



South America Update

26 November 2019

Resources summary

AGR assessed Reserves and Contingent Resources estimates for the Baúna assets are the probabilistic sum of individual well reserves and not the arithmetic sum of the individual well reserves. These have been produced on the basis of reserves contained in the BM-S-40 concession and will not be attributable to Karoon until financial close of the Baúna transaction.

The reserves and contingent and prospective resource volume estimates presented in the tables below were assessed by Karoon's Engineering Manager, Mr Lino Barro, and are based on seismic survey data, geological and engineering well data and other regional geological and engineering information. They were prepared on a probabilistic statistical aggregation basis in accordance with the Petroleum Resources Management System approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

Net Reserves (mmbbls) Bauna							
Field	Block	Basin, Country	Interest	Type	1P	2P	3P
Current wells inc. intervention	BM-S-40	Santos, Brazil	100%	Oil	38.5	52.5	61.3
TOTAL					38.5	52.5	61.3

Net Contingent Resources (mmbbls) Bauna							
Field	Block	Basin, Country	Interest	Type	1P	2P	3P
Patola	BM-S-40	Santos, Brazil	100%	Oil	9.9	14.6	18.4
SPS-57	BM-S-40	Santos, Brazil	100%	Oil	1.9	4.2	8.3
TOTAL					11.8	18.8	26.7

The contingent and prospective resource volume estimates presented for Neon and Goiás and exploration assets were disclosed in the 8 May 2018 ASX announcement "Resources Update". The reserves and contingent resources volume estimates for Baúna were disclosed in the 29 August 2019 ASX announcement "Baúna Oil Reserves and Contingent Resource Competent Persons Report Summary". Karoon is not aware of any new information or data that materially affects these resource estimates and all material assumptions and technical parameters underpinning the estimates in the relevant ASX announcement continue to apply and have not materially changed.

Net Contingent Resource (mmbbls)							
Discovery	Block	Basin, Country	Interest	Type	1C	2C	3C
Neon	S-M-1037	Santos, Brazil	100%	Oil	30	55	92
Goiás	S-M-1101	Santos, Brazil	100%	Oil	16	27	46
TOTAL					46	82	138

The discovered contingent resources are categorised as contingent because further evaluation is required to confirm commerciality.

Net Unrisked Prospective Resource (mmbbls)							
Basin, Country	Block / Permit	Interest	Type	Low	Best	High	
Tumbes, Peru	Z-38	40%	Oil	223	549	1,350	
Northern Carnarvon, Australia	WA-482-P	50%	Oil	445	1,398	3,727	
TOTAL				668	1,947	5,077	

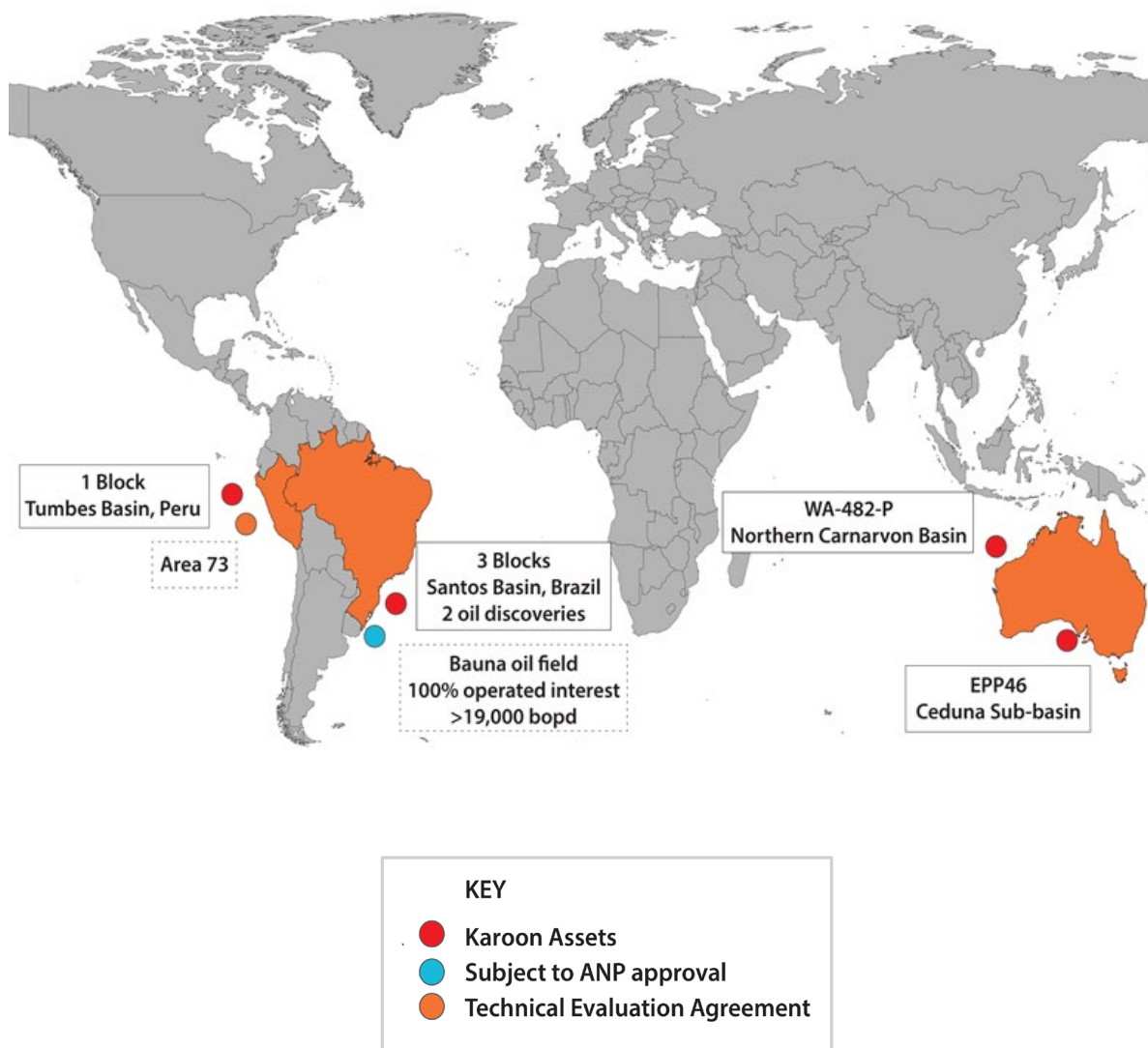
Prospective Resources Cautionary Statement:

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.

Section 1 – Corporate Overview

Corporate overview

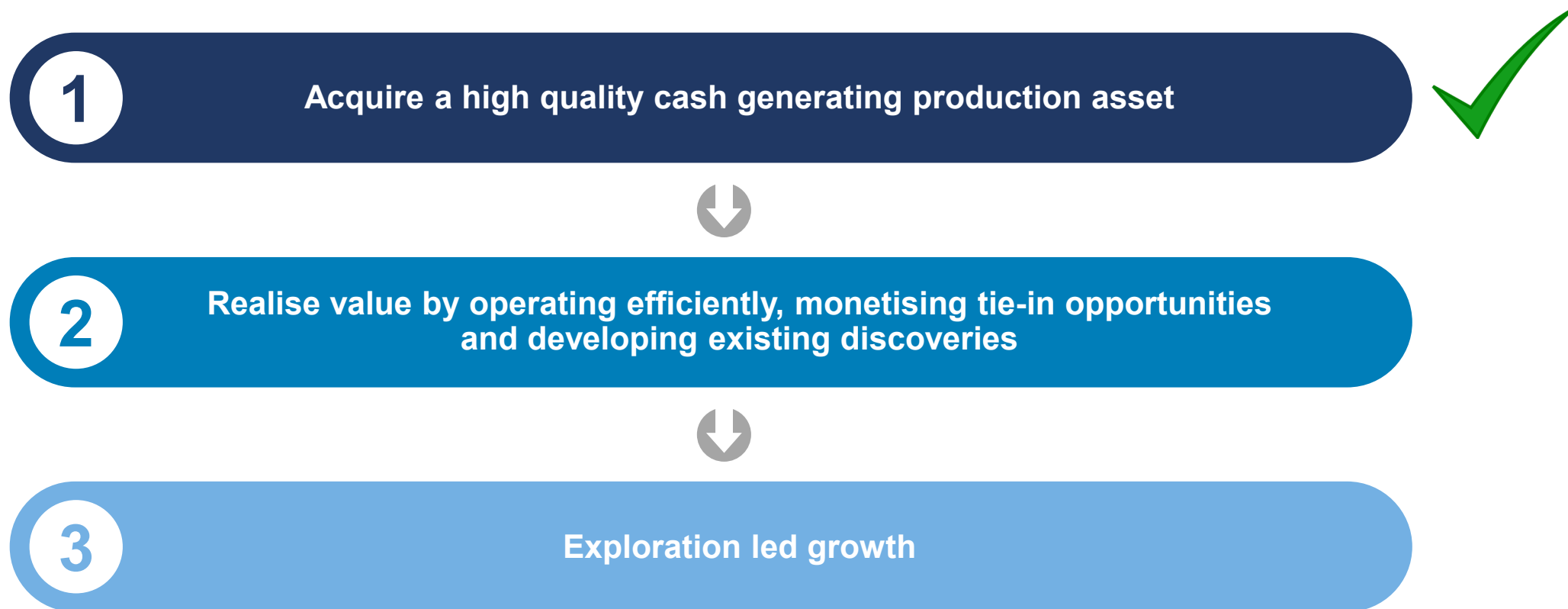
Karoon has an exciting portfolio focused on South America and now diversified between production, development and exploration



- The acquisition of Baúna gives Karoon a strong foundation of cashflow generated from ~19,000bopd with plans to grow production >50% over the next 2 years
- Baúna is 50km from Karoon's discovered resource and provides cashflow and operational synergies that will improve the economics of a possible Neon development
- Adding to the near-term value opportunity, Marina-1 is due to spud early in Q1 2020
- Funding now secured:
 - placement and entitlement offering to new and existing shareholders of A\$284 million
 - a US\$275 million senior debt facility
 - with a US\$50 million junior debt facility as part of the Shell Western Trading Marketing Agreement
- Total cash at bank ~A\$520 million (including equity raise proceeds)

Application of corporate strategy in the short term

The acquisition of Baúna delivers on pillar one in Karoon's three pillar corporate strategy

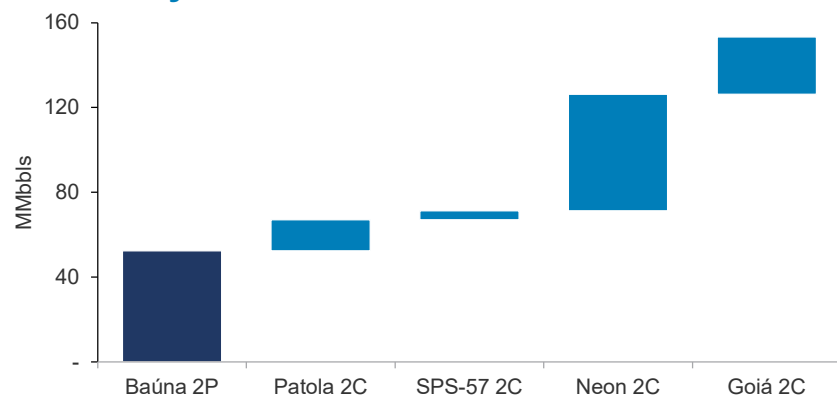


Baúna acquisition complements the existing portfolio

Baúna cash flows to underpin Karoon's growth via optimization of capital allocation to highest value assets

- Baúna includes a large proven and probable reserves base and opportunity to draw additional value from the development of existing contingent resources
- Baúna complements Karoon's existing exploration and development activity in the southern Santos Basin, offshore Brazil
 - Regional synergies, including Neon and Goiá discoveries (2C Resource of 82 MMbbls)¹
 - Potential operational and logistic synergies with shore base, supply ships, helicopters, towing rigs, etc. of approximately US\$100 million
 - Karoon can utilise accumulated gross tax losses in Brazil of ~US\$69million toward Baúna cashflows
 - Farmout or partial sale of Karoon's 100% operating interest in Baúna, along with its 100% owned existing Santos Basin assets presents significant future strategic capital management flexibility

Karoon - Baúna, Neon and Goiá Net 2P Reserves and 2C Resources by asset^{1,2}



1. As per Karoon's ASX announcement "Resources Update", dated 8 May 2018. 2P denotes the best estimate of Proved plus Probable Reserves, 2C denotes best estimate of Contingent Resources;
2. Independently assessed by AGR Petroleum Services as per Karoon's ASX announcement "Baúna Oil Reserves and Contingent Resources CPR", dated 29 August 2019.

