



<b>Company</b>	Karoon Energy Ltd.
<b>Code</b>	KAR
<b>Meeting</b>	AGM
<b>Date</b>	29 November 2019
<b>Venue</b>	RACV Club, 551 Bourke St., Melbourne
<b>Monitor</b>	Duncan Seddon

<b>Number attendees at meeting</b>	14 shareholders plus 49 visitors
<b>Number of holdings represented by ASA</b>	12
<b>Value of proxies</b>	\$52,000
<b>Number of shares represented by ASA</b>	52,000
<b>Market capitalisation</b>	\$235 million
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	No

### **Karoon shot across the bow and holed above the waterline**

The chair of Karoon Energy has passed to Mr. Bruce Phillips as independent non executive chair. He was appointed in January and elected to the board at this year's AGM with 99% for vote.

This year has seen the company finally moving to acquire an oil and gas producing asset in the Santos basin of Brazil. The company had a successful capital raising to facilitate this and on paper at any rate the acquisition should be completed by early 2020. With the producing asset the company will then have a positive cash flow to fund further expansion of the company. In the preamble to the meeting the chief geologist and the CEO (Bob Hosking) outlined the hopes that the current performance of this acquisition could be considerably improved and expanded in future years.

A founder of the company and well regarded chief geologist, Mark Smith, announced his retirement from the board but would remain as an advisor to the board on geological matters.

The meeting was quite subdued. We supported all of the resolutions, but a significant number of major shareholders took a different view. The remuneration report was lost with a 30% against vote delivering a first strike and we asked the chairman for his comments on this. A vote to deliver options to the CEO was barely won with an almost 42% against vote. These votes surely

deliver the message that a significant number of the major shareholders are unhappy with the performance of the current Karoon management and board.