Karoon Energy
Morgans Mid-Cap Afternoon

2 November 2022

KAROON ENERGY

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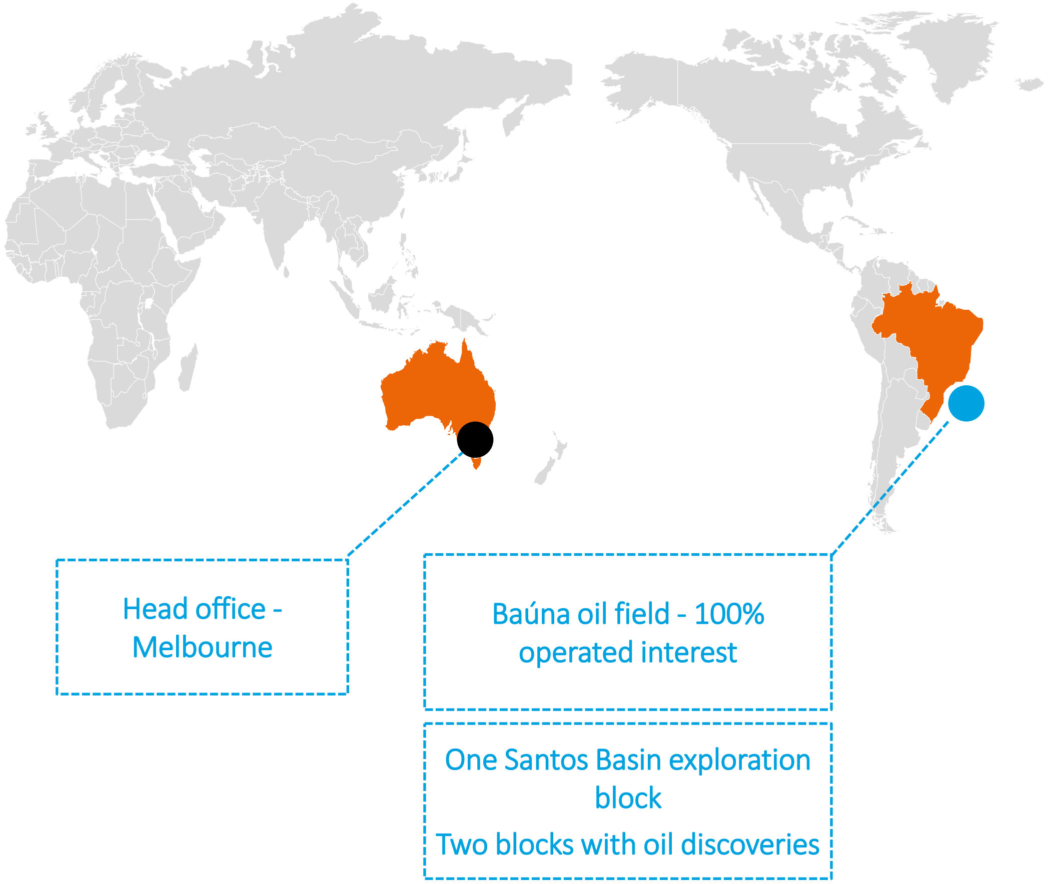
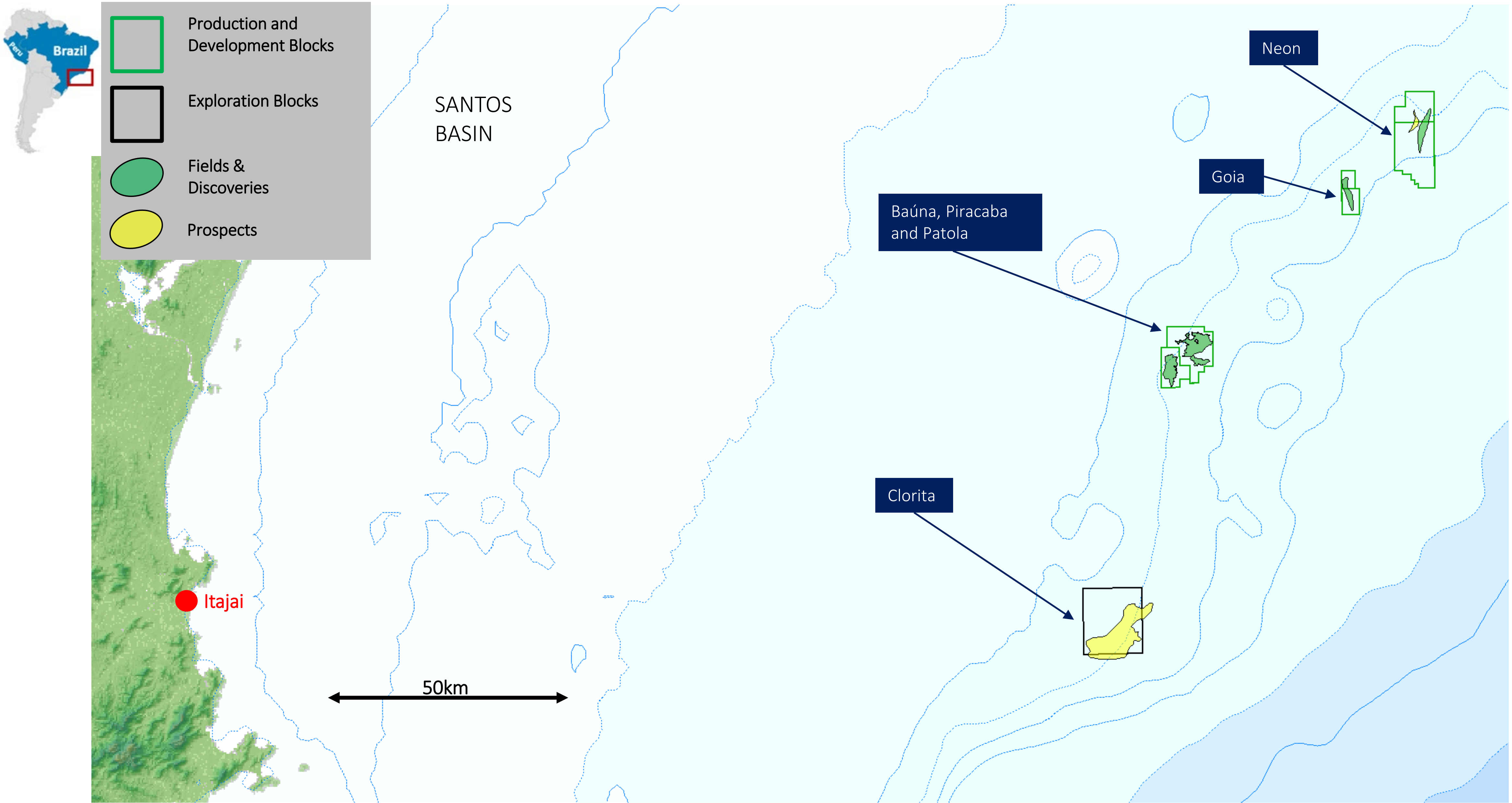
Overview of Karoon Energy

