

Form 604
Corporations Act 2001
Section 671B
Notice of change of interests of substantial holder

To: **Company Name/Scheme:** Karoon Energy Ltd
ACN/ARSN 107 001 338

1. Details of substantial holder

Name Mitsubishi UFJ Financial Group, Inc.
There was a change in the interests of the substantial holder on **01/11/2019**
The previous notice was given to the company on **06/11/2019**
The previous notice was dated **06/11/2019**
The holder became aware on **05/11/2019**

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate had a relevant interest in when last required, and when now required, to give a substantial holding notice to the company or scheme are as follows:

| Class of securities | Previous notice | | Present notice | |
|----------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (%) | Person's votes | Voting power (%) |
| Fully Paid ordinary shares | 21,137,030 | 8.54% | 25,260,823 | 5.80% |

3. Changes in relevant interest

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change | Consideration given in relation to change | Class and number of securities affected | Person's votes affected |
|-------------------------------|--|------------------|---|---|-------------------------|
| See annexure A to this notice | | | | | |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder | Nature of relevant interest | Class and number of securities | Person's votes |
|--------------------------------------|---|--|---|--------------------------------------|----------------|
| Mitsubishi UFJ Financial Group, Inc. | Citicorp Nominees Pty Limited (Australia) | | Relevant interest in securities that First Sentier Investors Holdings Pty Limited has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of 100% in First Sentier Investors Holdings Pty Limited. | 1,287,918 Fully paid ordinary shares | 1,287,918 |
| Mitsubishi UFJ Financial Group, Inc. | Citibank N A Hong Kong | | Relevant interest in securities that First Sentier Investors Holdings Pty Limited has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of 100% in First Sentier Investors Holdings Pty Limited. | 3,013,158 Fully paid ordinary shares | 3,013,158 |
| Mitsubishi UFJ Financial Group, Inc. | Citibank N A Hong Kong | | Relevant interest in securities that First Sentier Investors Holdings Pty Limited has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of 100% in First Sentier Investors Holdings Pty Limited. | 3,331,301 Fully paid ordinary shares | 3,331,301 |
| Mitsubishi UFJ Financial Group, Inc. | JPMorgan (UK) | | Relevant interest in securities that First Sentier Investors Holdings Pty Limited has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of 100% in First Sentier Investors Holdings Pty Limited. | 732,527 Fully paid ordinary shares | 732,527 |
| Mitsubishi UFJ Financial Group, Inc. | National Custodian Services | | Relevant interest in securities that First Sentier Investors Holdings Pty Limited has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of 100% in First Sentier Investors Holdings Pty Limited. | 1,439,413 Fully paid ordinary shares | 1,439,413 |
| Mitsubishi UFJ Financial Group, Inc. | HSBC Custody Nominees (Australia) Limited | | Relevant interest in securities that Morgan Stanley has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of over 20% in Morgan Stanley. | 1,758,175 Fully paid ordinary shares | 1,758,175 |
| Mitsubishi UFJ Financial Group, Inc. | HSBC Custody Nominees (Australia) Limited | | Relevant interest in securities that Morgan Stanley has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of over 20% in Morgan Stanley. | 1,204 Fully paid ordinary shares | 1,204 |
| Mitsubishi UFJ Financial Group, Inc. | HSBC Custody Nominees (Australia) Limited | | Relevant interest in securities that Morgan Stanley has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of over 20% in Morgan Stanley. | 686,403 Fully paid ordinary shares | 686,403 |

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|--------------------------------------|---|--|---|---------------------------------------|------------|
| Mitsubishi UFJ Financial Group, Inc. | HSBC Custody Nominees (Australia) Limited | | Relevant interest in securities that Morgan Stanley has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of over 20% in Morgan Stanley. | 619,813 Fully paid ordinary shares | 619,813 |
| Mitsubishi UFJ Financial Group, Inc. | Morgan Stanley Australia Securities (Nominee) Pty Limited | | Relevant interest in securities that Morgan Stanley has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of over 20% in Morgan Stanley. | 10,438,304 Fully paid ordinary shares | 10,438,304 |
| Mitsubishi UFJ Financial Group, Inc. | Morgan Stanley Australia Securities (Nominee) Pty Limited | | Relevant interest in securities that Morgan Stanley has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of over 20% in Morgan Stanley. | 1,950,363 Fully paid ordinary shares | 1,950,363 |
| Mitsubishi UFJ Financial Group, Inc. | HSBC Custody Nominees (Australia) Limited | | Relevant interest in securities that Morgan Stanley has a relevant interest in under section 608(3) of the Corporations Act as Mitsubishi UFJ Financial Group, Inc. has voting power of over 20% in Morgan Stanley. | 2,244 Fully paid ordinary shares | 2,244 |