Section 2 – Development and Operations Review

Brazil: Baúna asset overview

Baúna has favourable reservoir characteristics and identified production growth opportunities

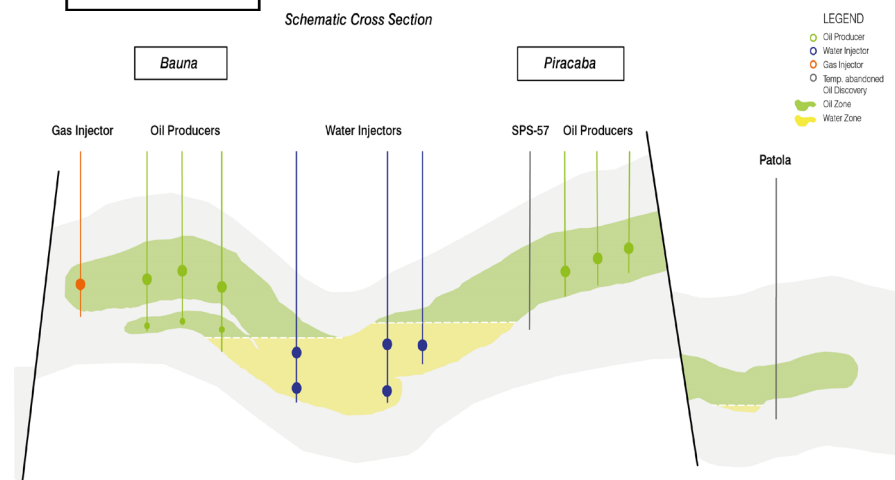
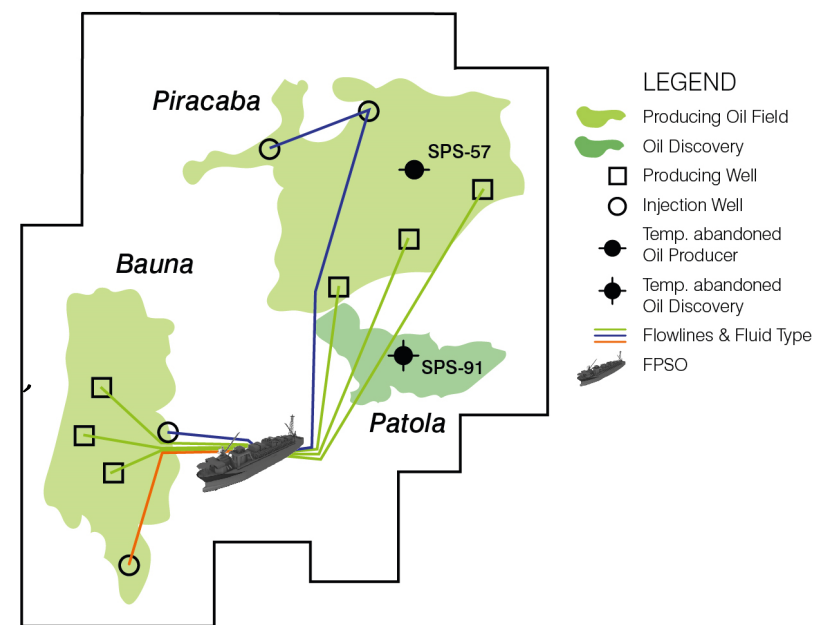
Asset summary

- Concession BM-S-40 is in the southern Santos Basin, 50-60km from Karoon's Neon and Goiás discoveries and 50km from Karoon's Clorita exploration area
- Current Baúna production asset includes 6 oil production wells, 3 water injection wells and 1 gas injection well exploiting 2 reservoirs (Baúna & Piracaba)
- All wells are subsea completions tied-in to the FPSO Cidade de Itajaí (FPSO)
 - Facility has 80,000bpd processing capacity and ~600,000bbl storage capacity with scope to accept additional tie-ins
 - The FPSO is currently utilising ~56% of its processing capacity
- Currently producing ~19,000bopd, with a targeted production rate of ~33,000bopd by 2022, through infill development of Patola (est. 2 wells) and well interventions (est. 4 wells)

Baúna Reserves and Contingent Resources¹

Existing producing wells	MMbbls	52.5
Baúna 2P Reserves	MMbbls	52.5
Existing undeveloped Patola oil discovery ²	MMbbls	14.6
SPS-57 recompletion well ³	MMbbls	4.2
Baúna 2C Contingent Resources	MMbbls	18.8

BM-S-40 Concession



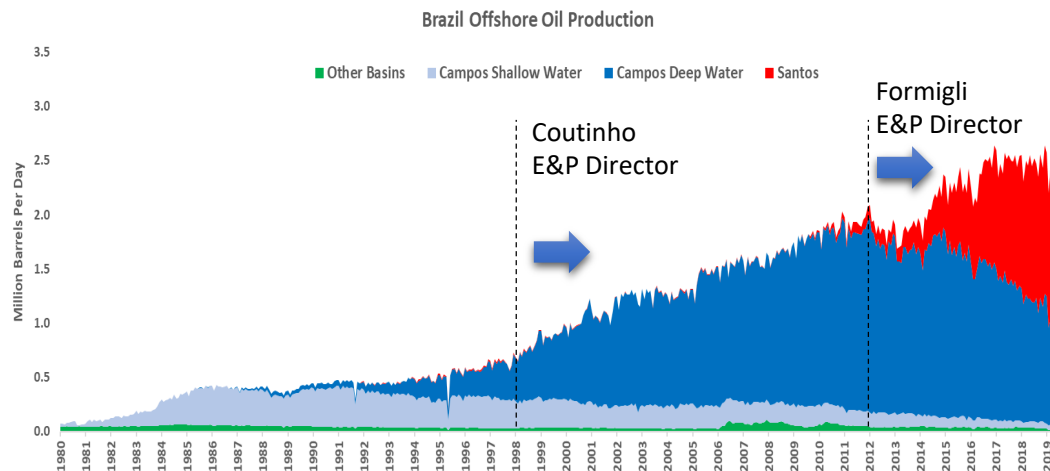
Key people in Brazilian operations

Production and Development Steering Committees include two former senior executives from Petrobras

José Coutinho Barbosa (Karooon Board Member)

Petrobras Executive Vice President and CEO of Braspetro from 1992 to 1998, Petrobras E&P Director from 1998-2003, CEO during 1998

- Led Petrobras in the period of the main production ramp up from deep water offshore fields in Campos basin
- Led acquisition of all blocks from pre-salt in the ANP auction in 2000
- Petrobras increased production from 700,000 bopd to 1,500,000 bopd during his tenure as production director
 - Roncador
 - Marlim Sul & Leste
 - Barracuda



José Formigli (Project Advisor)

Petrobras E&P Director from 2012-2015

- Oversight of around 2.5 million barrels of oil equivalent per day of production
- Key figure in the early implementation and operation of mega projects in the Brazilian deepwater and pre-salt provinces:
 - Marlim field: 600,000 bopd
 - Lula field: 1,100,000 bopd capacity
 - Sapinhoá field: 250,000 bopd capacity
 - Transfer of Rights fields (e.g. Buzios): 720,000 bopd
- Increased production efficiency in Campos Basin by more than 10% and guaranteed a Reserve Replacement Index > 100% per year
- Member of the Innovation Board of Aker Solutions and advisor to several other companies (Operators, OFSE and investment funds)

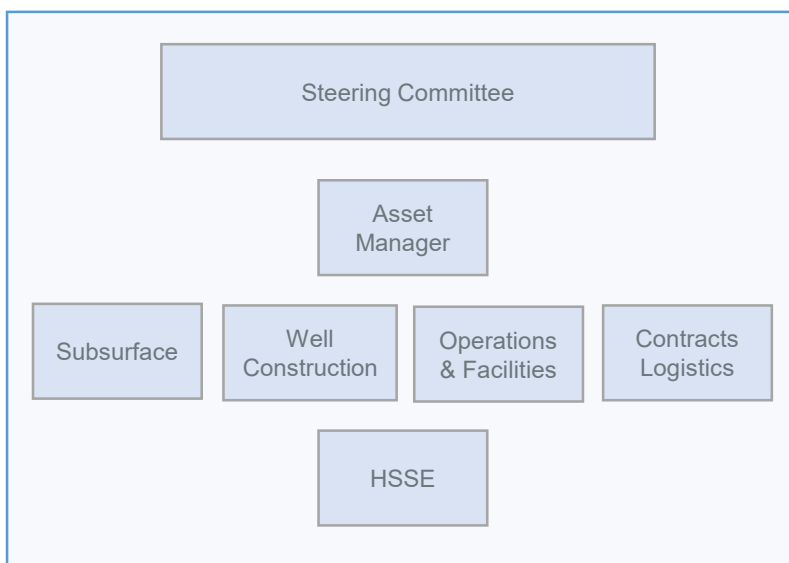
Influence on Brazil Oil and Gas Industry

- During Mr. Coutinho Barbosa and Mr. Formigli's tenures as Petrobras Executive Committee members, Brazil saw significant production increase from deep water fields in the Campos and Santos Basins

Key people in Brazilian operations

Karoon Brazil has hired personnel with extensive experience in Brazilian production operations

- Karoon is close to having filled all key roles for the Brazilian Operations Team and Baúna takeover
- Highly experienced team with detailed knowledge of Brazilian O&G industry, regulations and operations
- Baúna Steering Committee consisting of José Formigli (Chair), José Coutinho Barbosa, Ed Munks and Tim Hosking
- Class A Operator status in Brazil (allowed to operate in any water depth)



Ricardo Abi-Ramia (Asset Manager)

- 35 years experience in upstream engineering and management
- General Manager of Petrobras Rio Business Unit from 2005-2008, with oversight over 800,000 bopd and 4,000 employees
- OGX Production Manager 2009-2012
- Joined Karoon in 2015

Martin Austgulen (Subsurface Manager)

