



29 March 2023

Company Announcements Office  
ASX Limited

Dear Sir / Madam

**Presentation for Morgan's Corporate Breakfast Event**

Enclosed is a presentation that is to be made by the CEO and Managing Director this morning.

This announcement was authorised by the CEO and Managing Director.

Yours faithfully

Daniel Murnane  
**Company Secretary**

# Karoon Energy Morgans Corporate Breakfast

29 March 2023



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FY23 guidance is uncertain and subject to change. FY23 guidance has been estimated on the basis of various risks and assumptions, including those "Key Risks" set out in Karoon's 2022 Annual Report.

References to future activities development, appraisal and exploration projects are subject to approvals such as government approvals, joint venture approvals and Karoon approvals. Karoon expresses no view as to whether all required approvals will be obtained.

## Reserves disclosure

Reserves and resources estimates are prepared in accordance with the guidelines of the Petroleum Resources Management System (SPE-PRMS) 2018 jointly published by the Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), and American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE).

Oil and gas reserves and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly due to new information or when new techniques become available. Additionally, by their nature, reserves and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further data becomes available through for instance production, the estimates are likely to change. This may result in alterations to production plans, which may in turn, impact the Company's operations. Reserves and resource estimates are by nature forward looking statements and are the subject of the same risks as other forward-looking statements.

## Authorisation

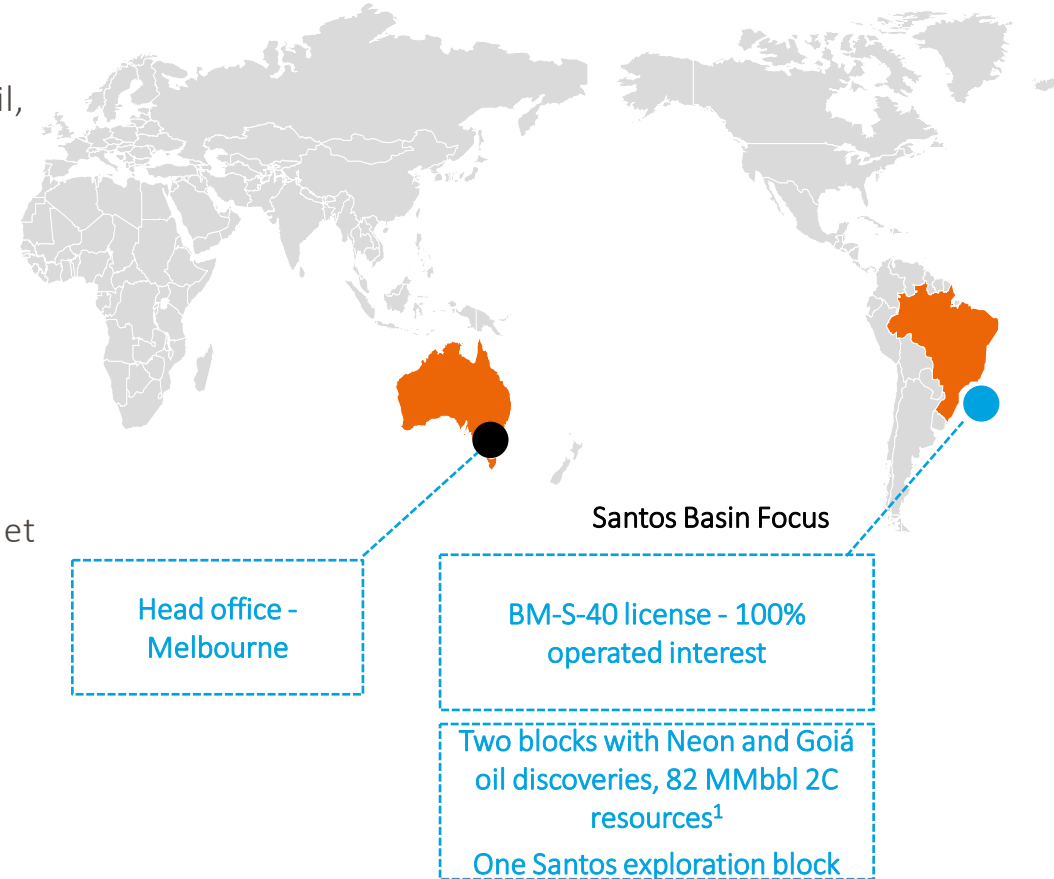
This presentation has been authorised for release by the Chief Executive Officer and Managing Director of Karoon Energy Ltd.

