



3 April 2023

Company Announcements Office
ASX Limited

Dear Sir / Madam

Macquarie Asia Presentation

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 Macquarie Asia Roadshow

April 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

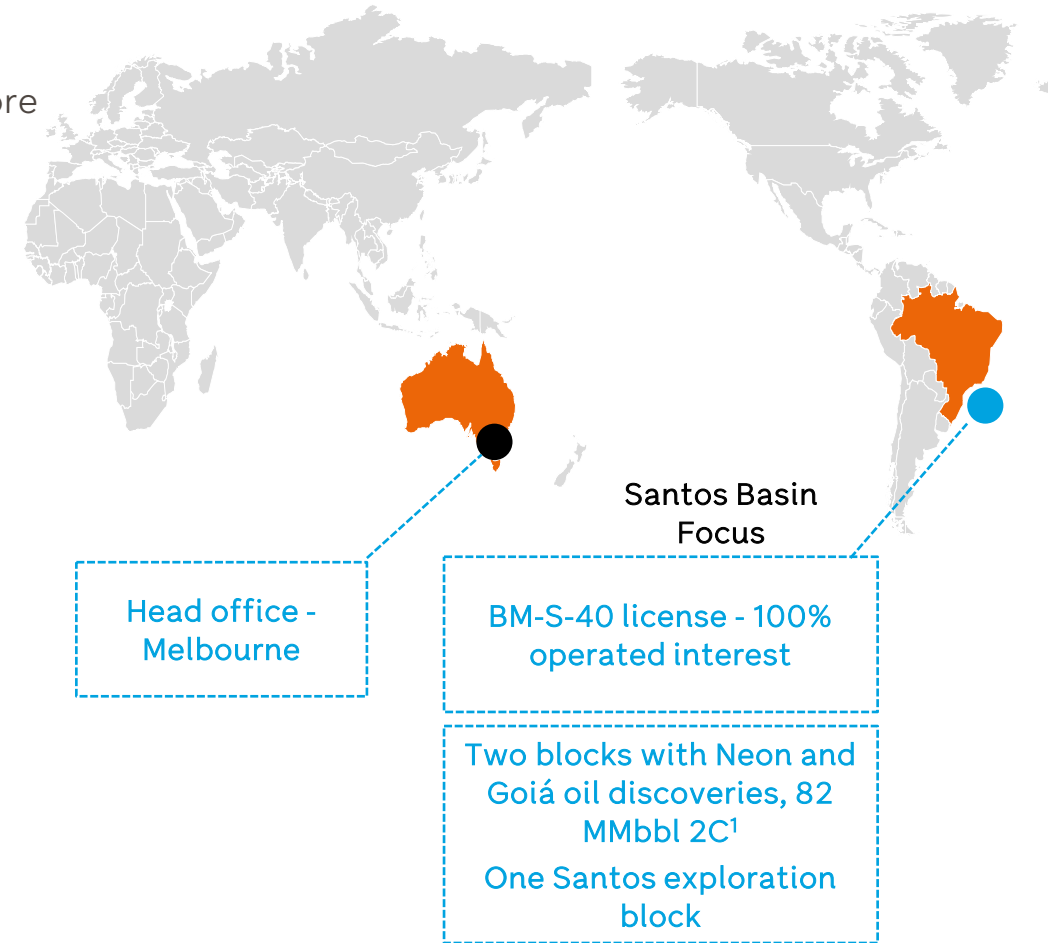
This presentation has been authorised for release by the Chief Executive Officer and Managing Director of Karoon Energy Ltd.