- 11 years experience in petroleum engineering and asset evaluation
- Previously worked for Total E&P as a reservoir engineer on projects in Norway, Nigeria and France
- Joined Karoon in 2015

Gustavo Borin (Completions Manager)

- 39 years experience in rig operations in Brazil
- 30 years with Petrobras in various technical and managerial roles within Drilling & Completion
- Spent the last 9 years as Operations Manager with Brazilian independent companies OGX and Dommo
- Joined Karoon in 2019

Silvia Latorre (Operations Manager)

- 20 years experience in FPSO Engineering, Procurement, Commissioning, Integration and Operation
- Previous roles were as Project Manager for FPSO OSX-2, and Discipline Leader for Maua Jurong Shipyard, involved in projects such as FPSOs P-43, P-50, P-54 and OSX-1
- Joined Karoon in 2015

Lino Barro (Engineering Manager)

- 40 years experience in technical and management roles in oil and gas industry
- Held roles in reservoir engineering and management with BHP, KUFPEC and Delhi Petroleum

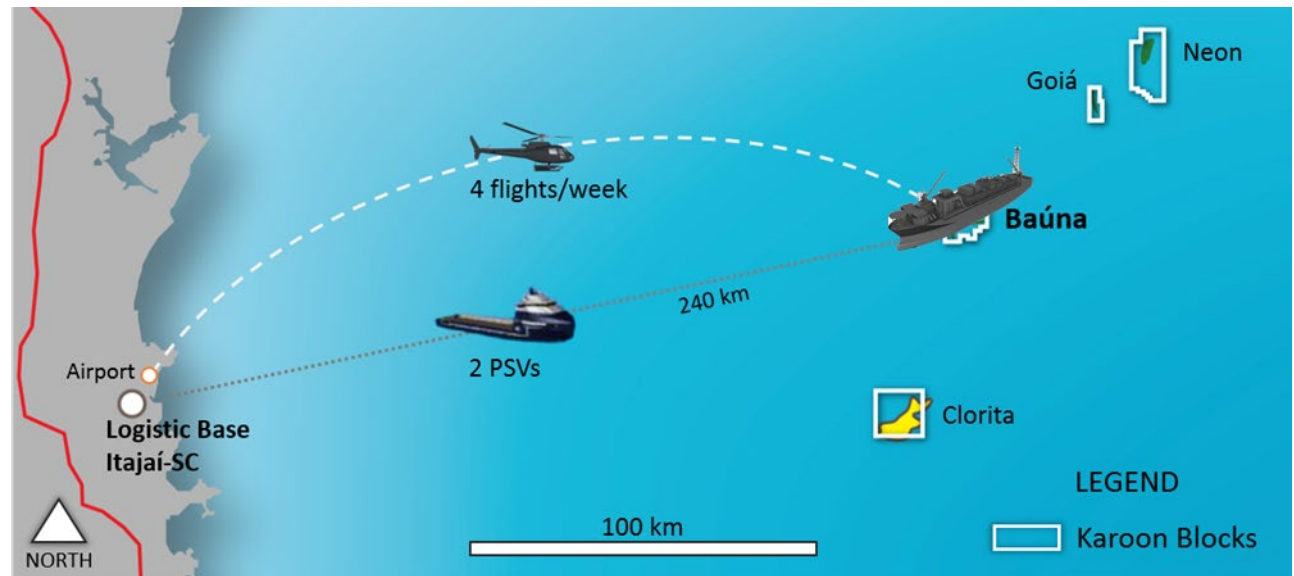
José Adilson Gomes (Reservoir Advisor)

- 40 years experience with Petrobras as in various technical and managerial positions within reservoir engineering
- Reservoir Asset Manager for Campos basin shallow and deep-water fields
- Joined Karoon in 2017

Baúna operations transfer

Karoon is well prepared to take over field operations

- Karoon is well advanced in preparing all necessary resources to successfully operate the Baúna field
 - FPSO contract transfer (negotiations ongoing with Teekay/Ocyan)
 - Support vessels & helicopters (selected and Karoon Board approved)
 - Oil Spill Response services (selected and Karoon Board approved)
 - Supply Base services (selected and Karoon Board approved)
- Contract awards expected before the end of the year
- Timing of mobilisation to ensure minimum overlap of resources during transfer of operatorship
- Operations base to be set up in Itajaí, Santa Catarina State, around 240 km from field location
- Karoon expects significant synergies with all future operations in the region, both drilling and production



Baúna revitalisation program

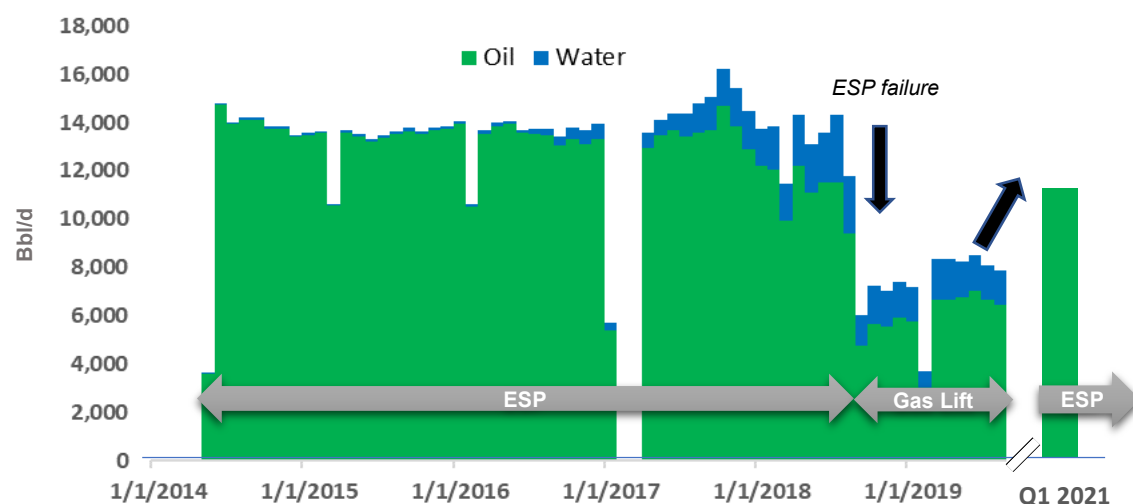
Karoon is performing a complete review of the asset to identify all production enhancement opportunities

- Karoon intends to replace up to three failed Electrical Submersible Pumps (ESPs) and perform additional well interventions to boost production
- Detailed planning of work program ongoing. Intention to tender selected Long Lead Items within weeks
- Internal sanction of full work program expected in Q1 2020. Revised Development Plan to be presented to authorities
- Karoon is going to market for Expressions of Interest for a drilling rig
- Objective to start intervention campaign Q1 2021

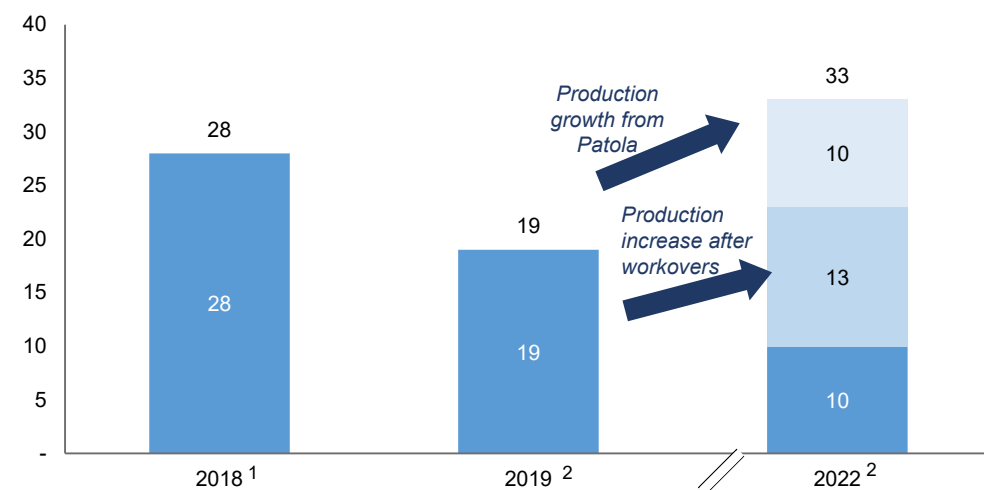
Current Operations Plan

	2019	2020				2021
	Q4	Q1	Q2	Q3	Q4	Q1
Baúna Operations Transfer						
Transaction Closing		★				
LLI's (ESPs, equipment, etc.)						
Drilling Rig Tender						
Drilling Rig Mobilization						
Execution of Work Program						

Example work-over: SPS-92 ESP replacement



Production growth target (Mbopd)



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Contingent resource opportunities

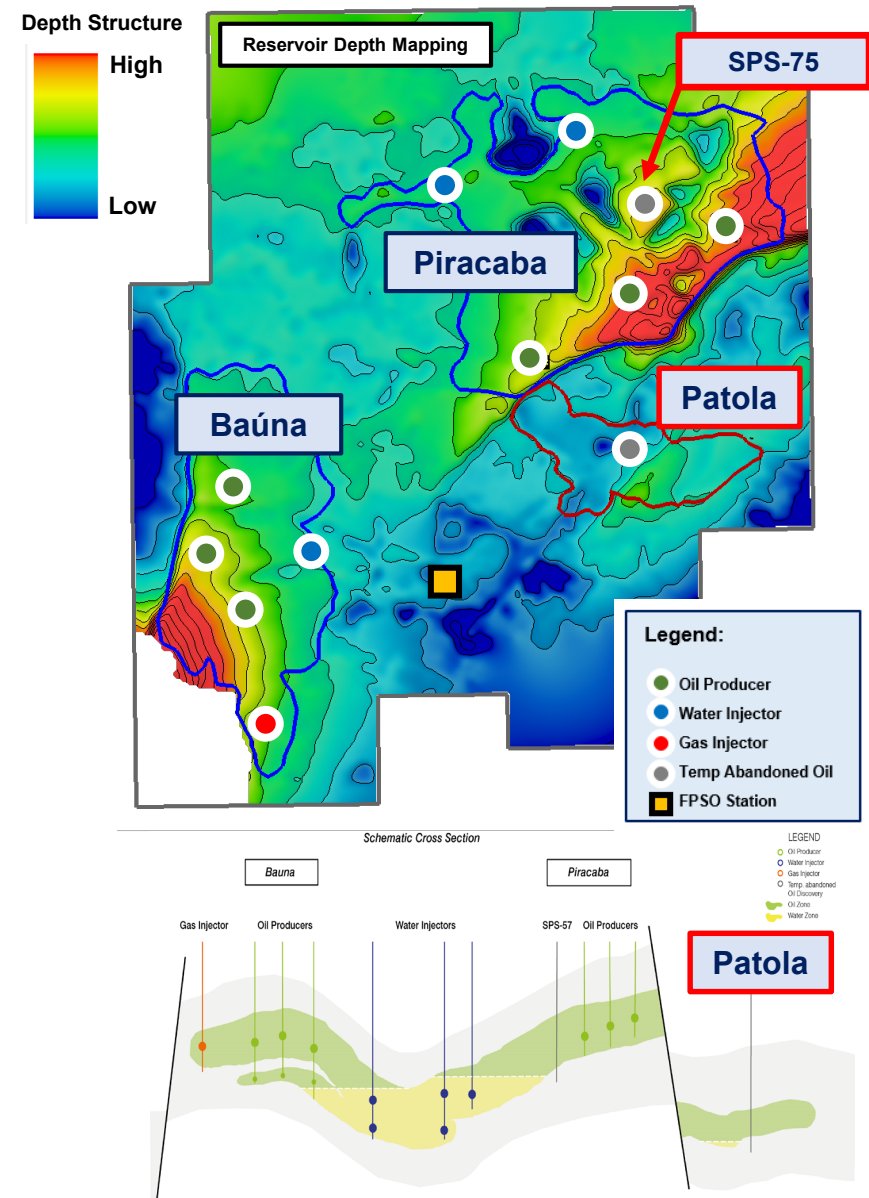
Short term, low cost production upgrades