# OVERVIEW OF KAROON ENERGY



## Focus on oil offshore Brazil, and organic and inorganic growth opportunities

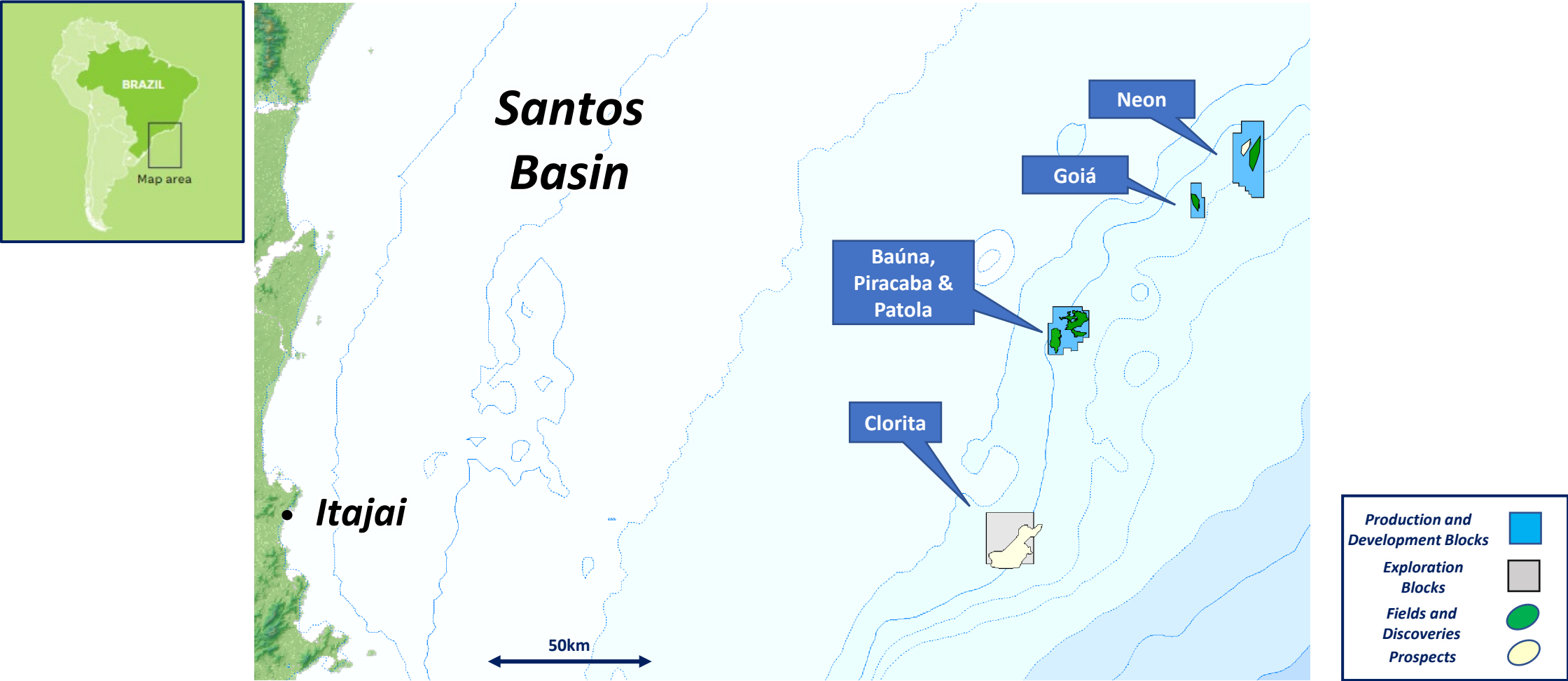
- › Oil producer with exposure to Brazilian oil industry:
  - › 100% owner/operator of high-quality producing Baúna field in BM-S-40 offshore Brazil, 55 MMbbl 2P reserves<sup>1</sup>
- › Building reputation as a safe, reliable and responsible operator:
  - › Highly experienced Board, management, operations and development teams
  - › Production increased >20,000 bopd through recent successful delivery of Baúna intervention campaign and first Patola well. Second well due onstream before end-March, expected to add further to production, prior to natural decline resuming
- › Committed to emissions targets<sup>2</sup> – carbon neutral on existing operations immediately, Net Zero by 2035
- › Following recent Neon control wells, progressing towards concept select phase
- › 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



