Entitlement and allow the balance to lapse

If you wish to take up part of your Entitlement, you are encouraged to make payment via BPAY or EFT by following the instructions set out on the offer website at: www.computersharecas.com.au/karoffer. Payment is due by no later than 5.00pm (Sydney time) on Wednesday, 6 December 2023.



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If Karoon receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

4. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements

If you do not wish to take up all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

Key Dates for Eligible Retail Shareholders¹

Event	Date
Announcement of the Placement and Entitlement Offer	Thursday, 16 November 2023
Announcement of results of Placement and Institutional Entitlement Offer	Friday, 17 November 2023
Record Date (7.00pm Sydney time)	Monday, 20 November 2023
Retail Entitlement Offer opens Offer Booklet lodged with ASX Offer Booklet and Entitlement and Acceptance Form made available	Thursday, 23 November 2023
Settlement of the Placement and Institutional Entitlement Offer	Friday, 24 November 2023
Issue of New Shares under the Placement and Institutional Entitlement Offer	Monday, 27 November 2023
Retail Entitlement Offer closes (5.00pm Sydney time)	Wednesday, 6 December 2023
Announcement of results of Retail Entitlement Offer	Monday, 11 December 2023
Settlement of the Retail Entitlement Offer	Tuesday, 12 December 2023
Allotment and issue of New Shares under the Retail Entitlement Offer	Wednesday, 13 December 2023
Normal trading on ASX for New Shares issued under the Retail Entitlement Offer commences	Thursday, 14 December 2023
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Monday, 18 December 2023

Enquiries and further information

If you have any queries about whether or not you should participate in the Retail Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

¹ This Timetable above is indicative only and may change. All dates and times are Sydney time. Karoon reserves the right to amend any or all of these dates and times subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, Karoon reserves the right to extend the Closing Date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. Karoon also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement or have lost your Entitlement and Acceptance Form and would like a replacement form, please contact the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time between 8.30am and 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period.

On behalf of the Company, I thank you for your ongoing support.

Yours faithfully,



Bruce J Phillips
Chairman

Karoon Energy Ltd

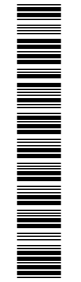
IMPORTANT NOTICE AND DISCLAIMER

The Entitlement Offer is being made by Karoon in accordance with section 708AA of the *Corporations Act 2001* (Cth) 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.

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.



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