Focus on oil in Santos Basin, Brazil

- Oil producer with exposure to Brazilian oil industry:
  - 100% owner/operator of high-quality Baúna field in BM-S-40 offshore Brazil
- Building reputation as safe, reliable and responsible operator:
  - Experienced Board and management, knowledgeable and experienced operations and development teams
  - Clear growth path through Baúna intervention campaign and Patola projects
  - Integrating sustainability, including carbon neutrality on Scope 1 and 2 Baúna-Patola emissions from FY2021 and Net Zero by 2035 on Scope 1 and 2 emissions, into strategic decision framework
- Potential for further growth through organic and inorganic opportunities
- Robust financial position with strong operating cash flows
- One of the few ASX listed companies with pure oil exposure



Location of Karoon interests in Santos Basin, Brazil



Strategic Objectives

Deliver base production and sanctioned projects to create foundation for further growth

- Execute Baúna base business, focus on safety, reliability, strict capital controls
- Deliver Baúna intervention and Patola development projects:
  - Aim to double production and reduce unit operating costs by utilising existing infrastructure
- Re-evaluate and seek to de-risk Neon with control well(s), advancing potential development concepts
- Acquire value-accretive producing or development asset(s), leveraging existing capabilities
- Maintain resilient balance sheet, strengthened by cash flow from operations and expanded debt capacity
- Operate sustainably, with carbon neutral[1] target on Baúna-Patola Scope 1 and 2 GHG emissions from FY2021 and Net Zero[2] by 2035, plus new voluntary social projects in Brazil
- Consider capital allocation between high value growth and returns to shareholders

1 Carbon neutral refers to having a balance between emitting and offsetting greenhouse gas (GHG) emissions. Achieved through acquiring carbon offsets for Scope 1 and 2 GHG emissions.
2 Net zero refers to reducing GHG emissions as far as possible and balancing the residual GHG emissions produced and GHG emissions removed from the atmosphere. To be achieved through future transition planning for Scope 1 and 2 emissions.

