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November 18, 2019

**PHILIPPINE STOCK EXCHANGE**

3/F Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **MS. JANET A. ENCARNACION**  
*Head, Disclosure Department*

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Gentlemen:

The attached press release was announced in 15<sup>th</sup> November 2019, by Karoon Gas Australia Limited (ASX:KAR) about its signing of a Rig Assignment Agreement with Tullow Oil and with the owners of the drillship "Stena Forth", Stena Drilling Limited, for the drilling of Peru Z-38 - Marina-1X well in January 2020.

The Marina prospect has an unrisksed best estimate prospective resource of 256 mmbbls (64 mmbbls net to Pitkin). This prospect will be the first well drilled in Block Z-38. Pitkin is carried in the cost of Marina-1X and a second future well under a Farm-in Agreement signed with Karoon in 2008.

Pitkin Petroleum Limited, a 53.43%-owned subsidiary of PXP Energy Corporation, holds a 25% participating interest in Peru Block Z-38 located in offshore Peru.

For your information.

Very truly yours,

(Original signed)  
**DANIEL STEPHEN P. CARLOS**  
President

## “Stena Forth” Drillship contracted for Karoon’s Marina-1 Exploration well in Peru

Karoon Energy Ltd (“Karoon”) is pleased to announce that it has executed binding agreements with Stena Drilling Ltd (“Stena”) and Tullow Oil Limited (“Tullow”) to contract the “Stena Forth” Dynamically Positioned Drillship.

The “Stena Forth” has been contracted to drill one well, being the Marina-1 exploration well, in Karoon’s 40% owned and operated Block Z-38 in the Tumbes Basin in Peru with drilling scheduled to commence early in the 1<sup>st</sup> quarter 2020.

The Marina-1 well sits in water depth of approximately 350 metres and is targeting a gross prospective resource of 256 million barrels (102 million barrels net to Karoon). In the case of success in Marina-1, there is potential for a de-risking of a list of additional prospects in the block totaling over a billion barrels of prospective resource on a gross basis.

The drillship assignment agreement provides Karoon with a single well slot from the existing rig contract between Tullow and Stena.

Karoon has the objective and commitment to undertake safe and secure operations, which protect employees, local communities, the environment and material assets. Karoon has been operating social and environmental programs in Peru for the past 10 years which includes a commitment to engaging with local communities affected by our operations.

Managing Director, Mr Robert Hosking commented:

*“The contracting of the “Stena Forth” for the exploration of the Marina Prospect is an exciting opportunity for Karoon. Karoon has been working for some time to assess the prospectivity of the block, attract a farmout partner and prepare for drilling. The drilling of Marina-1 is a critical milestone for assessing the prospectivity of the deeper waters off northern Peru, and, on success, could de-risk several further exploration targets within Block Z-38, and Karoon’s 100% owned Area 73 Technical Evaluation Area, potentially providing important future production for Peru.*