Overview of Karoon Energy

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



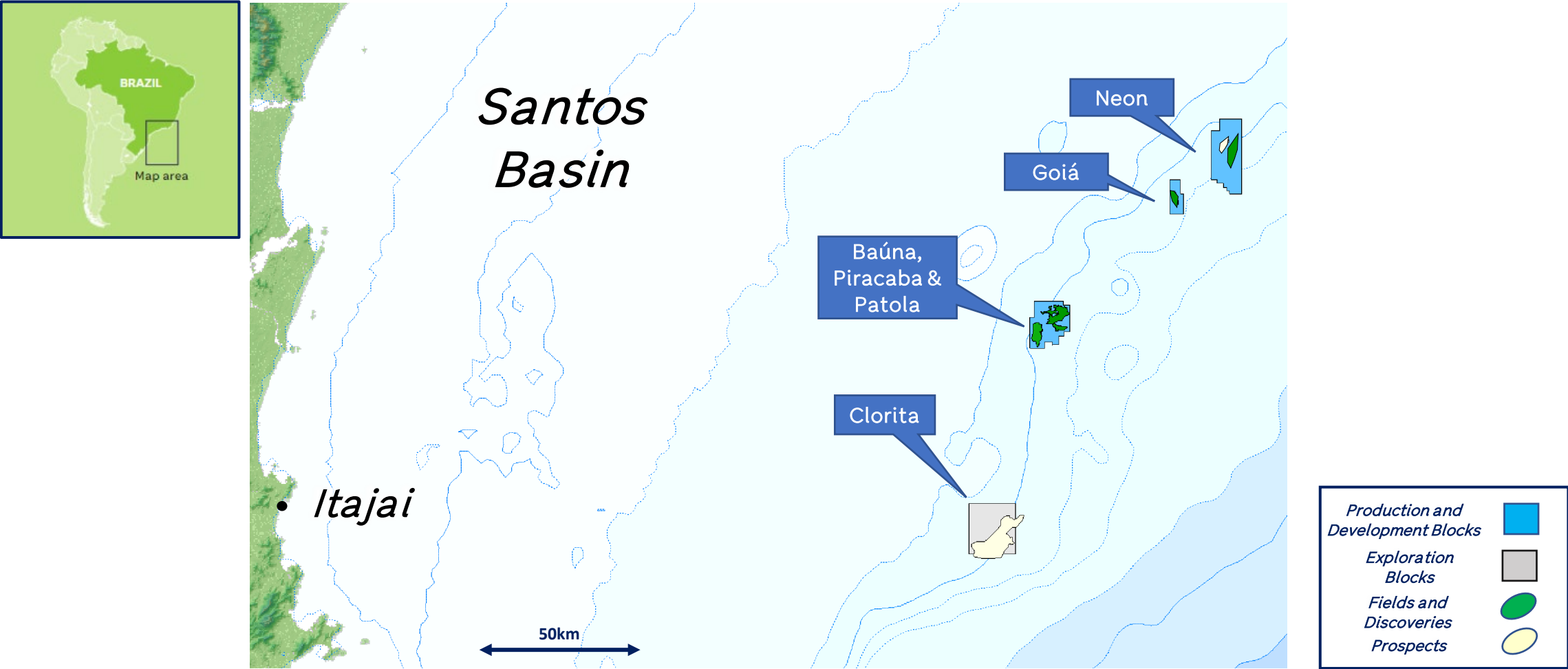
- › Oil producer with exposure to Brazilian oil industry:
 - › 100% owner/operator of high-quality producing Baúna field in BM-S-40 offshore Brazil, 55 MMbbl 2P reserves¹
- › Building reputation as a safe, reliable and responsible operator:
 - › Highly experienced Board, management, operations and development teams
 - › Production more than tripled through recent successful delivery of Baúna intervention campaign and Patola project, prior to natural decline resuming
- › Committed to emissions targets² – carbon neutral on existing operations immediately, Net Zero by 2035
- › Recently appraised Neon discovery 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



1. As at 31 December 2022 (see ASX announcement dated 23.1.2023 for full details). No material information has changed. Karoon is not aware of any new information or data that materially affects these resource estimates, and all material assumptions and parameters are unchanged.

2. Scope 1 and 2 GHG emissions

Karoon interests in Santos Basin, Brazil



Strategy scorecard

Progress against October 2021 Strategic Refresh promises

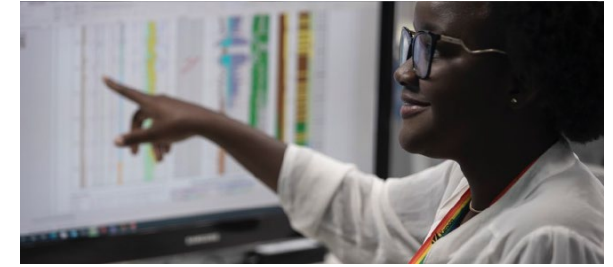


Safe operations	✓	TRIR for both FY22 and 1H FY23 of 0.77
Reliable operations	✓	Uptime in 1H FY23 of 97.5% (excluding scheduled shut-downs)
Responsible operations	✓	Emissions reductions focus, no significant environmental incidents, committed to 16 new social/community projects
Robust funding plan	✓	Accordion facility secured, total facility US\$210 million, US\$30 million drawn
Baúna intervention campaign	✓	Added >11,000 bopd from three well interventions prior to resumption of natural decline
Reduction in unit production costs	✓	26% reduction, from US\$23.50/bbl in 1H FY22 to US\$17.30/bbl in 1H FY23
Patola development	✓	Patola wells (PAT-1 & PAT-2) brought onstream in March 2023 ¹ taking total production to >40,000 bopd. After flush production, rates currently expected to decline to 33-35,000 bopd prior to resumption of normal decline
Neon drilling program	✓	Neon-1 & Neon-2 control wells both confirmed presence of oil-bearing sands. Analysis of data gathered underway, with resource review expected to be completed around mid-year
M&A	Ongoing	Active assessment underway, with strong financial discipline and clear investment criteria