Macro Environment

Current environment provides opportunities and risks for Karoon

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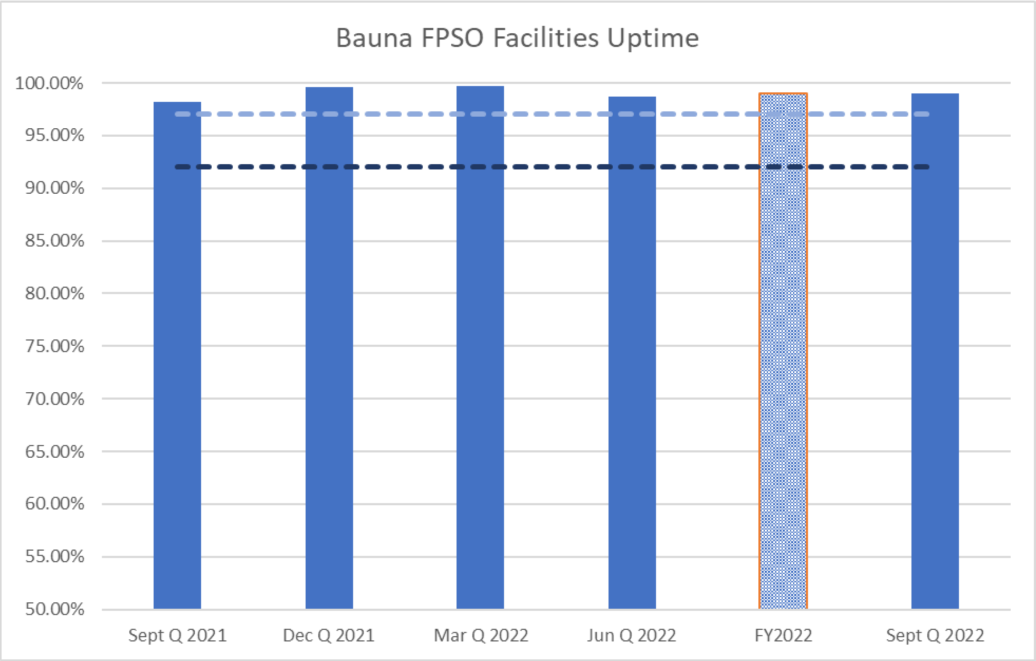
- Underlying oil demand outstripping supply, reducing inventories and putting pressure on refiners, pushing up prices
- High prices exacerbated by global economic turbulence - war in Ukraine, inflationary impact of COVID-19 response and demand rebound, leading to rising interest rates and recession fears.
- Oil prices moderated by concerns about global economic growth
- Accelerated energy transition misaligned with security of energy supply, further adding to commodity price volatility
- While global energy transition is accelerating, demand for oil likely to remain for many years
- Supply chain constraints impacting major project costs – Karoon largely insulated through existing contracts, fuel price a risk

Baúna Operating Performance

High facilities uptime and active well management



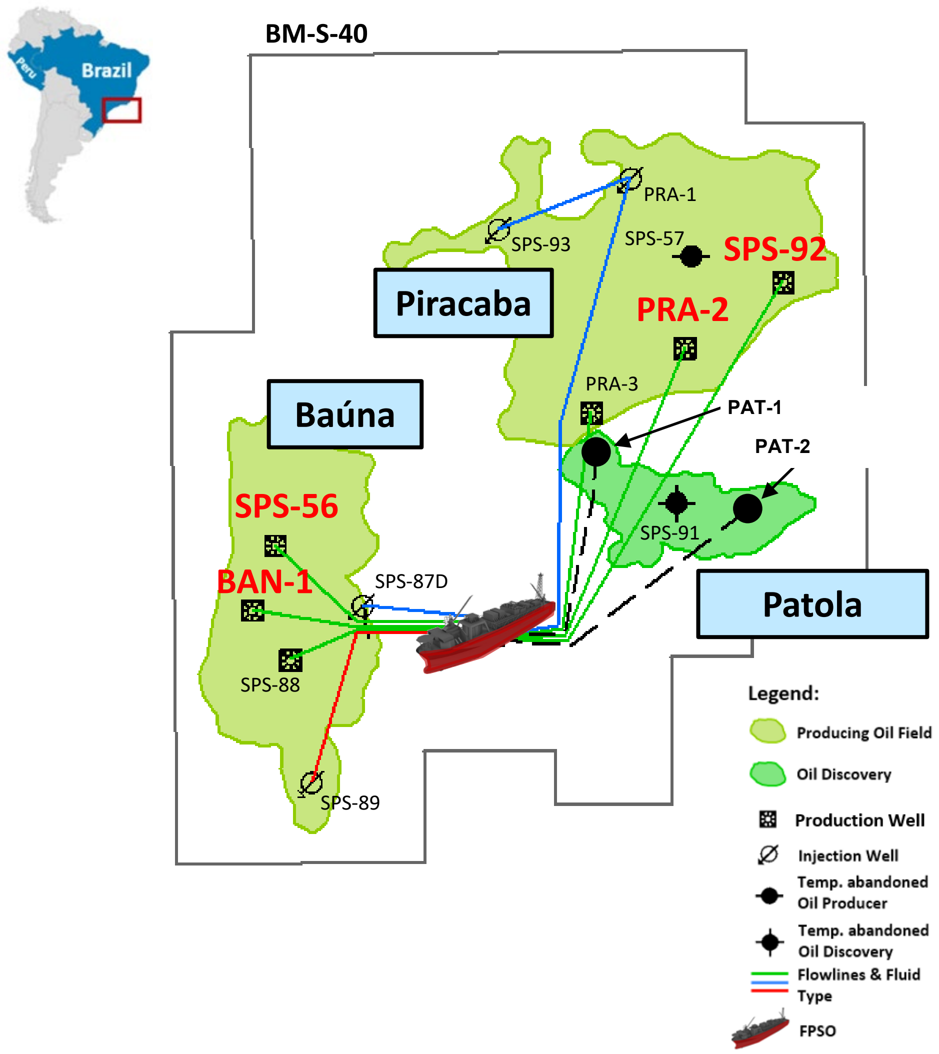
Note: Excluding scheduled shutdowns for maintenance

