

Karoon signs Exclusivity Agreement with Enauta Energia S.A.

In light of an article that has appeared on a Brazilian petroleum industry website and a related announcement by Enauta Participações S.A. to the B3 stock exchange, Karoon Energy Ltd (*Karoon*) announces that it has submitted a confidential, conditional, non-binding and incomplete offer to Enauta Energia S.A., and signed an Exclusivity Agreement to undertake due diligence and enter into confidential negotiations, in connection with potentially acquiring a 50% non-operated interest in the Atlanta oil field, Santos basin, offshore Brazil.

Karoon notes that its entry into the Exclusivity Agreement, which is valid until 31 May 2022, is consistent with its announced strategy of seeking value-accretive, inorganic growth opportunities that can leverage off its existing position in Brazil. The Atlanta opportunity is just one of several opportunities Karoon continues to evaluate in line with this strategy in the normal course of business.

The offer may be withdrawn or modified and does not oblige Karoon to proceed with the transaction. Karoon will keep the market informed in accordance with its continuous disclosure obligations.

Karoon has a robust balance sheet with US\$334 million of available liquidity as at 31 December 2021, current strong cash flows, a demonstrated ability to access debt financing and has other funding options also potentially available to it if a transaction were to ultimately proceed.

This announcement was authorised by the Board of Karoon Energy Ltd.

For further information on this release, please contact:

Investors:	Media:	
Ann Diamant SVP Communications and Investor Relations Mob: +61 407 483 128 Email: ADiamant@karoonenergy.com.au	Australia <i>P&L Corporate Communications</i> Ian Pemberton Mob: + 61 402 256 576 Email: ian.pemberton@plcorporate.com.au	Brazil <i>InPress Porter Novelli</i> Mariana Sant'Anna Mob: + 55 21 96674-6381 Patricia Odenbreit Mob: + 55 21 96674-6403 Email: karoon@inpresspni.com.br
Shareholding enquiries:		
Computershare Tel: 1300 850 505		

About Karoon Energy Ltd

Karoon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil and Australia and is an ASX listed company.

Karoon aims to be an agile and sustainable global energy company delivering profits through a high quality portfolio of production, development and exploration assets. The Company seeks to provide energy to an ever-changing world, creating value for our shareholders and the broader community.

Forward-looking Statements

Petroleum exploration and production operations rely on the interpretation of complex and uncertain data and information which cannot be relied upon to lead to a successful outcome in any particular case. Petroleum exploration and production operations are inherently uncertain and involve significant risk of failure. All information regarding reserve and contingent resource estimates and other information in relation to Karoon's assets is given in light of this caution.

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, well drilling programs and drilling plans, estimates of reserves and contingent resources and information on future production 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 (including, without limitation, in respect of imprecise reserve and resource estimates, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling, demand for oil, commercial negotiations and other technical and economic factors) 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.