Patola: Discovered, undeveloped oil

- Discovered and drilled in 2011 by SPS-91. Seismic amplitude response similar to Baúna and Piracaba accumulations
- Similar fluid and reservoir characteristics to Baúna
- Ongoing detailed technical work to optimise development plan
- Preliminary development concept is 2 vertical production wells tied back to the FPSO
- Approximate development costs are US\$100-120 million targeting 2C resources of 14.6mmbbls¹
- Production of ~10,000 bopd for first year
- Pending positive study results, Karoon expects internal sanction Q1 2020
- First oil expected Q1 2022

SPS-57: Well re-entry opportunity

- Piracaba discovery well
- Produced ~7 million barrels of oil during Extended Well Test but was not connected to the FPSO
- Production of approx. 6,000 bpd when the well was suspended
- New seismic acquisition (4D) being considered to de-risk development of all surrounding opportunities
- 2C resources of 4.2mmbbl¹



Neon: Progressing toward FID

Value add with Baúna operational synergies

- Karoon is evaluating options to drill Neon control well during the Baúna work program in 2021, taking advantage of the rig synergies / rig slots
- Preliminary well cost estimated at US\$30 million
- Discussions ongoing with Teekay for redeployment of FPSO Piranema, currently under contract with Petrobras
- FPSO Concept Study planned for Q1 2020
- Contingent on positive outcome, Karoon intends to progress the development towards FID
- All development and operational synergies with Baúna being considered
- Upon successful control well, expect peak production of 25,000 to 28,000 bopd

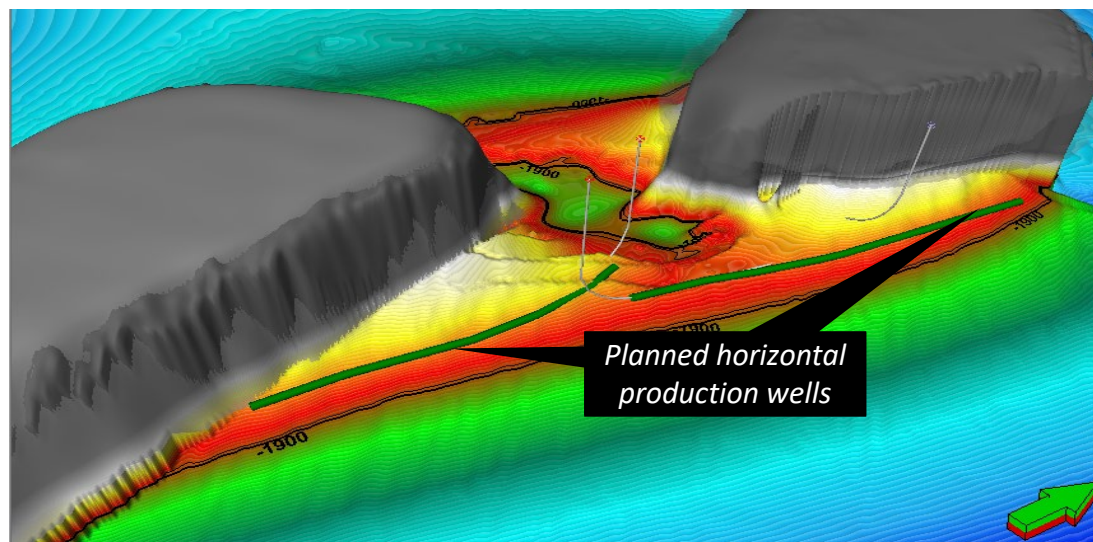
Key Development Milestones

	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FPSO Concept Study									
FPSO FEED									
Control Well									
Decision Point									

Brazil: Santos Basin, Neon & Goiá fields

Progressing field development planning and nearfield exploration target evaluations

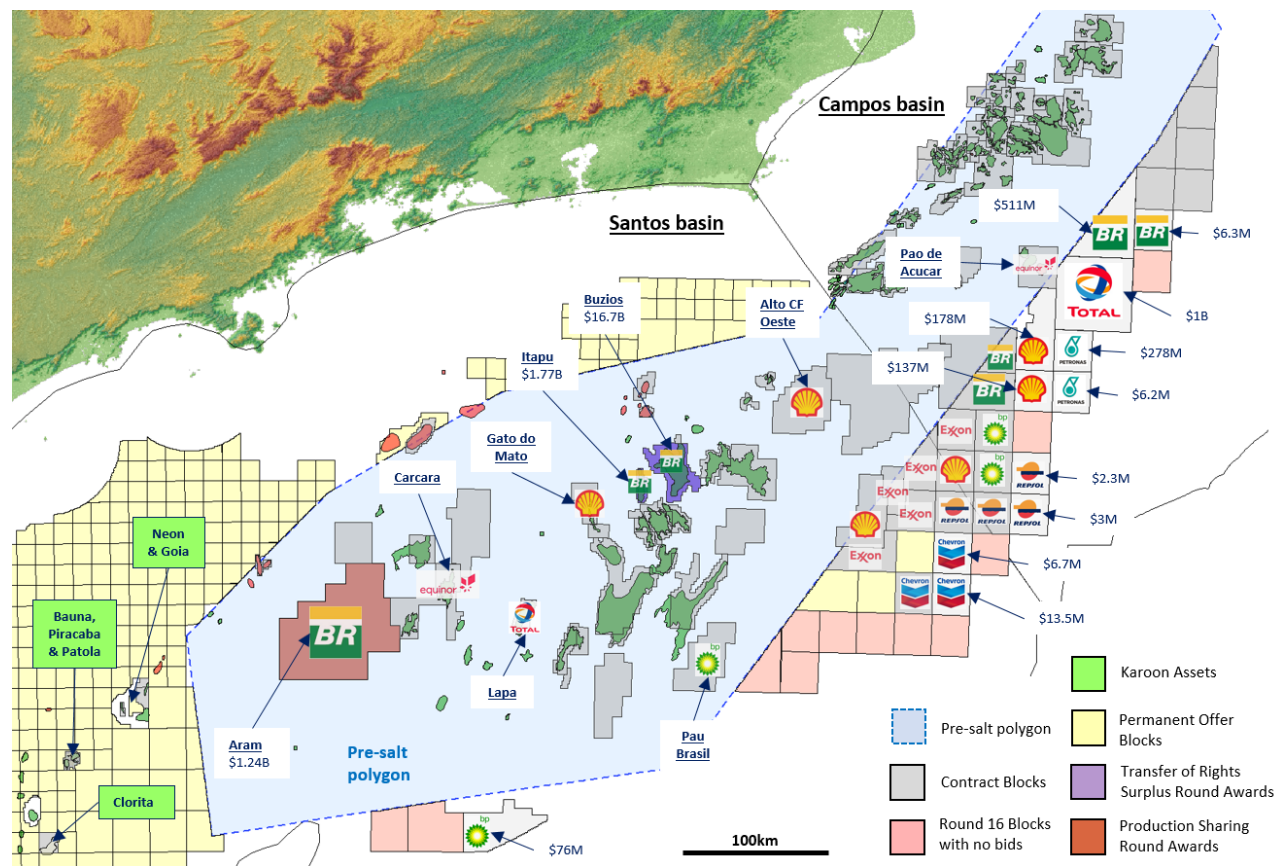
- Risk sharing and funding flexibility with possible deferred capex payment, equipment financing
- Aim to achieve a cost effective solution with expected opex of approx. \$18-\$25 per barrel and expected capex of approx. \$6-\$10 per barrel
- First phase of development proposes 2 extended horizontal production wells and 1 gas injection well
- Potential to include Goiá as a subsequent phase option
- Maastrichtian reservoir proved by Echidna-1 but not targeted by Phase1 development
- FPSO and supplier's agreement under negotiation. Current indications offer potential to reduce or defer capex
- Potential peak production of approximately 25,000 to 28,000 bopd¹



Brazil: Prolific proven petroleum systems – value potential

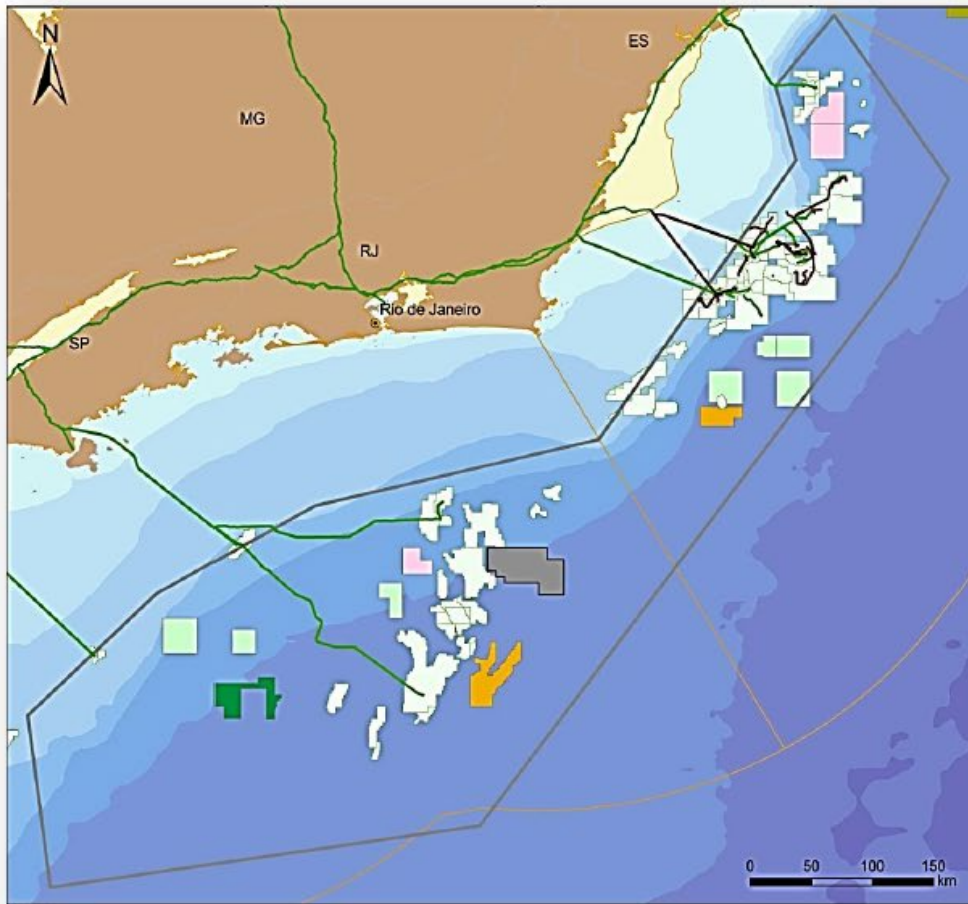
Karoon's portfolio includes assets in some of the world's most prolific basins – scope for growth