FOCUS ON SAFETY, FACILITY INTEGRITY AND PREVENTIVE MAINTENANCE

- Core focus is on maintaining safe and healthy work environment and protecting natural habitats
- High operational uptime in FY2022 of 99% (excluding scheduled shutdowns) maintained through 1Q23, despite intervention activity ongoing
- Reflects past work undertaken on the FPSO and ongoing improved proactive maintenance plan:
  - Re-established process plant redundancies (two production trains)
  - Integrity management
  - Changed out four of five gas turbines
  - Offloading hose replacements (forward hose completed in 2021, aft planned for 2H2022)
- With higher throughput post intervention and Patola development, anticipate uptime to be within 92 – 97% band, typical of similar FPSOs

Baúna Interventions and Patola

Targeting increase in total production to >30,000 bopd

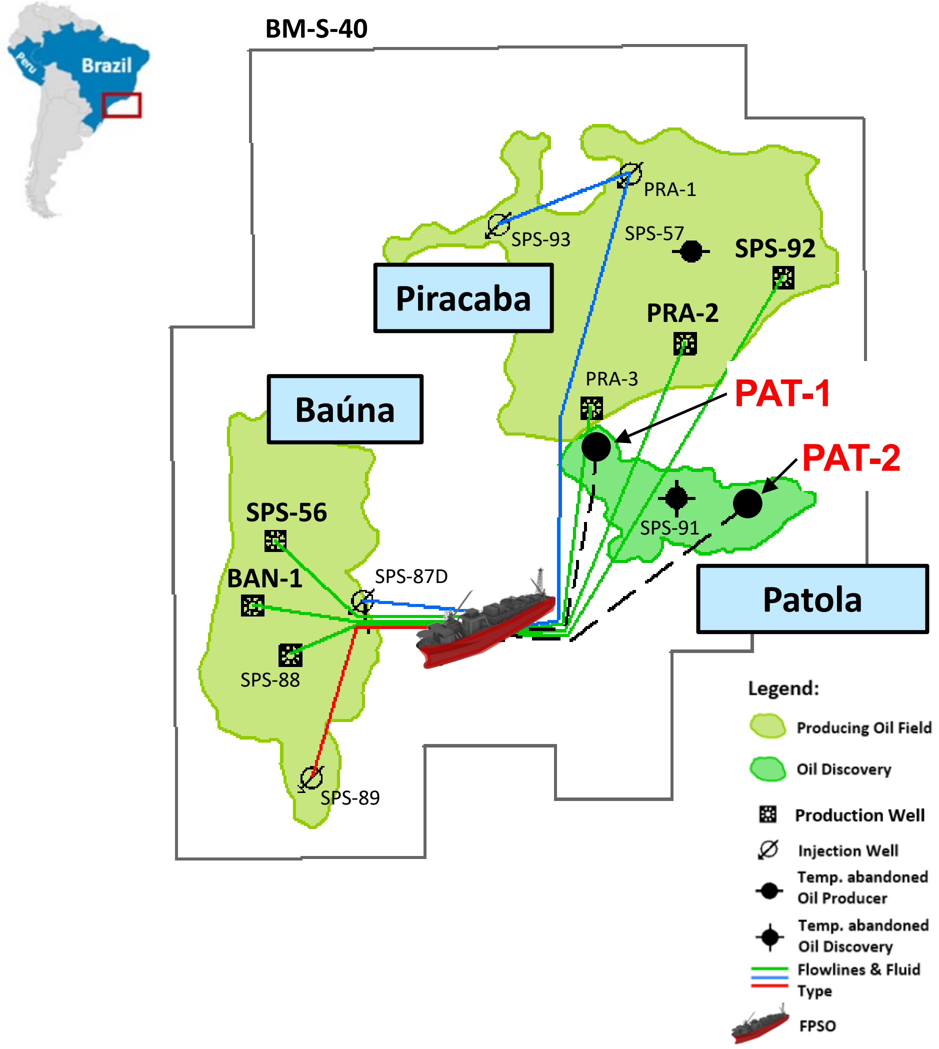


BAÚNA INTERVENTION PROJECT

- Planned interventions on four wells:
  - Installation of Electric Submersible Pumps (ESP) in PRA-2 and SPS-92
  - Installation of gas lift in SPS-56
  - Opening up oil zone in BAN-1
- Commenced in late May 2022 with PRA-2, followed by SPS-56 and SPS-92
- Have achieved incremental production of >11,000 bopd (vs targeted 5,000 – 10,000 bopd) from first three interventions
- Given greater than anticipated production and relative value of Patola production, have deferred BAN-1 workover. Potential to undertake after Patola drilling or at later stage