5. Changes in association

The persons who have become associates of, ceased to be associates of, or have changed the nature of their association with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| Not applicable | Not applicable |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|--------------------------------------|--|
| Mitsubishi UFJ Financial Group, Inc. | 2-7-1, Marunouchi, Chiyoda-ku, Tokyo 100-8330, Japan |

Signature



Dated 6 November 2019

Ryuichiro Sakuma

- Authorised Signatory

Annexure A

This is annexure A of 2 pages referred to in Form 604, Notice of change of interest of substantial holder dated 6 November 2019

R. Sakuma

Ryuichiro Sakuma - Authorised Signatory Dated 6 November 2019

| Date of change | Person whose relevant interest changed | Nature of change | Consideration given in relation to change | Class and number of securities affected | Person's votes affected |
|----------------|---|--|---|---|-------------------------|
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 127,397.98 | 134,678 Ordinary Shares | 134,678 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 1,135.25 | 1,195 Ordinary Shares | 1,195 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 7,243.68 | 7,585 Ordinary Shares | 7,585 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 1,834.36 | 1,936 Ordinary Shares | 1,936 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 282.24 | 294 Ordinary Shares | 294 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 42.75 | 45 Ordinary Shares | 45 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 1,539.00 | 1,620 Ordinary Shares | 1,620 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 1,900,000.00 | 2,000,000 Ordinary Shares | 2,000,000 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 8,513.90 | 8,962 Ordinary Shares | 8,962 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 33,075.00 | 35,000 Ordinary Shares | 35,000 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 6,988.20 | 7,356 Ordinary Shares | 7,356 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 366.63 | 389 Ordinary Shares | 389 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Purchase of securities by an entity controlled by Morgan Stanley | 747.50 | 791 Ordinary Shares | 791 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 7,893.27 | 8,442 Ordinary Shares | 8,442 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 3,800.00 | 4,000 Ordinary Shares | 4,000 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 9,600.00 | 10,000 Ordinary Shares | 10,000 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 4,333.18 | 4,502 Ordinary Shares | 4,502 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 11.28 | 12 Ordinary Shares | 12 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 3,525.12 | 3,672 Ordinary Shares | 3,672 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 9,550.00 | 10,000 Ordinary Shares | 10,000 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Sale of securities by an entity controlled by Morgan Stanley | 11,939.41 | 12,502 Ordinary Shares | 12,502 |
| 1/11/2019 | Morgan Stanley & Co. International plc | Borrow returned by an entity controlled by Morgan Stanley - see Annexure B | N/A | 3,000,000 Ordinary Shares | 3,000,000 |

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|-----------|---|--|--------------|---------------------------|-----------|
| 1/11/2019 | Morgan Stanley & Co. International plc | Collateral returned by an entity controlled by Morgan Stanley - see Annexure B | N/A | 1,440,513 Ordinary Shares | 1,440,513 |
| 1/11/2019 | Morgan Stanley & Co. LLC | Borrow returned by an entity controlled by Morgan Stanley - see Annexure B | N/A | 120,053 Ordinary Shares | 120,053 |
| 1/11/2019 | Morgan Stanley Australia Securities Limited | Entitlement issue to an entity controlled by Morgan Stanley | 6,080,003.34 | 6,537,638 Ordinary Shares | 6,537,638 |

Annexure B

This is annexure B of 2 pages referred to in Form 604, Notice of change of interest of substantial holder dated 6 November 2019

R. Sakuma

Ryuichiro Sakuma - Authorised Signatory Dated 6 November 2019

The below schedules are based on the relevant standard agreements. The entity filing the report will, if requested by the company or responsible entity to whom the prescribed form must be given or ASIC, give a copy of the agreement to the company, responsible entity or ASIC.