1. See Patola ASX announcements released on 15.03.23 and 29.03.23 for details.

Recent Progress

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 bopd¹
- › Patola development has taken production to >40,000 bopd¹
- › 23% increase in BM-S-40 2P reserves, 259% reserves replacement since taking operatorship²
- › Neon resource and potential development reassessment underway³
- › 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 2035⁴
- › 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

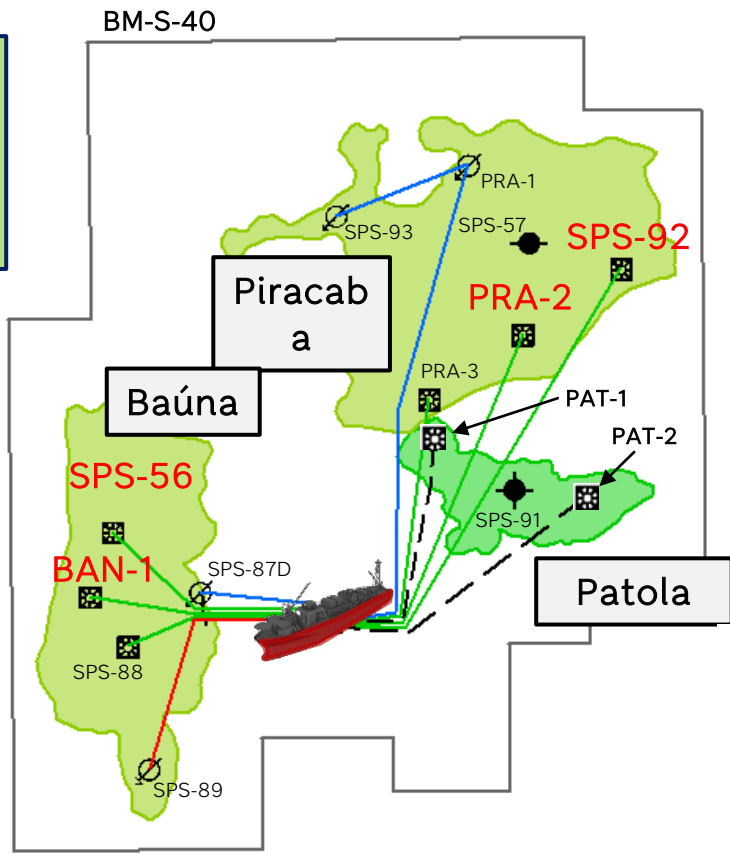
3. material assumptions and parameters are unchanged.

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

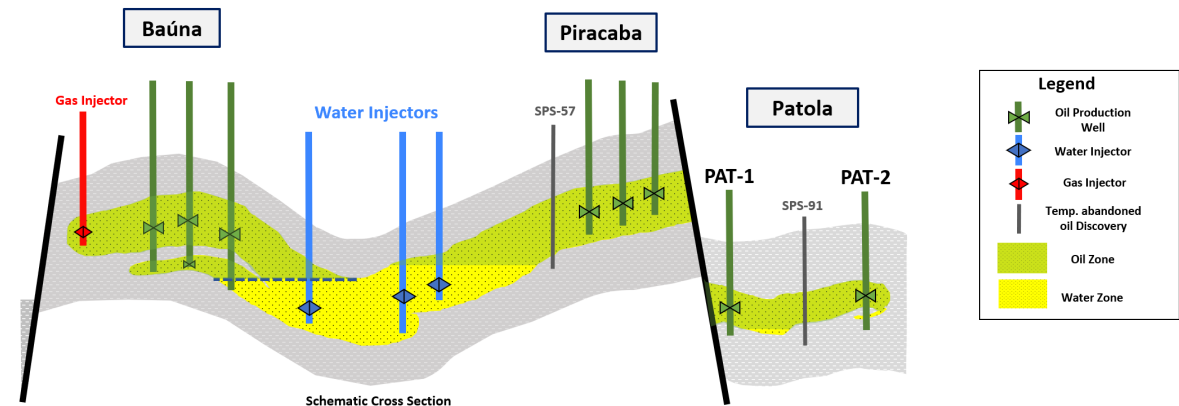
5. Scope 1 and 2 GHG emissions.