- Peak production of >25,000 bopd achieved in early October, has since stabilised at ~24,000 bopd prior to resumption of natural decline
- Baúna intervention cost estimate US$135 – 145 million,

Baúna Interventions and Patola cont.

Targeting increase in total production to >30,000 bopd



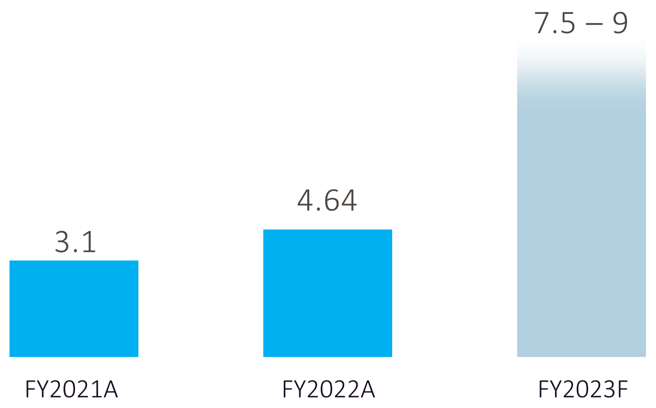
PATOLA DEVELOPMENT

- Development comprises:
  - Drilling two new wells
  - Installation of subsea pipeline and umbilical from Patola to FPSO
  - Tying into existing riser slots on Cidade de Itajaí FPSO
  - Completion of pipework on FPSO to tie wells into main production stream
- PAT-1 spudded in early October, reached Total Depth (TD) of 2,400 metres on 18 October
- Preliminary analysis indicates top reservoir depth and reservoir thickness within expected range, while reservoir quality better than anticipated
- PAT-2 expected to commence drilling shortly
- First production from Patola targeted to commence in 1Q CY2023, with forecast peak production rate >10,000 bopd, short plateau prior to onset of natural decline
- Estimated cost of Patola development US$180 – 205 million

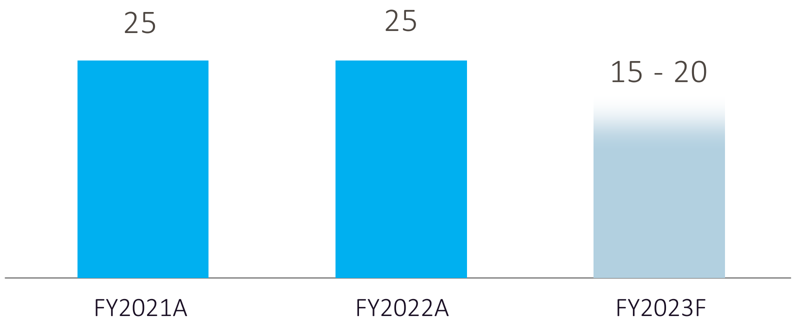
FY2023 Indicative Production and Cost Profile[1]

Based on development projects underway

INDICATIVE PRODUCTION PROFILE (MMBBL)



INDICATIVE UNIT OPERATING COST (US$/BBL)