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|---|---|
| Schedule | |
| Type of Agreement | Global Master Securities Lending Agreement |
| Parties to agreement | Morgan Stanley & Co. International plc and THE NORTHERN TRUST COMPANY |
| Transfer Date | 20191023; 20191031; 20191101; |
| Holder of Voting Rights | Borrower |
| Are there any restrictions on voting rights? | Yes/No |
| If yes, detail Not applicable | |
| Scheduled Return Date (if any) | Open |
| Does the borrower have the right to return early? | Yes/No |
| If yes, detail The Borrower is entitled at any time to terminate a Loan and to redeliver all and any Equivalent Securities due and outstanding to the Lender in accordance with the Lender's instructions. | |
| Does the lender have the right to recall early? | Yes/No |
| If yes, detail The Lender is entitled to terminate a Loan and to call for the redelivery of all or any Equivalent Securities at any time by giving notice on any Business Day of not less than the standard settlement time for such Equivalent Securities on the exchange or in the clearing organisation through which the Loaned Securities were originally delivered. | |
| Will the securities be returned on settlement? | Yes/No |
| If yes, detail any exceptions If the Borrower does not redeliver Equivalent Securities in accordance with the Agreement, the Lender may by written notice to Borrower terminate the Loan forthwith and the Parties' delivery and payment obligations in respect thereof. | |

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| Schedule | |
| Type of Agreement | Master Securities Loan Agreement |
| Parties to agreement | Morgan Stanley & Co. LLC, IMS Securities Services Inc. and STATE STREET BANK AND TRUST COMPANY |
| Transfer Date | 20191021; 20191031; 20191101; |
| Holder of Voting Rights | Borrower |
| Are there any restrictions on voting rights? | Yes/No |
| If yes, detail Not applicable | |
| Scheduled Return Date (if any) | Open |
| Does the borrower have the right to return early? | Yes/No |
| If yes, detail Either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be the third Business Day following such notice. | |
| Does the lender have the right to recall early? | Yes/No |
| If yes, detail Either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be the third Business Day following such notice. | |
| Will the securities be returned on settlement? | Yes/No |
| If yes, detail any exceptions Upon the occurrence of a Default entitling the Lender to terminate all Loans, the Lender has the right to purchase a like amount of Loaned Securities, to sell any Collateral and to apply and set off the Collateral and any proceeds thereof against the payment of the purchase price for such Replacement Securities. In the event the Lender exercises such rights, the Borrower's obligation to return a like amount of the Loaned Securities shall terminate. | |

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| Schedule | |
| Type of Agreement | Master Securities Loan Agreement |
| Parties to agreement | Morgan Stanley & Co. LLC, IMS Securities Services Inc. and BROWN BROTHERS HARRIMAN & CO. |
| Transfer Date | 20191028; |
| Holder of Voting Rights | Borrower |
| Are there any restrictions on voting rights? | Yes/No |
| If yes, detail Not applicable | |
| Scheduled Return Date (if any) | Open |
| Does the borrower have the right to return early? | Yes/No |

If yes, detail Either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be the third Business Day following such notice.

Does the lender have the right to recall early? Yes/No

If yes, detail Either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be the third Business Day following such notice.

Will the securities be returned on settlement? Yes/No

If yes, detail any exceptions Upon the occurrence of a Default entitling the Lender to terminate all Loans, the Lender has the right to purchase a like amount of Loaned Securities, to sell any Collateral and to apply and set off the Collateral and any proceeds thereof against the payment of the purchase price for such Replacement Securities. In the event the Lender exercises such rights, the Borrower's obligation to return a like amount of the Loaned Securities shall terminate.

Schedule

Type of Agreement Master Securities Loan Agreement

Parties to agreement Morgan Stanley & Co. LLC, MS Securities Services Inc. and CITIBANK NA

Transfer Date 20191031;

Holder of Voting Rights Borrower

Are there any restrictions on voting rights? Yes/No

If yes, detail Not applicable

Scheduled Return Date (if any) Open

Does the borrower have the right to return early? Yes/No

If yes, detail Either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be the third Business Day following such notice.

Does the lender have the right to recall early? Yes/No

If yes, detail Either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be the third Business Day following such notice.

Will the securities be returned on settlement? Yes/No

If yes, detail any exceptions Upon the occurrence of a Default entitling the Lender to terminate all Loans, the Lender has the right to purchase a like amount of Loaned Securities, to sell any Collateral and to apply and set off the Collateral and any proceeds thereof against the payment of the purchase price for such Replacement Securities. In the event the Lender exercises such rights, the Borrower's obligation to return a like amount of the Loaned Securities shall terminate.