<sup>1</sup> As at 31 December 2022 (see ASX announcement dated 23.1.2023 for full details). Karoon is not aware of any new information or data that materially affects these resource estimates, and all material assumptions and parameters are unchanged.

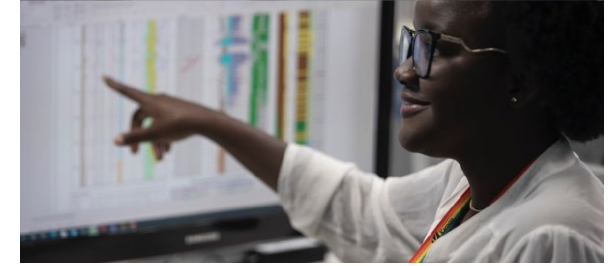
<sup>2</sup> Scope 1 and 2 GHG emissions

# KAROON INTERESTS IN SANTOS BASIN, BRAZIL



# RECENT ACHIEVEMENTS

Underlying NPAT up 275% in 1H23, material production growth



## Strong 1H23 operational and financial results

- › One LTI, two MTI, TRIR 0.77
- › No significant environmental incidents
- › Production 3.37 MMbbl
- › 97.5% uptime (ex scheduled shut-downs)
- › Average realised oil price US\$87.86/bbl
- › Underlying NPAT US\$82.4m
- › Operating cash flow US\$167.1m



## Delivery of growth activities

- › Baúna intervention program added >11,000 bopd to ~22,500 bopd<sup>1</sup>
- › First Patola added >12,000 to production, second well due onstream shortly<sup>1</sup>
- › 23% increase in BM-S-40 2P reserves, 259% reserves replacement since taking operatorship<sup>2</sup>
- › Neon resource and potential development reassessment underway<sup>3</sup>
- › Active M&A assessment ongoing



## Sustainable operations

- › First Sustainability Report released
- › Second Modern Slavery Statement submitted
- › Emission targets unchanged – carbon neutral on existing operations immediately, Net Zero by 2035<sup>4</sup>
- › Committed to 16 new social/community projects



## Robust balance sheet

- › At 31 December 2022:
  - › Cash and cash equivalents of US\$163.2m
  - › Undrawn debt of US\$180m (US\$30m drawn)
  - › Liquidity of US\$343.2m
- › Following completion of current CAPEX program, modest ongoing sustaining capital requirements

1 Prior to resumption of natural decline.

2 See page 14 of the 2023 Half-Year Report Financial Report for full details and disclosure. Karoon is not aware of any new information or data that materially affects these resource estimates, and all material assumptions and parameters are unchanged.

3 See Neon ASX announcements released on 16.02.23 and 14.03.23 for details.

4 Scope 1 and 2 GHG emissions.

# OUTLOOK

## Focus on creating shareholder value

- › Baúna interventions and first Patola well producing above expectations. Current production >30,000 bopd (prior to natural decline resuming), second Patola well due online by end March. Up from 12,500 bopd prior to intervention and development programs
- › Encouraging results from Neon control well program, will be incorporated into technical and commercial assessment, including entry into concept select phase, over next 12 months
- › Ongoing evaluation of value-adding, material inorganic growth opportunities:
  - › In or close to production with potential for further expansion
  - › Focus on offshore oil assets in Brazil and North America
- › Despite recent fall in oil price, generating strong cash flows, with higher production over largely fixed operating cost base
- › Solid financial position with robust balance sheet. US\$30m debt drawn from US\$210m facility, modest sustaining capex going forward
- › Returns to shareholders to be addressed in 2H CY23<sup>1</sup>



<sup>1</sup> Dependent on satisfaction of lending covenants, capital priorities and subject to Board approval