

ASX RELEASE

Issued 25 October 2019

Karoon Energy successfully completes institutional entitlement offer and placement**Highlights**

- Completion of the institutional placement (Placement) raised gross proceeds of approximately A\$67 million
- Completion of the institutional component of the Entitlement Offer (Institutional Entitlement Offer) raised gross proceeds of approximately A\$108 million
- Strong support shown by both existing and new institutional shareholders
- Retail offer component of the Entitlement Offer (Retail Entitlement Offer) opens on Wednesday, 30 October 2019

Karoon Energy Limited (ASX:KAR) (**Karoon**) is pleased to announce the successful completion of the fully underwritten institutional placement and the institutional component of its 1 for 1.06 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid Karoon ordinary shares (**New Shares**) to raise approximately A\$175 million.

The Placement and the Institutional Entitlement Offer closed significantly oversubscribed with support from both existing and new institutional shareholders, together raising approximately A\$175 million at the offer price of A\$0.93 per New Share. Eligible institutional investors (excluding the Talbot Group and large, sophisticated individual shareholders) took up approximately 87% of entitlements available to them, or 59% of the total entitlements available under the Institutional Entitlement Offer. The Placement has been made within Karoon's placement capacity under Listing Rule 7.1 as modified by a waiver from the ASX.

Commenting on the outcome of the Placement and the Institutional Entitlement Offer, Mr. Robert Hosking, Managing Director, said "We are pleased with the strong support shown by new and existing shareholders for the equity raising along with the acquisition of the Baúna producing oil field. The acquisition of Bauna represents a new phase for Karoon as a significant ASX listed oil exploration and production company. We now look forward to completing the Retail Entitlement Offer which is the final financial component for Karoon to acquire the Baúna asset to the benefit of Karoon's shareholders. I would like to thank current and new shareholders for their support and look forward to an exciting period ahead for Karoon".

The New Shares to be issued under the Placement and the Institutional Entitlement Offer will rank equally with existing Karoon ordinary shares in all respects from the date of their issue. Settlement of the Placement and Institutional Entitlement Offer will take place on Thursday, 31 October 2019, with the New Shares to commence trading on Friday, 1 November 2019.

Retail Entitlement Offer

The Retail Entitlement Offer is expected to raise approximately A\$109 million. The Retail Entitlement Offer will open at 9.00am (Melbourne time) on Wednesday, 30 October 2019 and close at 5.00pm (Melbourne time) on Monday, 12 November 2019.

Eligible retail shareholders with a registered address in Australia or New Zealand will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Placement and the Institutional Entitlement Offer.

Further details of the Retail Entitlement Offer will be fully set out in the Retail Offer Booklet. Eligible retail shareholders should carefully read the Retail Offer Booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Wednesday, 30 October 2019.

If you have any questions in relation to the equity raising, please contact the Karoon Offer Information Line on 1300 850 505 (within Australia) or +61 (03) 9415 5000 (outside Australia) between 8.30am and 5.00pm (AEDT) on Monday to Friday. For other questions you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Further Information

Investors: please contact James Wootton on +61 3 9616 7500 or jwootton@karoonenergy.com.au

Media: please contact Tim Duncan, GRACosway, on +61 408 441 122 or tduncan@gracosway.com.au

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