BM-S-40: Baúna, Patola and Piracaba

Significant uplift following well interventions and Patola development



- Baúna intervention campaign completed in Sept 2022. Initial incremental production of >11,000 bopd (vs targeted 5,000 – 10,000 bopd). Peak production of >25,000 bopd achieved in early October 2022, prior to natural decline resuming (production rate ~12,600 bopd prior to program)¹
- Patola drilling was completed in March 2023. Initial production from PAT-1 of 12,000 - 14,000 bopd², PAT-2 >12,000 bopd³ taking total production from BM-S-40 to peak of >40,000 bopd. Rates currently expected to decline to ~33,000 – 35,000 bopd prior to resumption of more natural decline (~15% pa)
- Delivery of Baúna intervention campaign and Patola development on schedule



1. See ASX Release, Dec 22 Quarterly activities Report dated 24.01.23
2. See ASX Release dated 15.3.2023 “First production achieved from Patola at rates above expectations”
3. See ASX Release dated 29.3.2023 “Second Patola Well onstream”

Baúna reserves and resources¹



Oil reserves at 31 December 2022 (MMbbl)

BM-S-40 (Baúna, Piracaba and Patola)	1P	2P	3P
Developed ²	30.9	38.6	45.3
Undeveloped ³	11.9	16.4	20.2
Total	42.8	55.0	65.5
% change on 30 June 2022	+17%	+23%	+7%

Contingent Oil Resources at 31 December 2022	1C	2C	3C
BM-S-40 (Baúna)	-	-	-

- › Compared to 30 June 2022, reserves at 31 December 2022:
 - › 1P +6.3 MMbbl
 - › 2P +10.2 MMbbl
 - › 3P +4.0 MMbbl
- › Reflects strong Baúna production and better Patola reservoir than expected and after 3.4 MMbbl 1HFY23 production
- › 259% 2P reserves replacement since taking operatorship in November 2020
- › Contingent 1C, 2C and 3C resources related to SPS-57 Baúna well removed

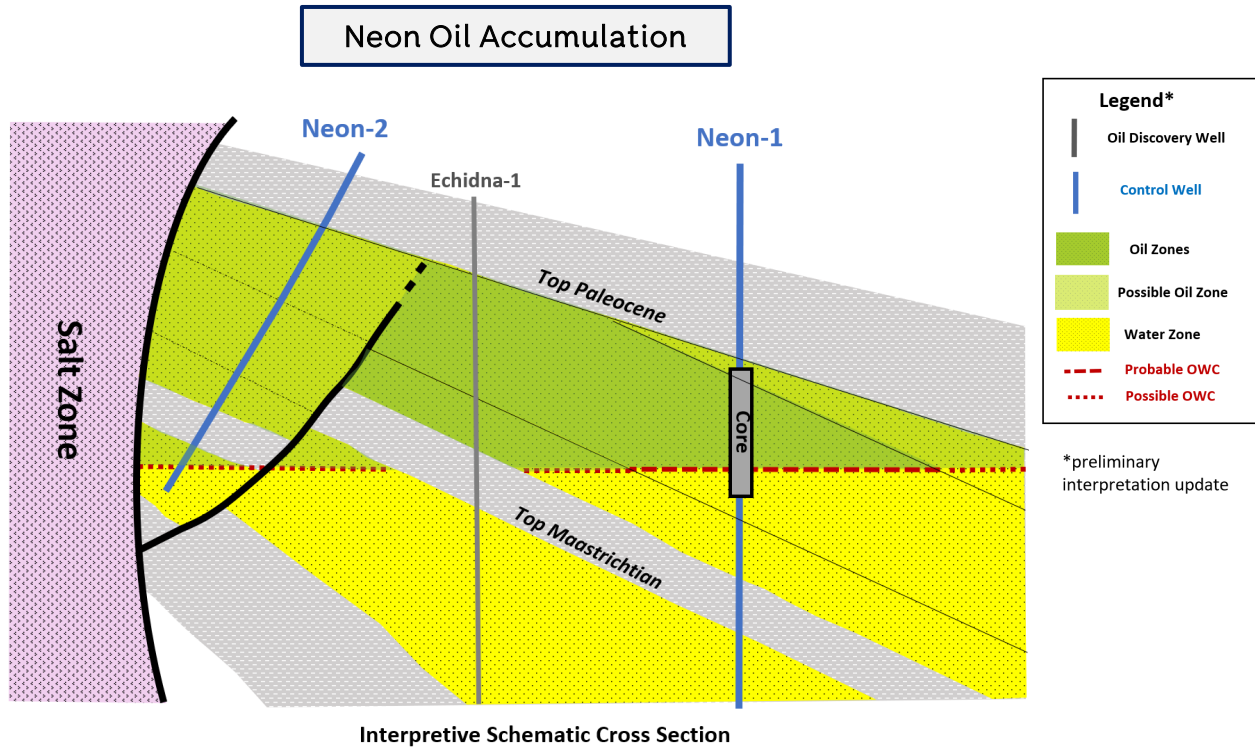
1. See ASX Release dated 13.1.2023 “23% increase in BM-S-40 (Baúna) 2P Reserves” for associated reserves disclosure and assumptions. Karoon is not aware of any new information or data that materially affects these resource estimates and all material assumptions and technical parameters underpinning the estimates in the relevant ASX announcement continue to apply and have not materially changed.