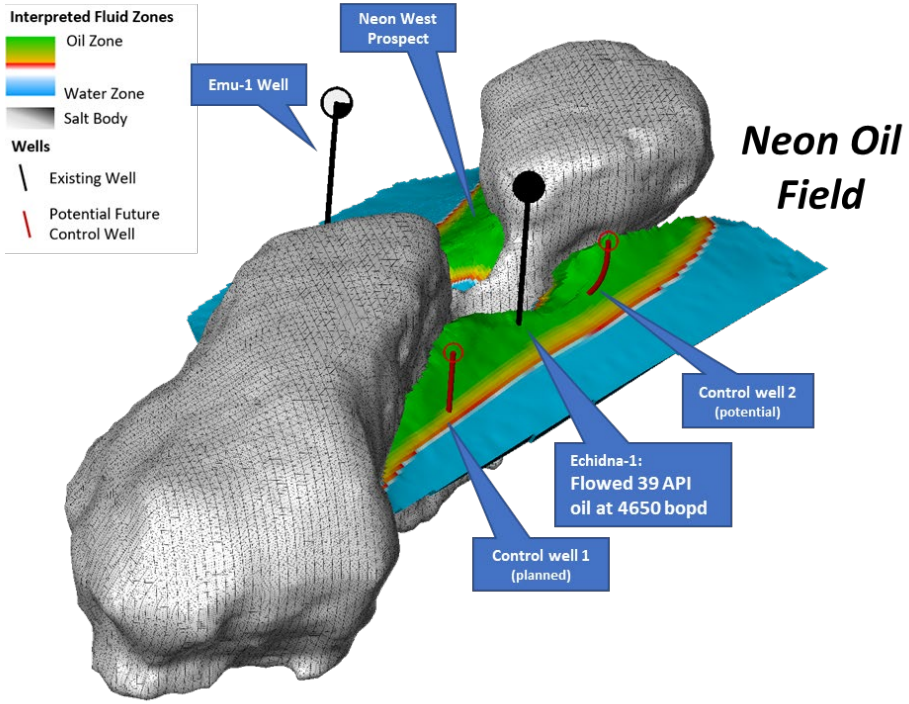
TARGETING MATERIAL PRODUCTION INCREASE/UNIT COST REDUCTIONS

- Production from BM-S-40 assumes 92 – 97% facilities uptime (excluding scheduled outages), ongoing optimisation of reservoir management and facilities integrity work
- With operating costs largely fixed, increased production expected to reduce operating cost per barrel materially in FY2023
- Charter, operations and maintenance contract cost reduced to 85% of historical rate in Feb 2022, to increase to 90% of historical rate once production > 15,000 bopd at Brent price ≥ US$60 per bbl
- Reduced royalties to apply to incremental production (10% on base production profile, 7.5% on production up to 50% higher than base profile, and 5% for incremental production more than 50% above base production profile)
- Special Participation levy on net income from production above ~21,000 boepd and 1% Research & Development levy on gross revenue will be incurred

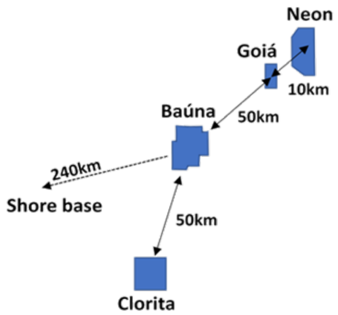
1.Production profile and cost outlook in FY2023 indicative only and assume Patola development is delivered within updated target timeframe.

Progressing Neon Development Concept

Control well drilling aimed at de-risking structure



FIELD	CONTINGENT RESOURCES[1]		
	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	30	55	92
Goiá	16	27	46



