

## Karoon Energy completes Baúna acquisition

Karoon Energy Ltd (“Karoon”) is pleased to announce that its wholly owned subsidiary, Karoon Petróleo & Gás Ltda. (“Purchaser”), has completed the acquisition of a 100% operating interest in the Baúna field (Concession BM-S-40) located in the Santos Basin, offshore Brazil.

As previously announced, under the terms of the amended Sale and Purchase Agreement (“SPA”), the Purchaser is obliged to pay US\$380 million of “firm” consideration and up to US\$285 million of “contingent” consideration<sup>1</sup>.

Pursuant to the SPA, the Purchaser paid US\$150 of the “firm consideration” at closing (in addition to the US\$49.9 million deposit already paid at the signing of the SPA), which was fully funded from available cash. It is expected that future payments in respect of the remaining “firm” and “contingent” consideration will be funded from Karoon’s existing cash and organic cashflows from the Baúna asset.

The acquisition delivers Karoon a quality production asset supported by prudent funding arrangements. Baúna remains cash flow positive at current oil prices.

Robert Hosking, Karoon’s Managing Director, said he was delighted to complete the acquisition which is fully aligned with Karoon’s strategy to acquire a producing asset and that Karoon is delighted to commence operating the Baúna asset.

*“We are delighted to finally assume operatorship of the Baúna asset which will enable Karoon to transform from an oil and gas exploration company to a substantial oil production company. We are looking forward to continue running the Baúna field in a safe and efficient manner while seeking to realise the full value of the field for our shareholders via our planned workovers of Baúna’s underutilised production infrastructure and the development of the Neon and Patola fields.”*

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

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<sup>1</sup> This excludes an amount of US\$50 million that is payable by the Purchase in the event the average Brent oil price exceeds US\$100 in calendar year 2020.

## **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](mailto:jwootton@karoonenergy.com.au). Media please contact Tim Duncan on 0408 441 122 or [tduncan@gracosway.com.au](mailto:tduncan@gracosway.com.au). All **holding** enquiries should be directed to our share register, 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 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**

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.