

Dispute Notice received in respect of Joint Operating Agreement

Karoon Energy Ltd (ASX: KAR) notes that its wholly owned branch, KEI (Peru Z-38) Pty Ltd, Sucursal del Peru (*KEI Peru*), has received a notice of dispute from Pitkin Petroleum Peru Z-38 SRL (*Pitkin*) under the joint operating agreement in respect of Block Z-38, offshore Peru.

The notice of dispute alleges (amongst other things) that KEI Peru is in breach of its obligations to enter into the fourth exploration phase of the Z-38 licence contract and to drill a second well within that licence area.

Whilst the notice requests that KEI Peru and Pitkin seek to resolve the dispute by negotiation between senior executives, the notice also refers to Pitkin potentially commencing legal proceedings comprising claims for damages that are currently being assessed by Pitkin (but which Pitkin states are estimated to be in excess of US\$100 million).

KEI Peru rejects Pitkin's claims and intends to vigorously defend any legal proceedings should they be commenced by Pitkin.

This announcement was authorised by the Chief Executive Officer and Managing Director of Karoon Energy Ltd.

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About Karoon Energy Ltd

Karoon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil, Australia and Peru 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 looks to provide energy to an ever-changing world, creating value for our shareholders and the broader community.

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

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.