- Karoon has a decade of Experience in the southern Santos basin
- Surrounding acreage expected to be offered in upcoming ANP permanent Offer Round
- Underexplored basin with proven hydrocarbon system
- Karoon will evaluate opportunities that may have synergies with existing portfolio
- USGS¹ estimates undiscovered oil and gas of 56 billion barrels in pre-salt reservoirs in the Santos, Campos and Espirito Santo basins
- Round 16 Bidding Round, 6th Production Sharing Round and Transfer of Rights Surplus Round in 2019 resulted in:
 - 18 block acquisitions involving 12 companies
 - Net spend US\$14.6 billion in signature bonuses
 - Bid prices in 16th round ranged from ~US\$2million to \$1billion
 - Major international companies now operators of fields and picking up exploration blocks.
 - Opportunity to upgrade prospectivity cost-effectively through seismic acquisition after award
 - 12 of 24 blocks awarded in Round 16 Bidding Round – unbid blocks may be reoffered in “Permanent Offer”
 - Bid Round 17 over pre-salt play in 2020 announced



Pre-salt exploration¹

Before 2017

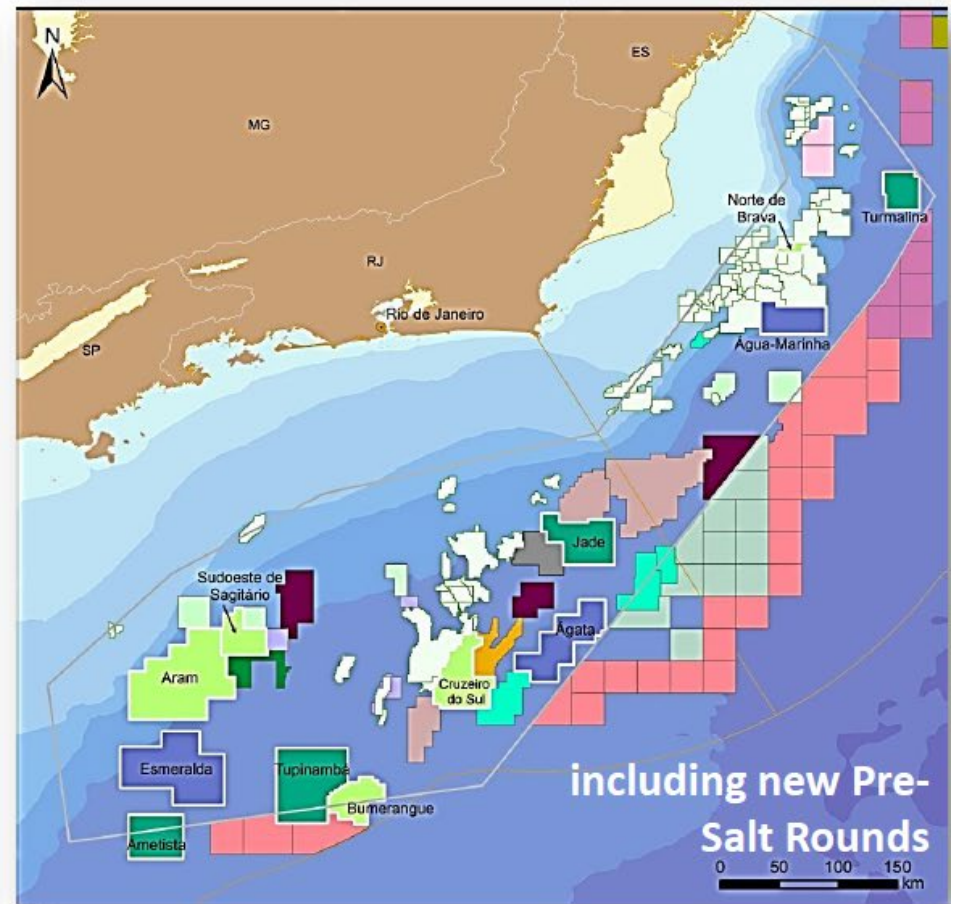


2019

PRE-SALT
Brazil 6
PRODUCTION SHARE

PRE-SALT
Brazil 7
PRODUCTION SHARE

PRE-SALT
Brazil 8
PRODUCTION SHARE



ANP Bidding Rounds 2019¹

2019 Year to Date

Bidding Round	Acquired Blocks	Signing Bonus (US\$ billion)	Registered Companies	Winner Companies	Premium
 OPEN ACREAGE Brazil OIL AND GAS CONCESSIONS	33 (+ 12 marginal fields)	0.601	47	14	61,48% (2.221,78% marginal fields)
 ROUND 16 Brazil OIL AND GAS CONCESSIONS	12	2.403	17	10	322%
 TRANSFER OF RIGHTS SURPLUS Brazil PRODUCTION SHARE	02	18.857	14	03	NA
 PRE-SALT Brazil PRODUCTION SHARE	01	1.347	17	02	NA
Total	48	22.6	R\$/US\$ = 3.71		

Brazilian Proven Reserves¹

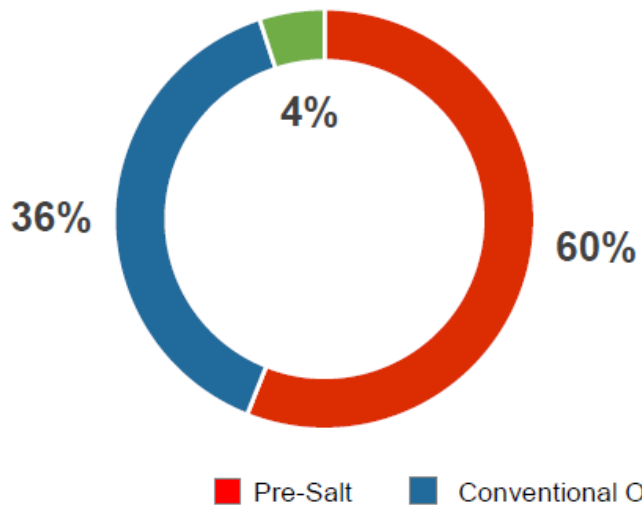
15 Billion
boe

Oil
13.2
Billion bbl

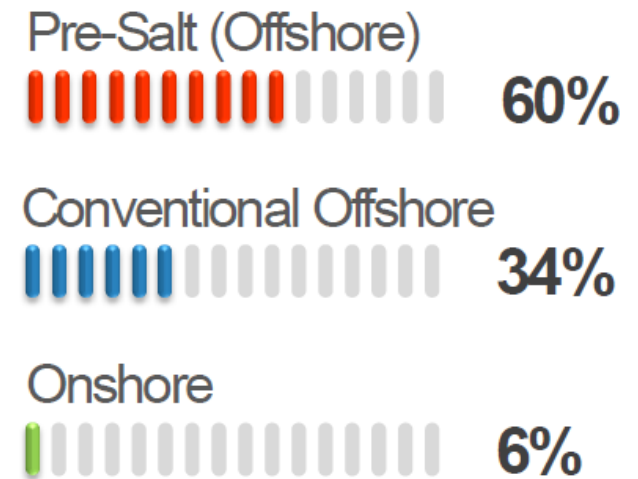
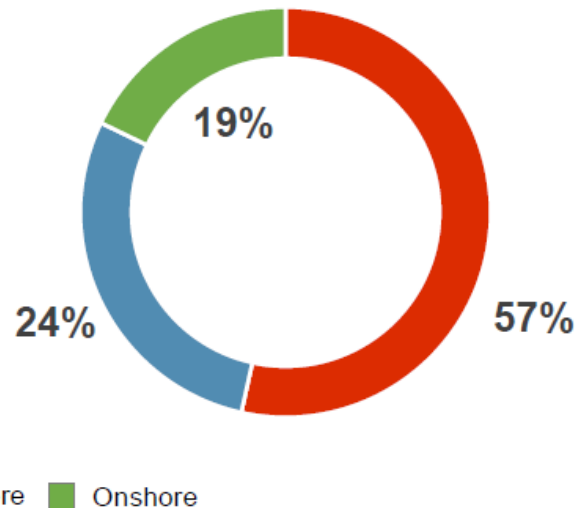
Gas
369
Billion m³

"Figures do not include recoverable resources from some Pre-Salt fields under evaluation nor the areas included in the Transfer of Rights (ToR) surplus."