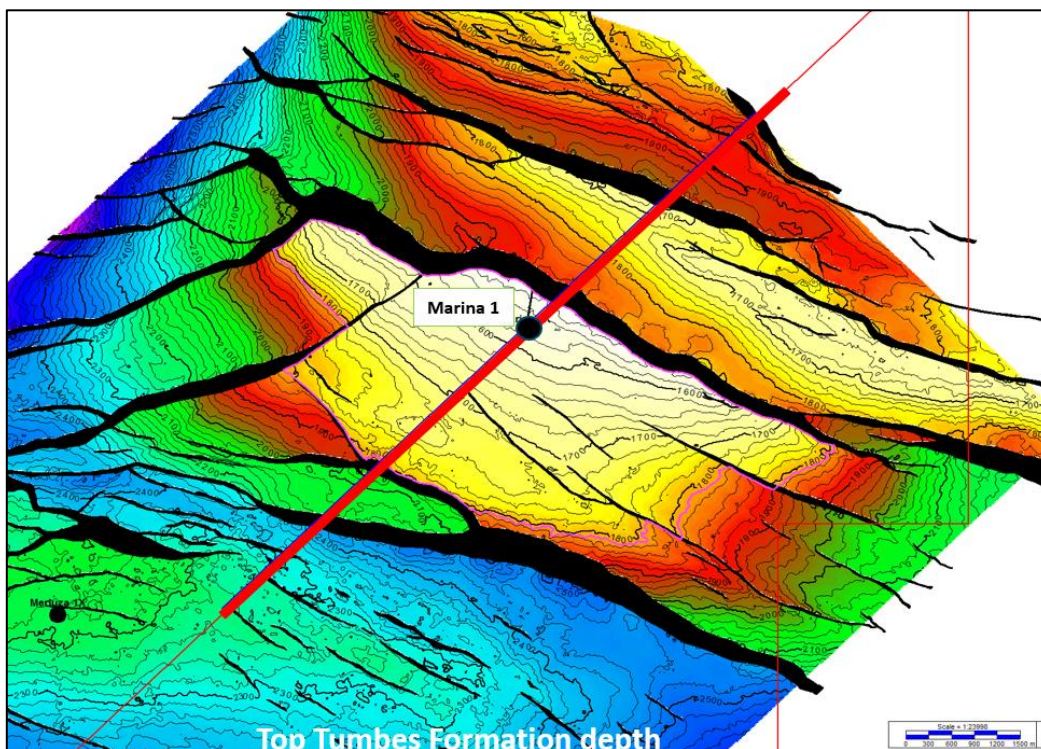
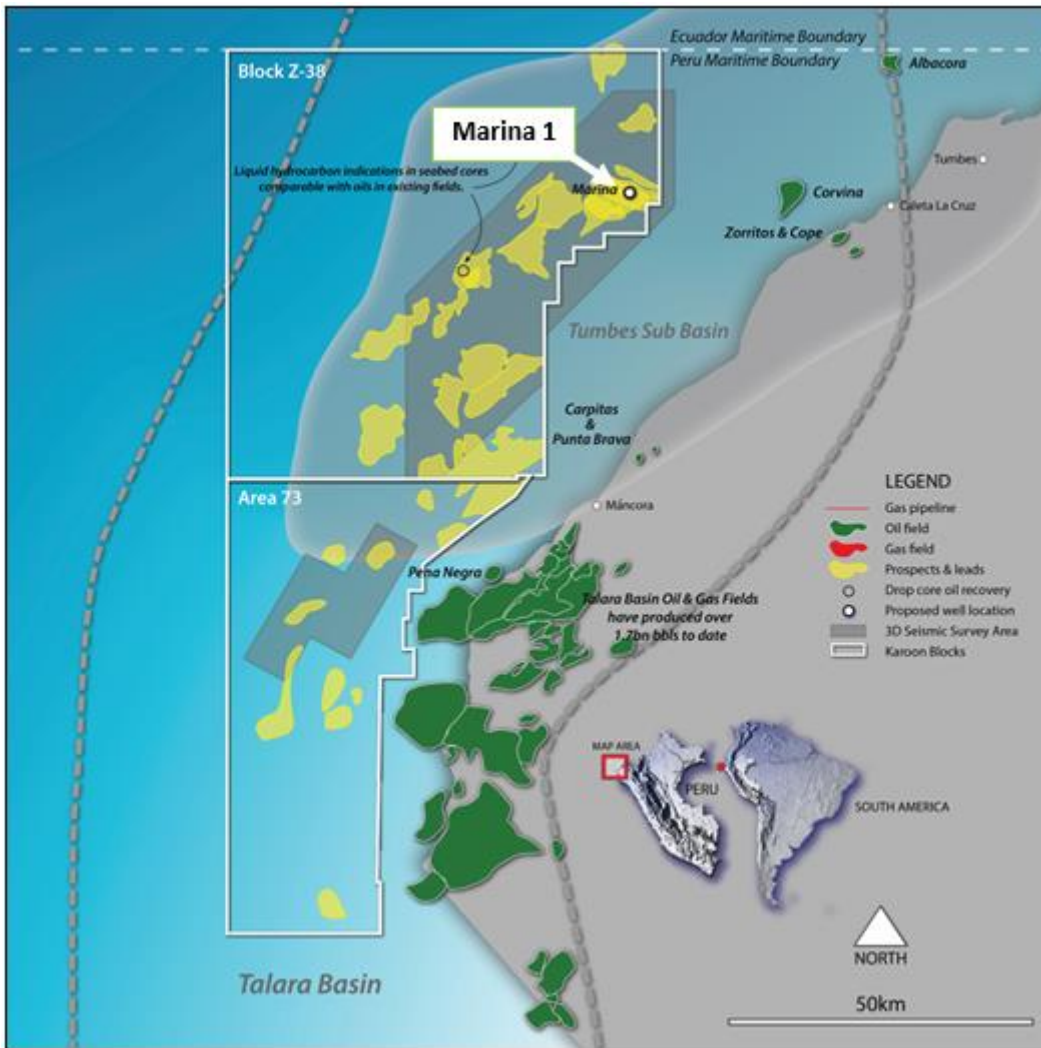
*The “Stena Forth” Drillship is a recently delivered harsh water drillship with capabilities to drill in far deeper water depths and much harsher sea states than those found in Northern Peru, Karoon is happy to have secured the use of such a high quality vessel for this well.*

