

23 October 2019

By E-mail

Market Announcements Office
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Sir/Madam

Section 708AA notice - issue of Karoon Energy Ltd shares without a prospectus

We attach the Entitlement Offer Cleansing Notice in relation to the fully underwritten pro-rata accelerated non-renounceable entitlement offer announced today by Karoon Energy Ltd (ACN 107 001 338) (ASX:KAR) (**Karoon**).

Yours sincerely



Scott Hosking
Company Secretary and Chief Financial Officer
Karoon Energy Ltd

23 October 2019

By E-mail

Market Announcements Office
ASX Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Sir/Madam

Notice under section 708AA(2)(f) of the Corporations Act 2001

This notice is given by Karoon Energy Ltd (ACN 107 001 338) (ASX:KAR) (**Karooon**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by the Australian Securities and Investments Commission (Non-Traditional Rights Issue) Instrument 2016/84 (**Act**).

Karoon has announced a fully underwritten pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of 1 fully paid ordinary share in Karoon (**New Shares**) for every 1.06 Karoon fully paid ordinary shares held as at 7:00pm (AEDT) on Friday, 25 October 2019 by eligible shareholders at an issue price of \$0.93 per New Share to raise approximately A\$217.1 million.

The Entitlement Offer comprises a retail component, to be offered to retail shareholders with a registered address in Australia or New Zealand (Eligible Retail Shareholders) and an institutional component, to be offered to institutional shareholders in Australia and certain institutional investors in New Zealand, Bermuda, Norway, Italy, Luxembourg, Hong Kong, Singapore, the United Kingdom and the United States.

A retail offer booklet (**Information Booklet**) in relation to the retail component of the Entitlement Offer will be lodged with the ASX on Friday, 25 October 2019 (in advance of the despatch date), and then despatched along with personalised entitlement and acceptance forms to Eligible Retail Shareholders on or around Wednesday, 30 October 2019.

Karoon confirms that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, Karoon has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to Karoon; and
 - (ii) section 674 of the Act;

- (d) as at the date of this notice, there is no “excluded information” of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7)(d) of the Act; and
- (e) the potential effect the issue of New Shares will have on the control of Karoon, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. However, given:
 - (i) the structure of the Entitlement Offer as a pro-rata issue; and
 - (ii) the current level of holdings of substantial holders (based on substantial holding notices that have been given to Karoon and lodged with ASX on or prior to the date of this notice),

the issue of New Shares under the Entitlement Offer is not expected to have any material effect or consequence on the control of Karoon.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Hosking'.

Scott Hosking
Company Secretary and Chief Financial Officer
Karoon Energy Ltd