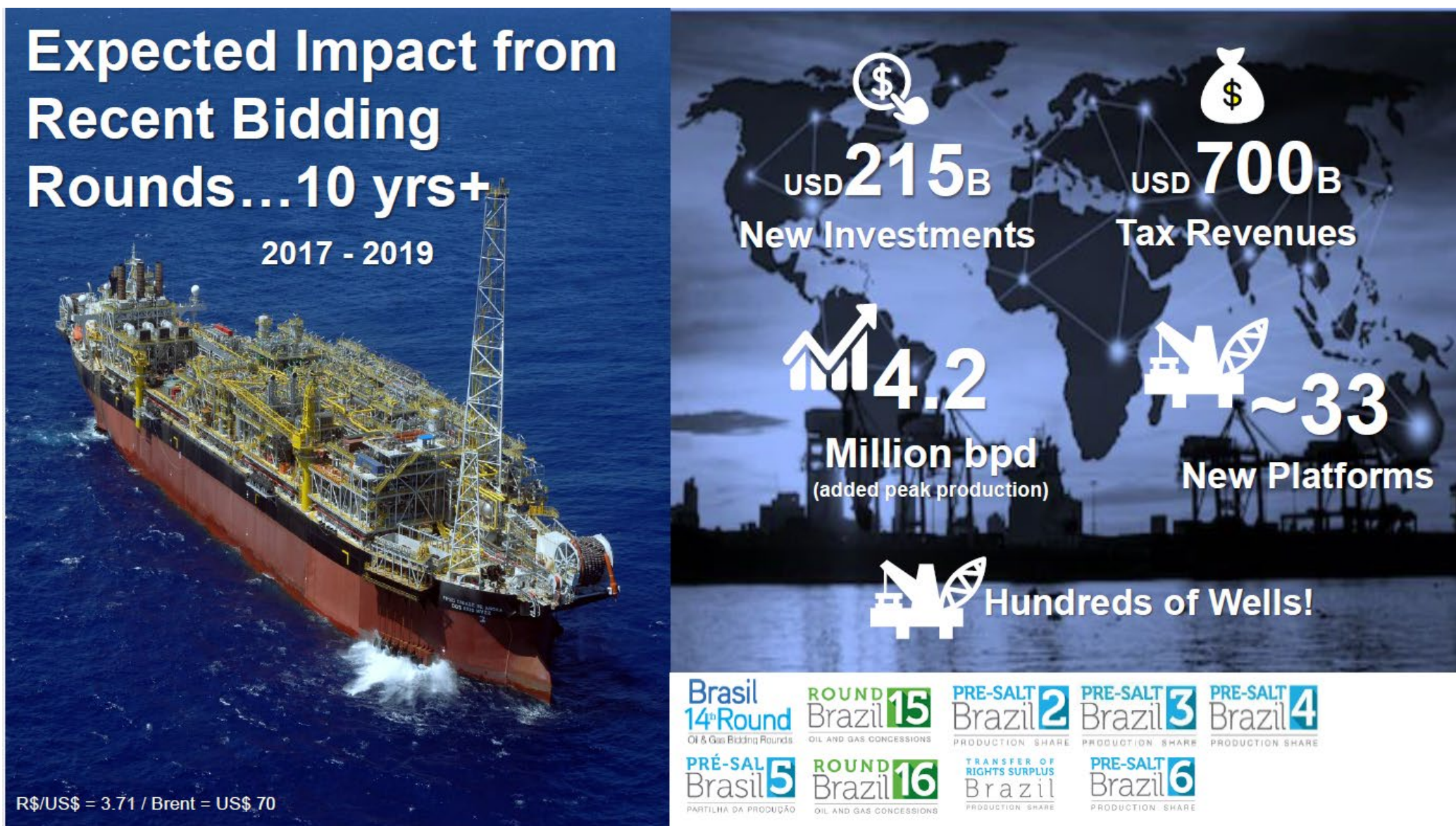
Oil Proven Reserves



Gas Proven Reserves



Expected impact of 2017-2019 Bidding Rounds¹

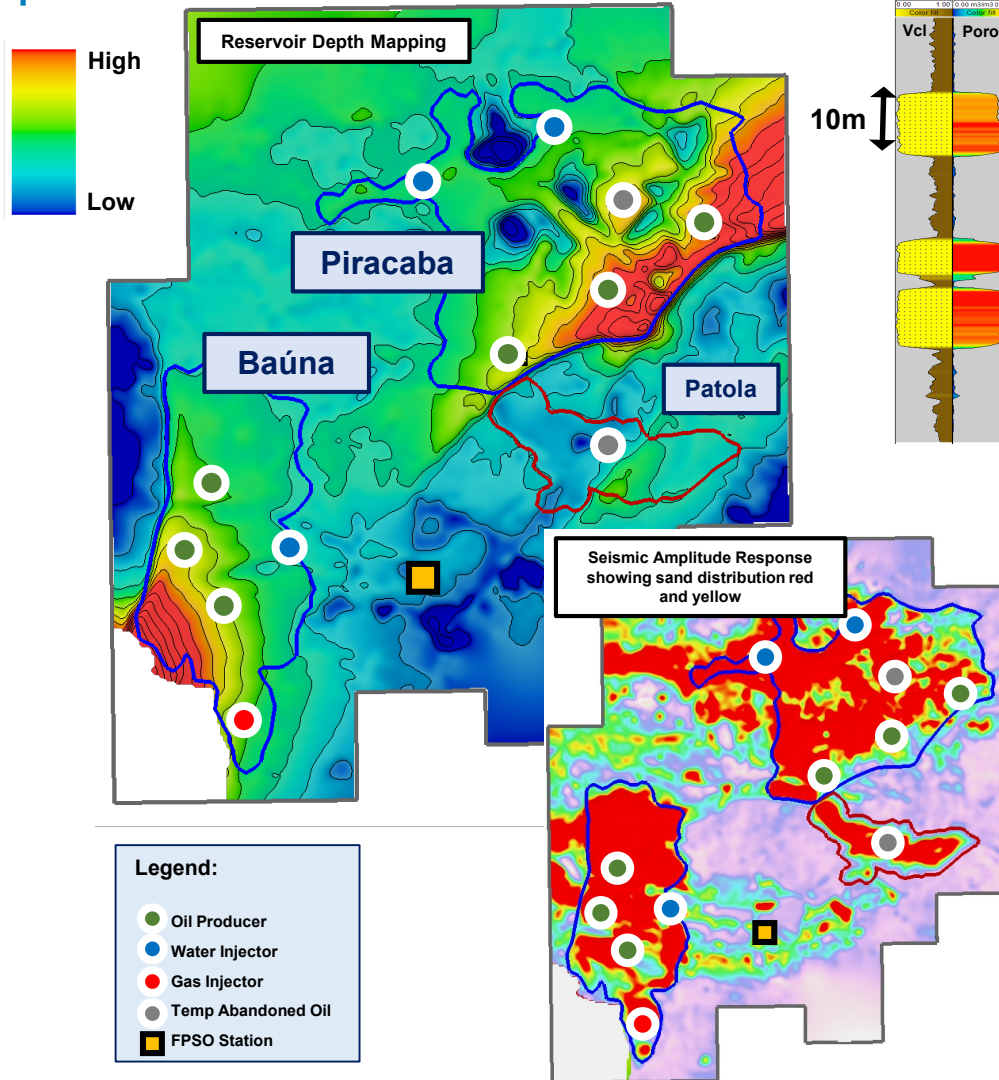


Section 3 – Technical Review

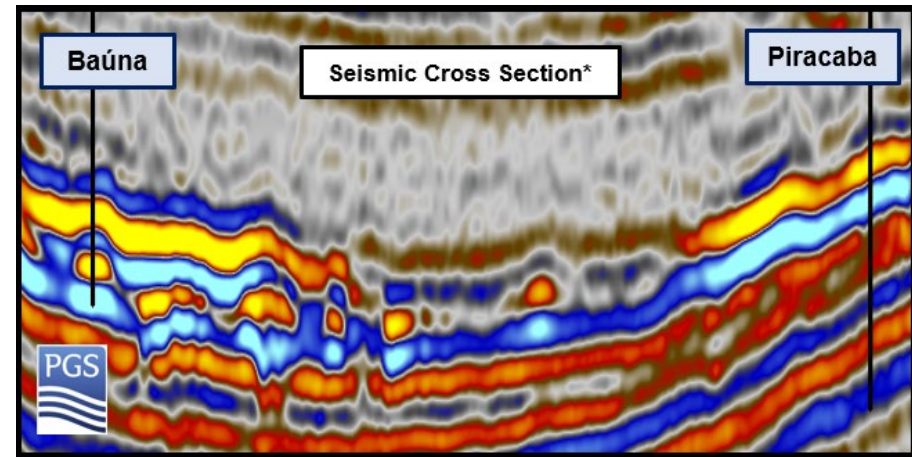
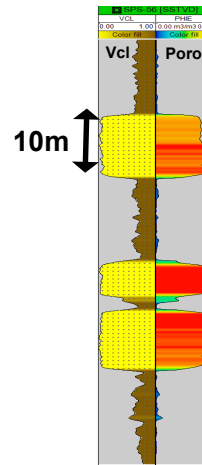
Brazil: Santos Basin, Baúna geological summary

Excellent subsurface characteristics

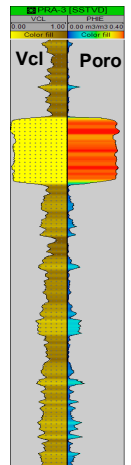
Depth Structure



Baúna Well Log



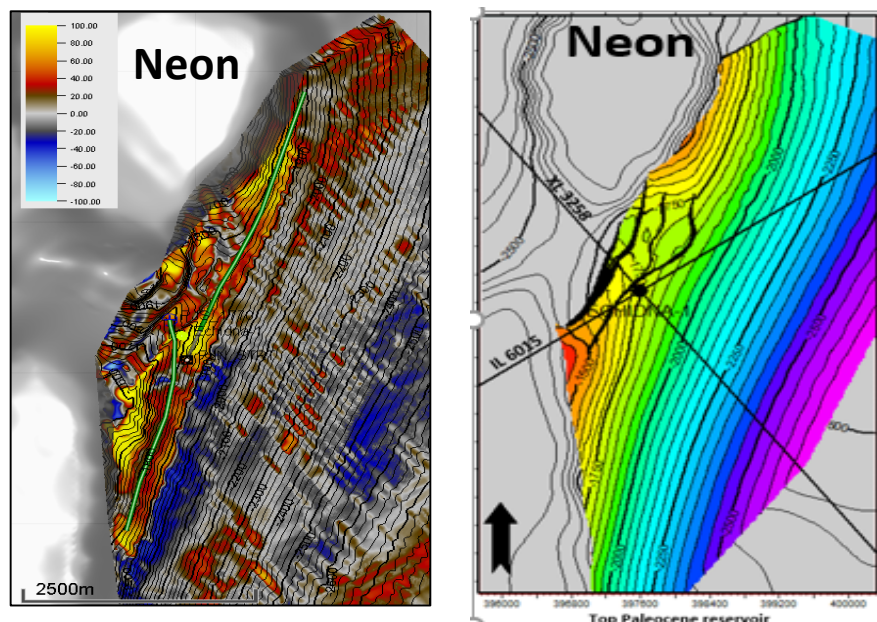
Piracaba Well Log



- Work undertaken by Karoon and independently assessed by AGR supports Karoon's interpretation of the subsurface characteristics of the Baúna oil field¹
- Combined structural/stratigraphic traps ~ 2,000m subsea
- Water depth ranges from 230 to 280m
- High quality 3D seismic with strong amplitude response defining field extent
- 4D seismic planned to locate any undeveloped undrained oil
- Good quality 33° API oil with low viscosity, low GOR ratio and low sulphur
- High porosity & permeability Oligocene turbidite reservoirs: >30%, 2-6 Darcy
- Strong aquifer support promoting high recovery factors

Brazil: Santos Basin, Neon and Goiás fields

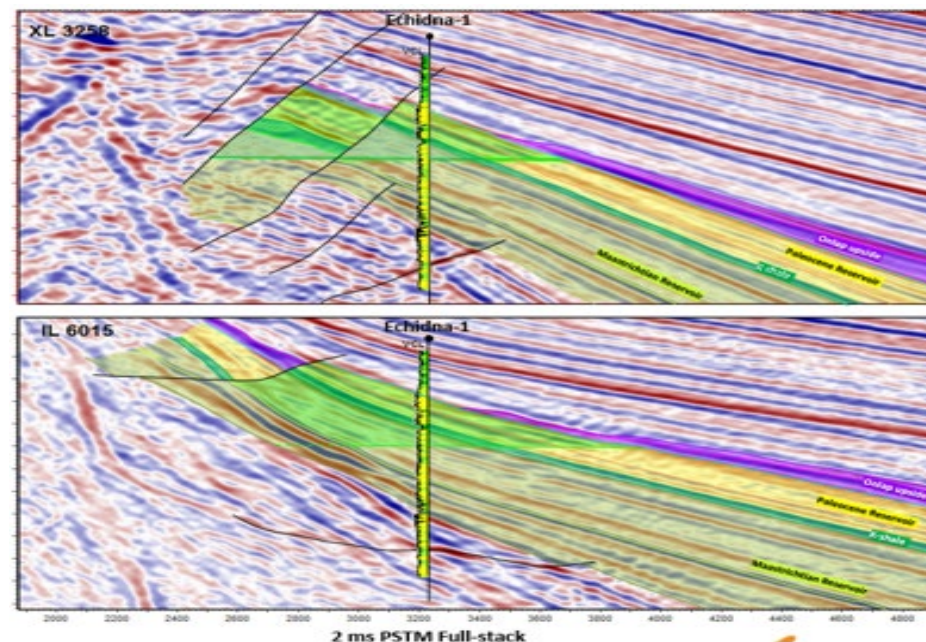
Subsurface summary - high quality 3D seismic



Neon PSDM RTM- Fullstack Amplitude map at Top PalB

Contingent Resource (Statistical Aggregation), Oil (mmbbls)