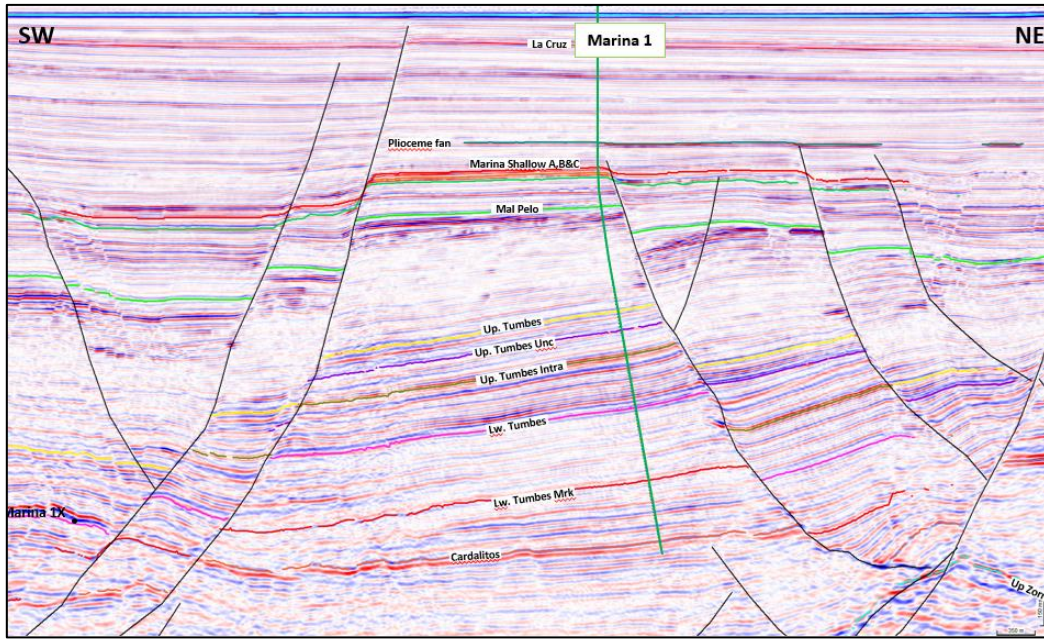
The company takes its responsibility to the local people and environment very seriously and has very experienced operational people who are committed to the highest levels of operational safety drilling the Marina-1 well.”



Stena Drilling "Stena FORTH" Dynamically Positioned Drillship

The Marina exploration Prospect is a large fault bounded structure located in the Tumbes Basin with prospective reservoirs at multiple levels from 900 metres subsea down to 2900 metres subsea. Gross Prospective Resources in the Marina Prospect are estimated at 256 million barrels. Planned total depth of the well is 3026 metres. Marina-1 will be the first well drilled in Z-38 and as such will be an important calibration point for the petroleum geology of the block. The information derived from the well will be valuable in assessing the other prospects and leads in Z-38, with over a billion barrels in gross prospective resources, and in the 100% owned Technical Evaluation Area 73.





Karoon’s wholly owned subsidiary, KEI (Peru Z-38) Sucursal del Peru, owns a 40% operating equity interest in the Blocks with Tullow Oil Limited (LSE:TLW)) holding 35% and Pitkin Petroleum holding the remaining 25% equity interest.

Karoon Management Prospective Resource Assessment

Net Unrisked Prospective Resource (mmbbls)							
	Interest	Type	Pg**	Pd***	Low	Best	High
Marina prospect	40%*	Oil	22%	60%	42	102	247
<b>Block Z38 - Total</b>	<b>40%*</b>	<b>Oil</b>	<b>11-25%</b>	<b>60%</b>	<b>223</b>	<b>549</b>	<b>1,350</b>

\* Karoon’s 40% interest remains subject to completion of farm-in obligations with Pitkin

\*\* Chance of discovery

\*\*\* Chance of development

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. There is no certainty that any portion of the prospective resource estimated on behalf of Karoon will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

The net unrisked prospective resource estimates presented have been prepared using statistical aggregation for the volumes and were prepared as at 7 May 2018 on a probabilistic basis. These resource estimates were disclosed in Karoon’s 8 May 2018 ‘Resource Update’ announcement. Karoon is not aware of any new information or data that materially affects the resource estimates and all

material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### **Important Note**

Should investors have any questions or queries regarding the company, please contact James Wootton on 03 9616 7500 or [jwootton@karooneenergy.com.au](mailto:jwootton@karooneenergy.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.