NEON EVALUATION

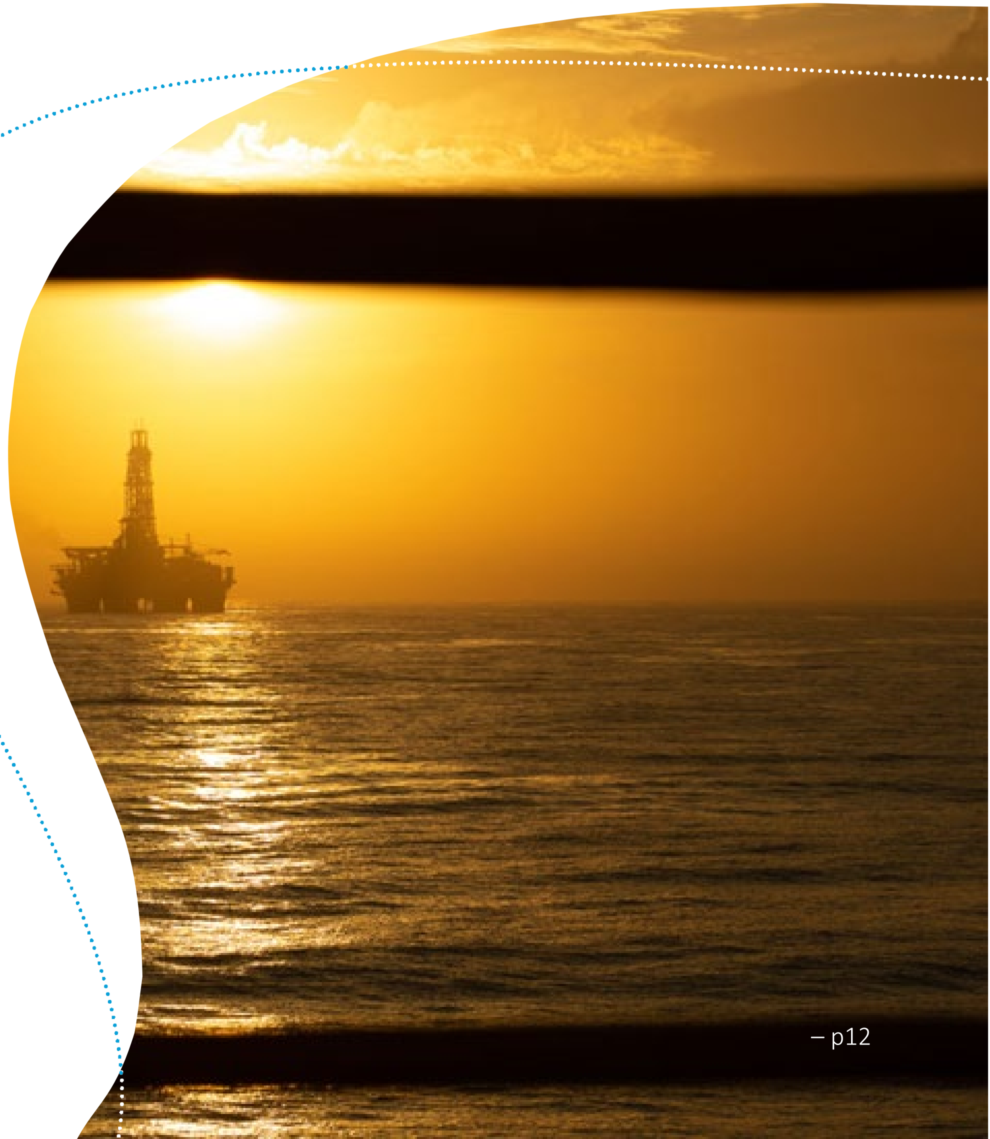
- Neon, Goiá light oil discoveries 50-60km NE of Baúna, 300m water depth
- Revised preliminary development concepts confirmed sufficient commercial potential to justify control well drilling campaign
- Standalone and Baúna tie-back options being considered
- Control well(s)[2] designed to address subsurface uncertainty, better constrain resource estimates and progress through Concept Select, FEED and potentially FID
- Key uncertainties relate to OWC, reservoir quality and distribution
- Second control well contingent on success in first, to minimise cost exposure to down-side outcomes (both contingent on regulatory approvals)
- Engineering studies ongoing to expedite timeline in success scenarios
- Neon success will partly de-risk Goiá and Neon West

1. Contingent resource volume estimates presented for Neon and Goiá were disclosed in the 8 May 2018 ASX announcement "Resources Update" and published in the 2022 Annual Report. 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.
2. Subject to necessary approvals

Assessing Inorganic Growth Options

Disciplined process to identify and pursue value-accretive growth opportunities

- Continuing to actively screen inorganic growth opportunities
- Rigorous screening process used, with key criteria including:
  - Value accretive, with acceptable risk profile
  - Fundable
  - Producing or at least close to FID if pre-production
  - Complementary to Karoon's footprint and/or capabilities
  - Compatible with Karoon’s carbon targets
- Any acquisition balanced against returns to shareholders
- Disciplined approach:
  - Resulted in Karoon withdrawing non-binding offer made to Enauta Energia S.A. for 50% of Atlanta asset



Progress on Climate and Social Projects

First standalone Sustainability Report released

CLIMATE

- Climate targets:
  - Carbon neutral[1] on Baúna operations from FY2021 - achieved for FY2021 and planned to be achieved for FY2022 and Net Zero by 2035[2]
- Priority to reduce emissions where possible. Emissions reduction projects implemented
- Active review of potential investment in high-quality projects with social benefits to offset residual emissions, including MOU with Shell to investigate equity and/or development opportunities for new Nature Based Solution offset projects
- Two carbon offset purchase agreements signed, including purchase of >480,000 Verified Emission Reductions (VERs) from Shell between 2022 and 2030

SOCIAL

- First Modern Slavery Statement submitted
- Committed to four new voluntary social projects in Brazil, focused on Education, Sustainable Economic Development and Biodiversity
- Projects in line with commitment to have a positive impact on society and environment