Field	Interest	1C	2C	3C
Neon	100%	30	55	92
Goiás	100%	16	27	46



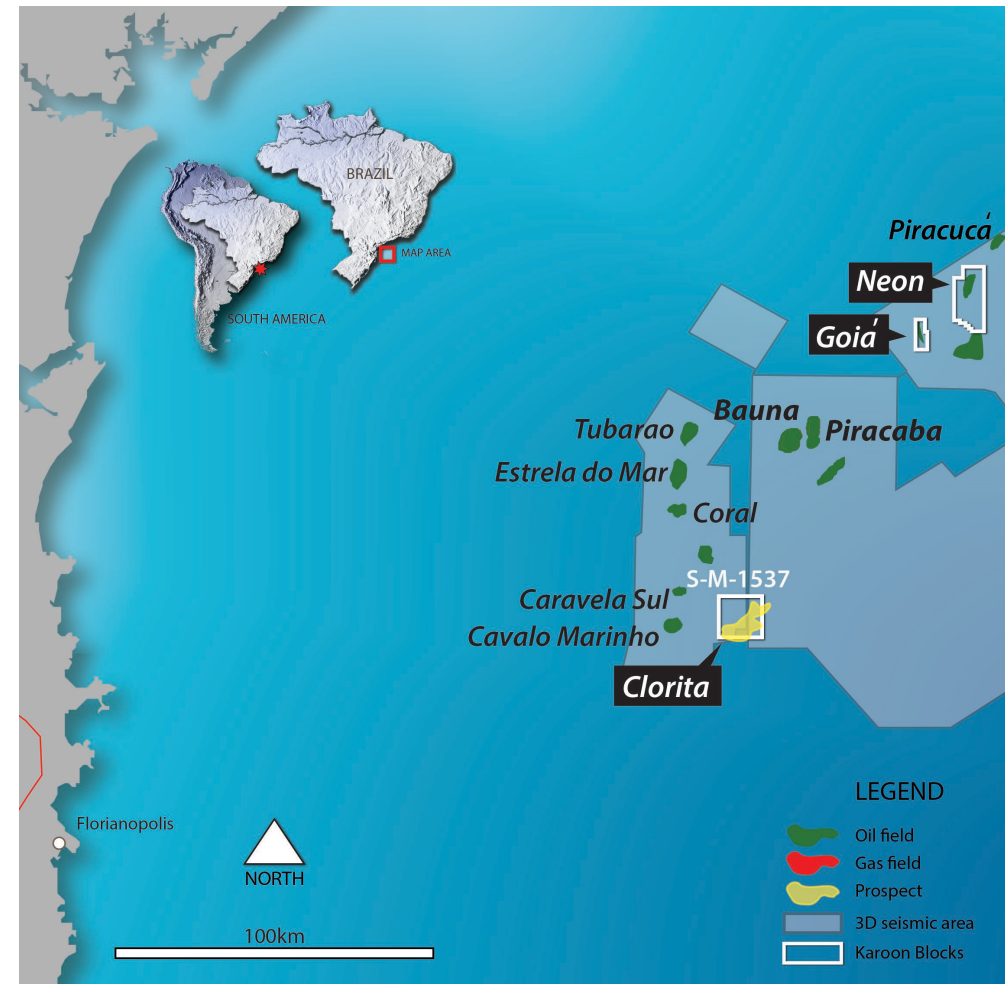
- Water depth: 300 m
- Reservoir depth: 1700 m
- Paleocene: 70 m net pay with 39°API light oil and no contaminants
- Paleocene interval DST flowed 4650 bbl/d (facility constrained)
- No depletion observed after pressure build-up
- No water and no sand production on the test
- Clear Seismic DHI for the Paleocene oil accumulation

* Reference 8 May 2018 resource update ASX release. The contingent resource figures reflect recoverable resource for the entire field, including the current development plan. FID is subject to farmout and Joint Venture approval of a final development plan

Brazil: Santos Basin, S-M-1537 Clorita prospect

Leveraging a decade of geological knowledge and operational experience in Bid Round 14

- The 171 sq. km. block is located in the Southern Santos Basin, a known oil and gas producing region in a water depth of less than 400m
- Targeting good quality Oligocene turbidite reservoir as seen in the nearby producing Baúna and Piracaba
- The Clorita Prospect is located approximately 120 km from Neon and 60 km from Baúna and Piracaba
- Similar target resource potential to nearby Baúna and Piracaba
- Karoon 100% interest
- Low capital commitment work program of A\$2.5 million consists of seismic acquisition and geological studies to be completed in by 28 January 2025
- Part of Karoon's Southern Santos Basin Strategy



Peru: Tumbes Basin, exploration

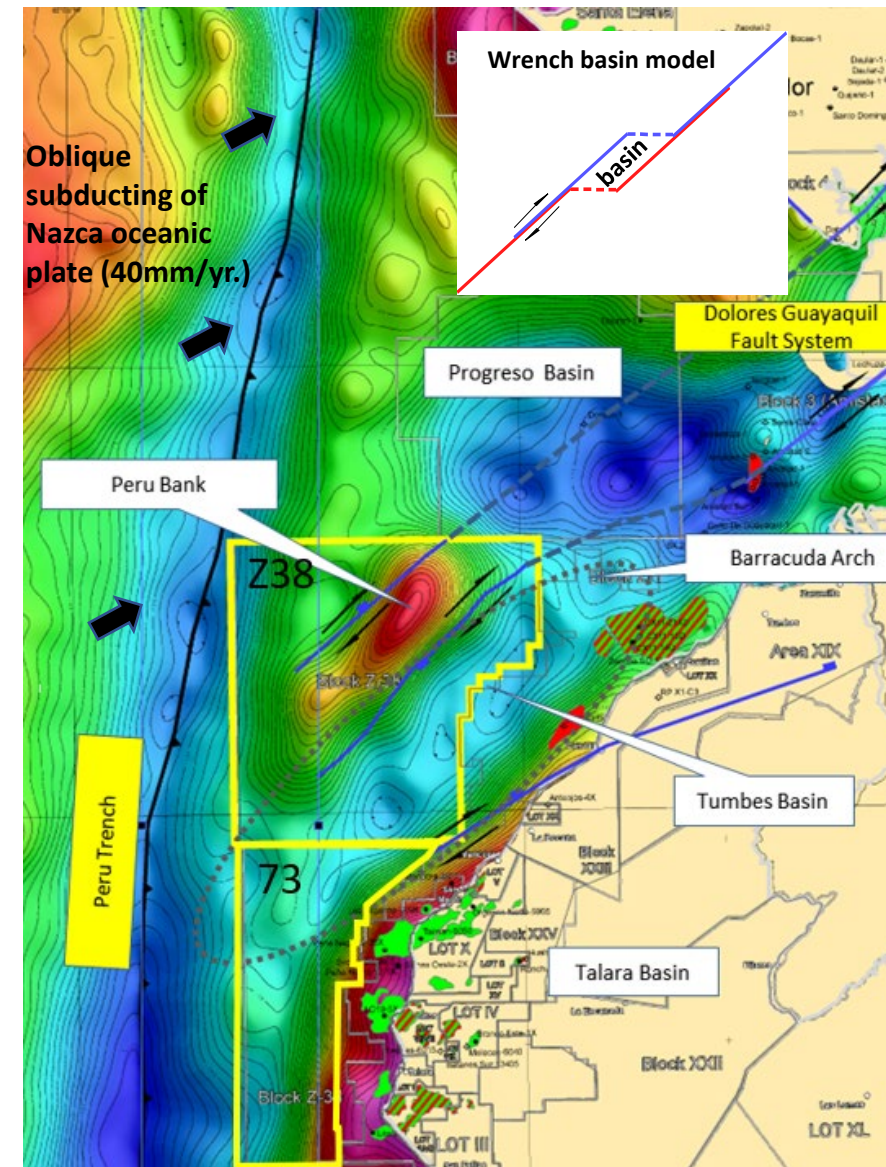
The undiscovered potential of offshore NW Peru

History

- The presence of petroleum in coastal northwest Peru has been known for centuries
- Spanish sailors used oil seeps on the Peru Bank as a navigation aid
- The first well in the basin was drilled in 1874, making Talara one of the first producing petroleum basins of South America
- Cumulative production from the Talara Basin exceeds 1.68 billion bbl of oil and 1.95 Tcf of gas from 42 oil and gas fields
- Oblique subduction of Nazca plate sets up the basin forming Dolores Guayaquil wrench fault system with oil and gas fields developed in and along the basin flanks

Undiscovered fields

- The U.S. Geological Survey estimates that the mean recoverable oil, gas, and natural gas liquid resources from undiscovered fields in the basin could be up to 1.71 billion bbl of oil, 4.79 Tcf of gas, and 255 million bbl of natural gas liquids (Higley, 2004)
- This estimate is based on a combined Cretaceous–Tertiary source rock contribution. These source rocks are interpreted to extend beneath Block Z-38 where oil and gas seeps have been observed and sampled



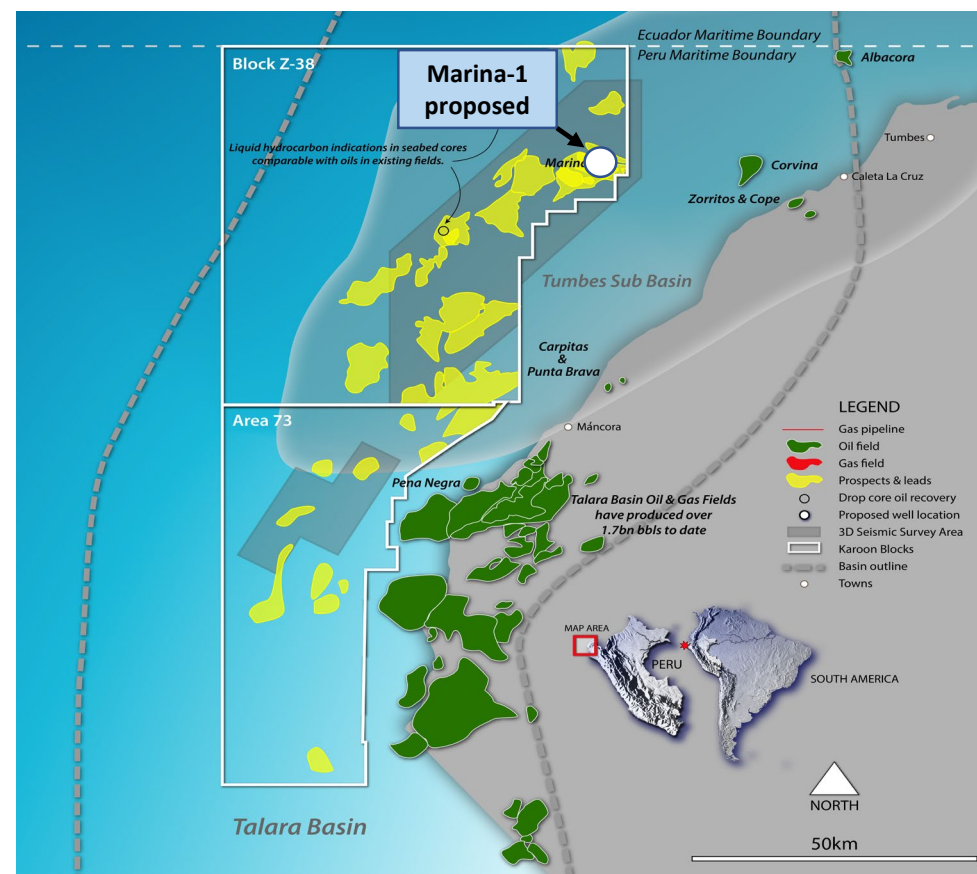
Peru: Tumbes Basin, drilling of the Marina-1 well during 2020

