

ASX Announcement

Petrobras' Asset Divestment Process Update

Karooon Gas Australia Ltd (ASX: KAR) has become aware that court proceedings have been initiated by Mr José Hinaldo Nunes Santos against Petróleo Brasileiro SA's (Petrobras) and the Agência Nacional do Petróleo, Gás Natural e Biocombustíveis ('ANP'), the Brazilian oil and gas regulator.

The court proceedings contend that the sales process did not comply with relevant Brazilian regulatory requirements. As part of these proceedings, an interim injunction has been made which orders Petrobras and the ANP to cease the sale process at this time. The interim injunction is not final and is subject to appeal proceedings which have now been initiated.

Karooon is currently investigating the court proceedings, including their possible effects on the timing of any acquisition of an interest in the Baúna and Tartaruga Verde fields by Karoon. The Company will keep the market updated on any developments in this respect.

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About Karoon Gas Australia Ltd

Karooon Gas Australia Ltd is an international oil and gas exploration company with projects in Australia, Brazil and Peru.

Karooon looks for high equity interests in early stage exploration opportunities containing large potential targets in basins with proven Petroleum Systems. Karoon strives to create shareholder value through the geotechnical work-up of the acreage, leveraging its high equity interests to explore and appraise these opportunities to achieve commercialisation.

While the company's core strategy is identifying off-shore early stage exploration opportunities, Karoon's longer-term strategy is to retain residual equity interests in the assets as they go into production.