2. Baúna and Piracaba

3. Patola was undeveloped as at 31 December 2022. Patola is now onstream. A reserves and resource estimate update will be completed as part of the annual financial year reporting

Potential Neon development

Control well drilling to reduce subsurface uncertainty



- First Neon control well, Neon-1, on flank of structure, reached TD of 2,382m MD on 10 February 2023²:
 - 25m net pay interpreted, within pre-drill expectations
 - 57m core acquired and oil samples recovered
 - Drilled through oil:water contact
- Second control well, Neon-2, drilled updip, reached TD of 2,357 metres MD on 7 March 2023³:
 - 105m net pay interpreted, within pre-drill expectations
 - Reservoir quality similar or better than Echidna-1 & Neon-1
 - Similar pressure regime to Echidna-1 & Neon-1
- Data gathered will feed into updated subsurface evaluation and reassessment of resource potential
- Further development engineering studies taking place concurrently. Together with revised resource estimates, will allow assessment of viability of current development concepts and whether to progress into Concept Select

Field	Contingent Resources ¹		
	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	30	55	92
Goiá	16	27	46

1. Contingent resource volume estimates presented for Neon and Goiá were disclosed in the ASX announcement dated 8.5.2018 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. See ASX announcement dated 16.2.23 “Neon Drilling Update” for details. 9

3. See ASX announcement dated 14.3.23 “Successful Neon-2- Control well” for details.

Sustainability

Focus on carbon emissions, social projects

- › Released first Sustainability Report in August 2022
- › Submitted second Modern Slavery Statement in December 2022
- › FY2022 carbon emissions lower than anticipated. Expect to achieve carbon neutrality¹ on Baúna operations with Verified Emission Reductions (VERs) purchased under the VER agreement with Shell
- › Net Zero² by 2035 target remains unchanged
- › Active review of potential investment in high quality projects with social benefits to offset residual emissions; investigating equity and/or development opportunities in Nature Based Solution offset projects
- › Committed to 16 additional social/community projects. Programs target cultural and sporting projects, focused on children/young people and elderly in Brazil. Funding cost US\$1.8m, 100% tax offset.

1. Carbon neutral refers to having a balance between emitting and offsetting GHG emissions. Achieved through acquiring carbon offsets in respect of 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 in respect of Scope 1 and 2 emissions, for Karoon equity positions.



Assessing Inorganic Growth Options

Disciplined process to identify and pursue value-accretive growth opportunities

- › Continuing to actively screen inorganic growth opportunities
- › Rigorous and disciplined screening process used, with key criteria including:
 - › Value accretive, with acceptable risk profile
 - › Fundable
 - › Producing or 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
- › Focused on oil assets in Brazil and North America, where technical and commercial teams have significant experience and knowledge



Summary and Outlook

Focus on creating shareholder value

- ▶ Initial production from Baúna interventions and Patola above expectations. Total production peaked at >40,000 bopd, currently rates are expected to decline to 33-35,000 bopd prior to onset of normal natural decline levels². Up from ~12,600 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 CY23¹

1. Dependent on satisfaction of lending covenants, capital priorities and subject to Board approval

2. See slide 7, above for potential stabilised production and expected decline rates.