This frontier well has the potential to be a play opener for the offshore Peruvian E&P industry

- Karoon 40% (Operator), Tullow 35%¹, Pitkin 25%²
- Tullow (joint-venture partner) has an established track record of successful exploration in frontier basins
- 20 leads and prospects identified. Marina-1 has net prospective resources of 102 MMbbls
 - Shallower La Cruz/Mal Pelo prospects, many with clear seismic anomalies, potentially representing oil accumulations
 - Area 73 Technical Evaluation Agreement, for seismic reprocessing and rights to negotiate a licence contract over the area
- The drilling of Marina-1 exploration well has the potential to identify new potential in the Tumbes Basin
 - Marina-1 will provide a calibration of shallow seismic anomalies and potentially de-risk many prospects

Net unrisks prospective oil resource at completion of farm-out (MMbbls)³

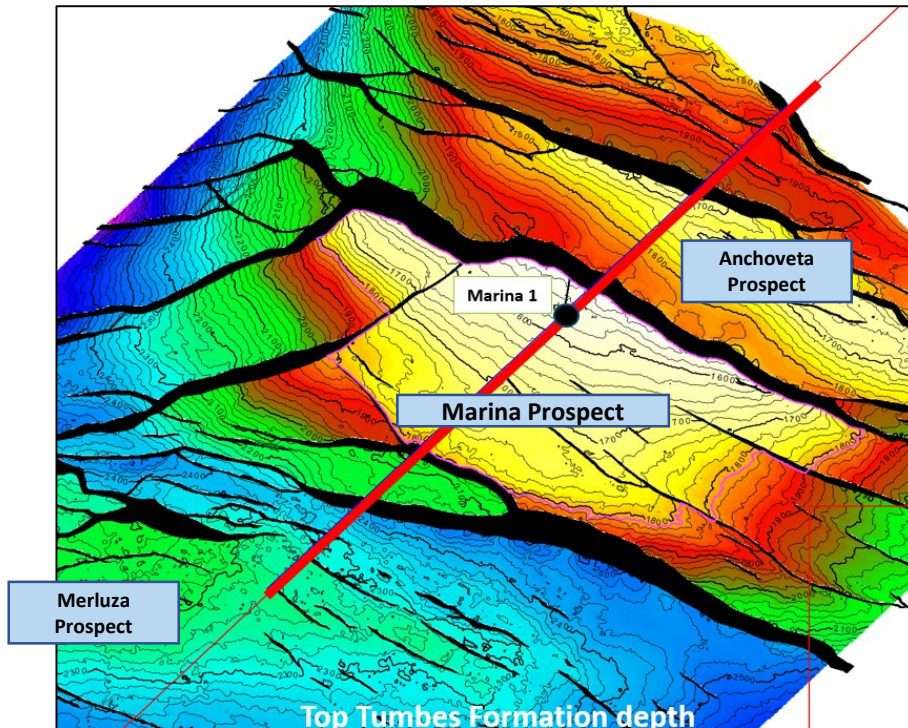
	Interest	Low	Best	High
Block Z-38	40%	223	549	1,350
Marina Prospect	40%	42	102	247



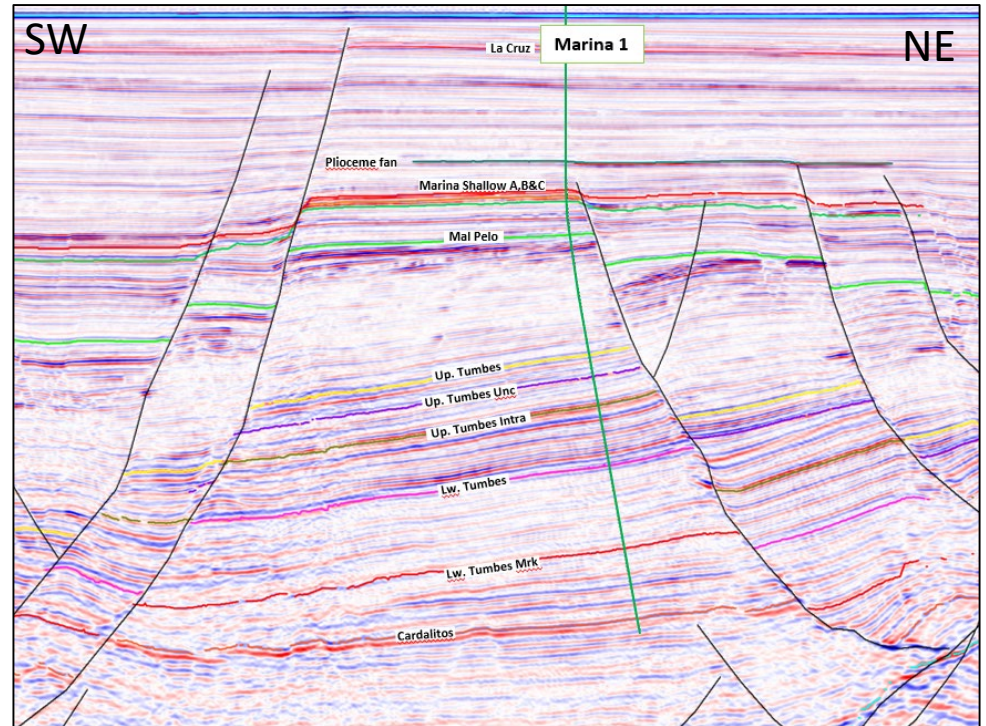
Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and development is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Peru: Tumbes Basin, Block Z-38 Marina Prospect

Large Marina Prospect with nearby follow-up



- The Marina exploration prospect is a large fault bounded structure in the central Tumbes Basin with prospective reservoirs at multiple levels from 900m subsea down to 2900m subsea in the La Cruz to Cardalitos formations
- The structures are well defined by 3D seismic. Nearby hydrocarbon seeps demonstrates migrating hydrocarbons are present, supported by seismic AVO anomalies indicative of trapped oil at Marina

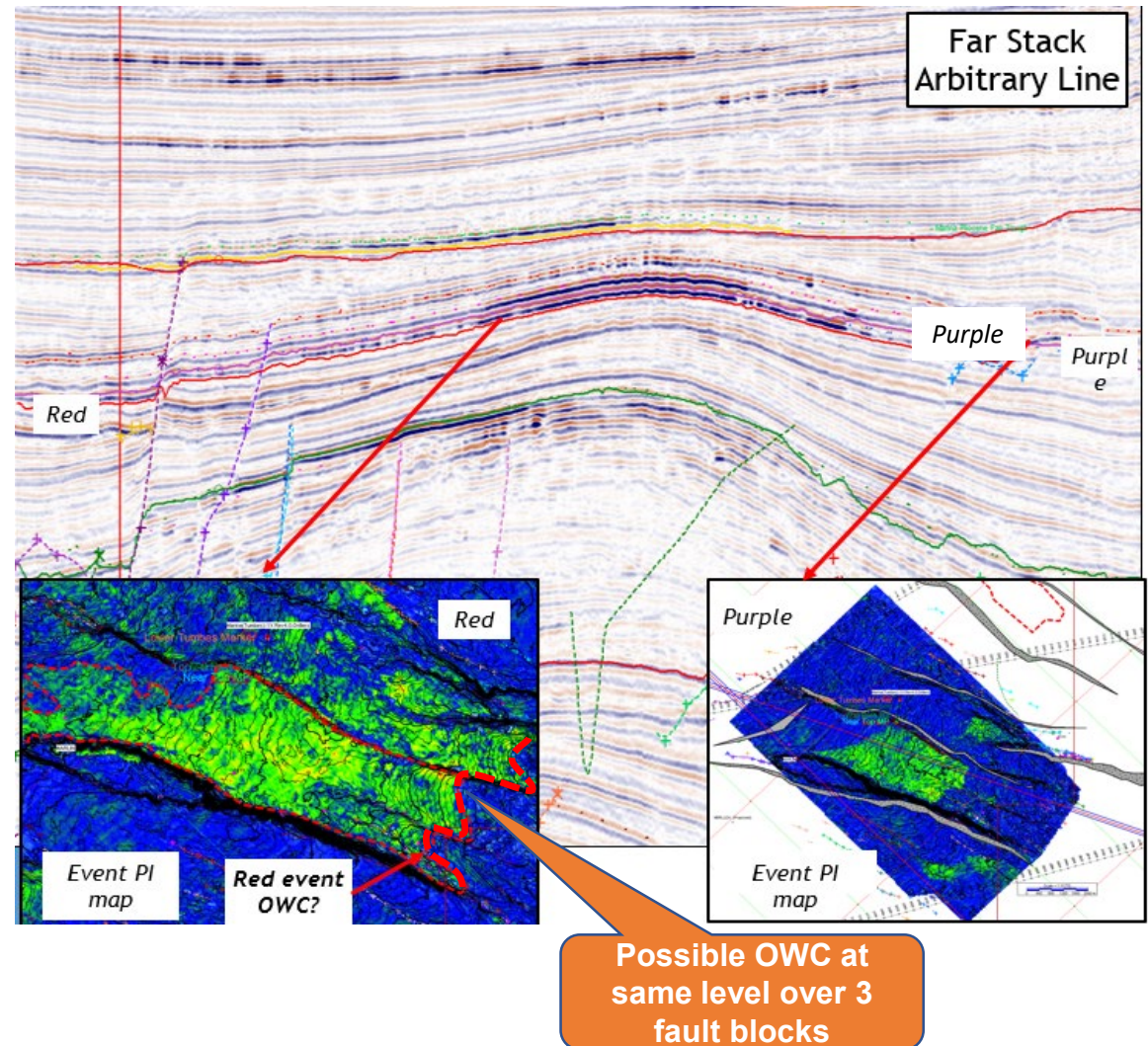


- There are no wells drilled in the permit
- Basin edge wells have reservoirs in the Marina target intervals
- Geologic models and seismic data interpretation support the presence of reservoirs at Marina
- Reservoir quality is the most significant unknown in Marina-1
- With success there are many follow-up opportunities close by

Peru: Tumbes Basin, Block Z-38 Marina Prospect

Advanced geophysical studies have identified targets

- Detailed mapping and seismic pore-fill attribute extraction support the presence of trapped hydrocarbons
- Reservoirs are stacked, ponded turbidite sands
- Reservoir pore-fill attribute distribution appears to have some stratigraphic controls consistent with the depositional model
- Conformance of anomalies with mapped contours could indicate oil water contacts
- Calibration of seismic with Marina-1 will de-risk numerous other seismic anomaly targets in the block



Australia: Carnarvon Basin, WA-482-P

The right address - Australia's newest oil province

- Permit extended with G&G work program only
- Karoon 50%, Santos 50% (Operator)
- Western WA-482-P has the same play type as Io/Jansz
- The right address - nearby oil discoveries in Dorado, Phoenix South, Roc, highlight oil potential of the region
- Nearby well drilling expected in 2020
- Recent permit awards highlight prospectivity of region
- Reprocessing 3D seismic to high-grade drilling targets for farmout
- Dorado largest oil discovery in Australia for 30 years with a 2C contingent resource of 344 mmbob gross¹

