

Oil marketing agreement and credit approved 50 MM USD working capital facility terms signed with Shell West

Karoon Energy Ltd (“Karoon”) is pleased to announce that its wholly-owned subsidiary, Karoon Petróleo e Gás Ltda (“KPG”), has signed a marketing agreement with Shell Western Trading and Supply Limited (“Shell West”), a member of the Royal Dutch Shell plc group of companies, to trade and ship crude oil production from the Baúna field Brazil.

The marketing agreement is for a term of up to 5 years and provides Karoon with access to Shell West’s global marketing and shipping platform.

As part of the marketing agreement negotiation, Karoon and Shell West have now agreed terms, and Shell West has obtained internal credit approval, for a US\$50 million term loan facility at Karoon’s Australian business level. It is intended that this loan facility will be used as a reserve working capital facility. Karoon will now seek to finalise the loan facility documents under usual commercial terms.

These agreements are subject to financial completion of the Baúna transaction and entry into the loan facility is subject to completion of due diligence and negotiation and finalisation of definitive documentation.

Karoon Managing Director Robert Hosking said, “*we are very pleased to be partnering with Shell for the marketing and shipping of the Baúna oil production. This agreement provides for value add through access to end buyers that are currently buying similar grade of oil out of Brazil and allows Karoon to co-load on larger vessels, reducing transport costs. Overall Karoon expects to retain a higher net back pricing for FOB Baúna production.*”

Important Note

Should investors have any questions or queries regarding the company, please contact James Wootton on 03 9616 7500 or jwootton@karoonenergy.com.au All **holding** enquiries should be directed to our share registrar, Computershare on 1300 850 505.

About Karoon Energy Ltd

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

Karoon has a core exploration growth strategy, focused on large targets in proven Petroleum Systems. The Company is looking to complete the acquisition of a foundation production asset that will underpin long-term sustainable growth and shareholder value.

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

Forward-looking Statements

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

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

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