

## Karoon Energy Ltd signs binding Baúna Sale and Purchase Agreement

### Acquisition Highlights

- Realises Karoon Energy Ltd's (Karoon's) highest priority strategic goal of acquiring a high quality, cash generating production asset
- 100% operating interest in the Baúna light oil field producing approximately 20 Mbopd
- US\$665 million headline purchase price offset by operating cash flows from the effective date, 1 January 2019
- Transaction subject to final Brazilian regulatory approval, which is expected in the first half of calendar year 2020

Karoon (ASX:KAR) is pleased to announce that its wholly owned subsidiary, Karoon Petróleo e Gás Ltda, has executed a binding sale and purchase agreement to acquire a 100% operating interest in the Baúna field (Concession BM-S-40) located in the Santos Basin, offshore Brazil for a headline consideration of US\$665 million.

The Baúna field consists of two producing oil reservoirs, Baúna and Piracaba, which are both tied back to the leased floating production, storage and off-loading facility (FPSO) Cidade de Itajai, and the existing undeveloped Patola discovery. The asset is currently producing light sweet crude at a rate of approximately 20 Mbopd.

The acquisition is also expected to deliver material operational and logistical synergies for the potential development of Karoon's existing southern Santos Basin assets, Neon and Goiá.

*Karoon's Managing Director, Mr. Robert Hosking said: "The company has been working very hard over the past three years to acquire a high quality production asset with robust economic returns. Through the acquisition of the Baúna asset Karoon has delivered on its highest strategic priority."*

*"Baúna will provide Karoon shareholders with material oil production (currently approximately 20 Mbopd before development workovers) and a platform for future growth. The transaction will be transformational for Karoon shareholders, providing significant exposure to reserves, resources and high margin oil production"*

*"The acquisition of Baúna opens a new phase for Karoon as a significant ASX listed oil producer. It is expected to generate significant operational and logistical synergies with Karoon's other 100% owned southern Santos Basin exploration and development assets. "*

## Further information

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All **holding** enquiries should be directed to our share registrar, Computershare on 1300 850 505.

## About Karoon Energy Ltd

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

Karoon has a core exploration growth strategy, focused on large targets in proven Petroleum Systems. The Company utilises its depth of technical experience to find and assess opportunities with a current focus of production assets to complement its existing portfolio.

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

## Forward-looking Statements

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

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

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