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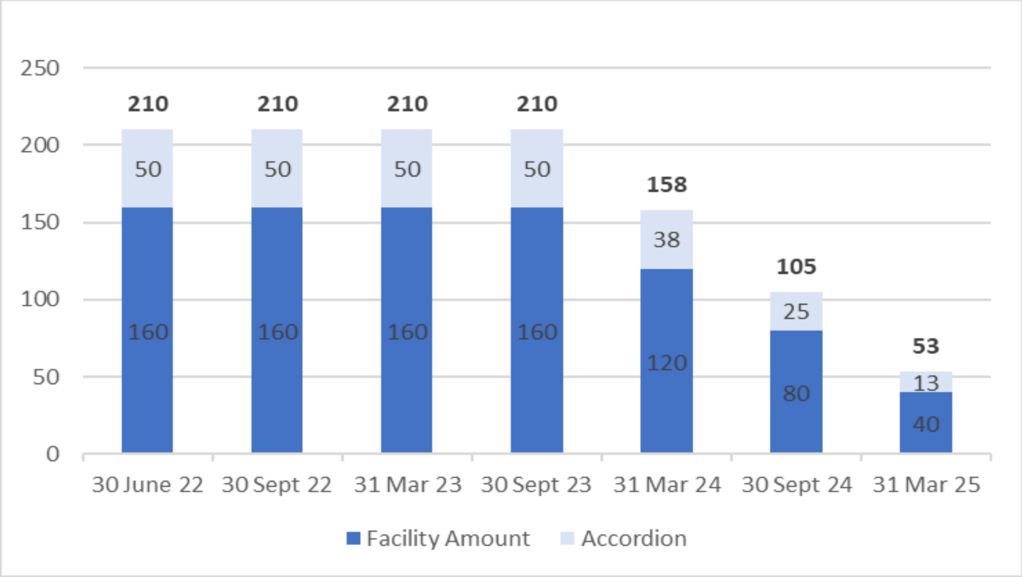
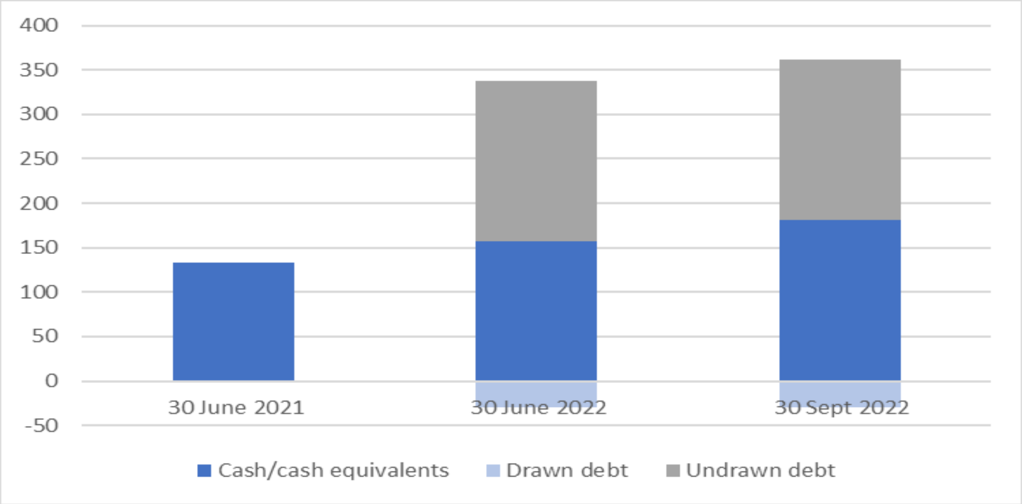
Cash and Available Liquidity

FACILITY TENURE (US$ MILLION)



LIQUIDITY (US$ MILLION)



DEBT AND LIQUIDITY AT 30 SEPT 2022

- At 30 September 2022, total liquidity of US$361.8 million, comprising US$181.8 million cash/cash equivalents and US$180 million in undrawn available debt (vs liquidity of US$337.7 million at 30 June 2022)
- Debt facility comprises US$160m reserve-based, non-recourse loan facility, 425bps margin over SOFR, of which US$30m drawn, plus US$50m uncommitted accordion facility
- Strong cash flows from operations. Capex on Baúna interventions and Patola in Sept Q 2022 funded from cash flows and existing cash
- US$63.5 million placed into escrow account in Sept Q for Petrobras contingent payment, with US$85 - 86 million expected to be payable in January 2023 based on Karoon's CY2022 oil price expectations

Summary: Well Positioned to Deliver Shareholder Value

Strong base business with organic and inorganic growth potential

- Three-well Baúna intervention program has added ~11,000 bopd to production, currently ~24,000 bopd prior to natural decline of ~15% pa resuming
- With Patola development, expect production to reach >30,000 bopd by early CY2023, with material reduction in unit operating costs
- Evaluating both organic and inorganic growth opportunities, subject to strict capital discipline
- Solid financial position with robust balance sheet and demonstrated ability to access debt financing
- Current favourable oil prices continuing to provide significant cash flows
- Board to consider returns to shareholders (including dividends, share buy-backs) following completion of investment in Baúna interventions and Patola development