



10 May 2023

Company Announcements Office
ASX Limited

Dear Sir / Madam

Presentation for RBC US Non-deal Roadshow

Enclosed is a presentation that is to be made by the CEO and Managing Director later today.

This announcement was authorised by the CEO and Managing Director.

Yours faithfully

Daniel Murnane
Company Secretary

RBC US NDR

May 2023



Disclaimer



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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

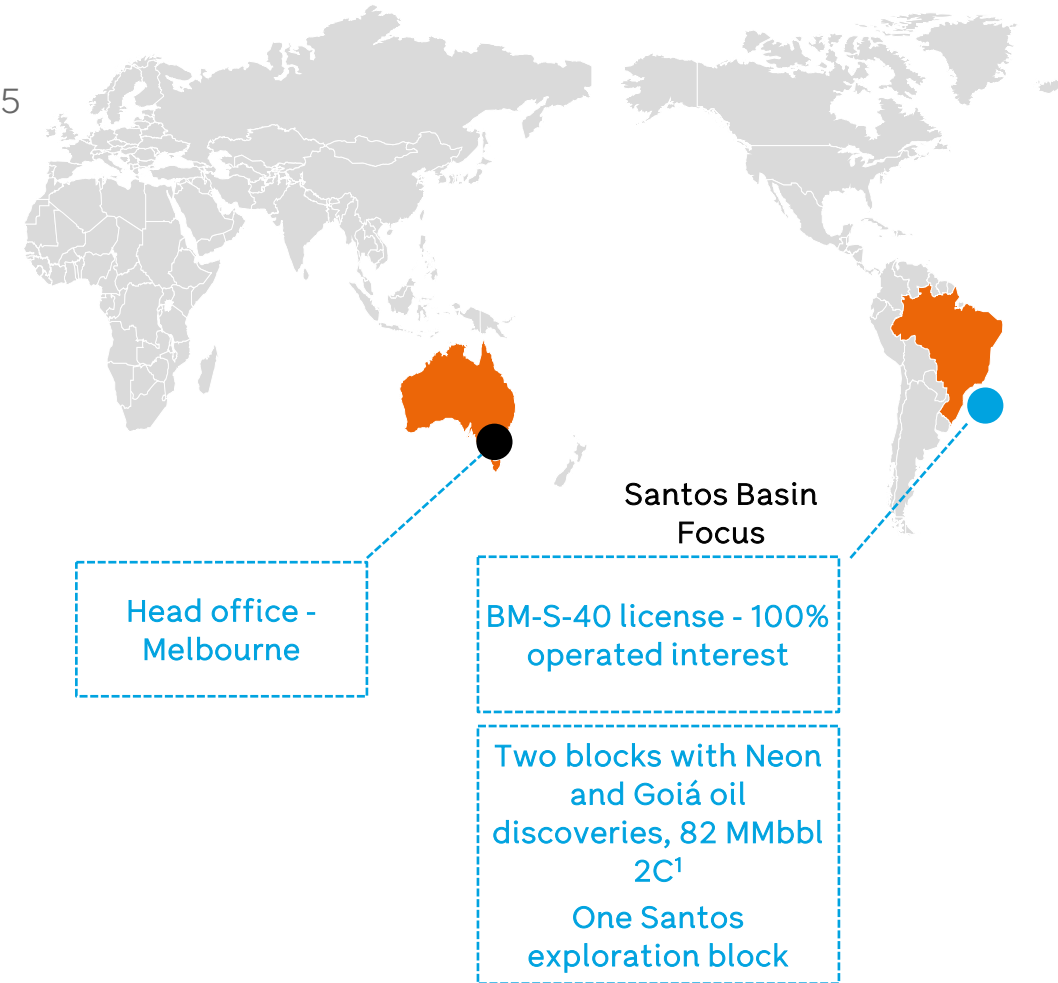
This presentation has been authorised for release by the Chief Executive Officer and Managing Director of Karoon Energy Ltd.

Overview of Karoon Energy

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



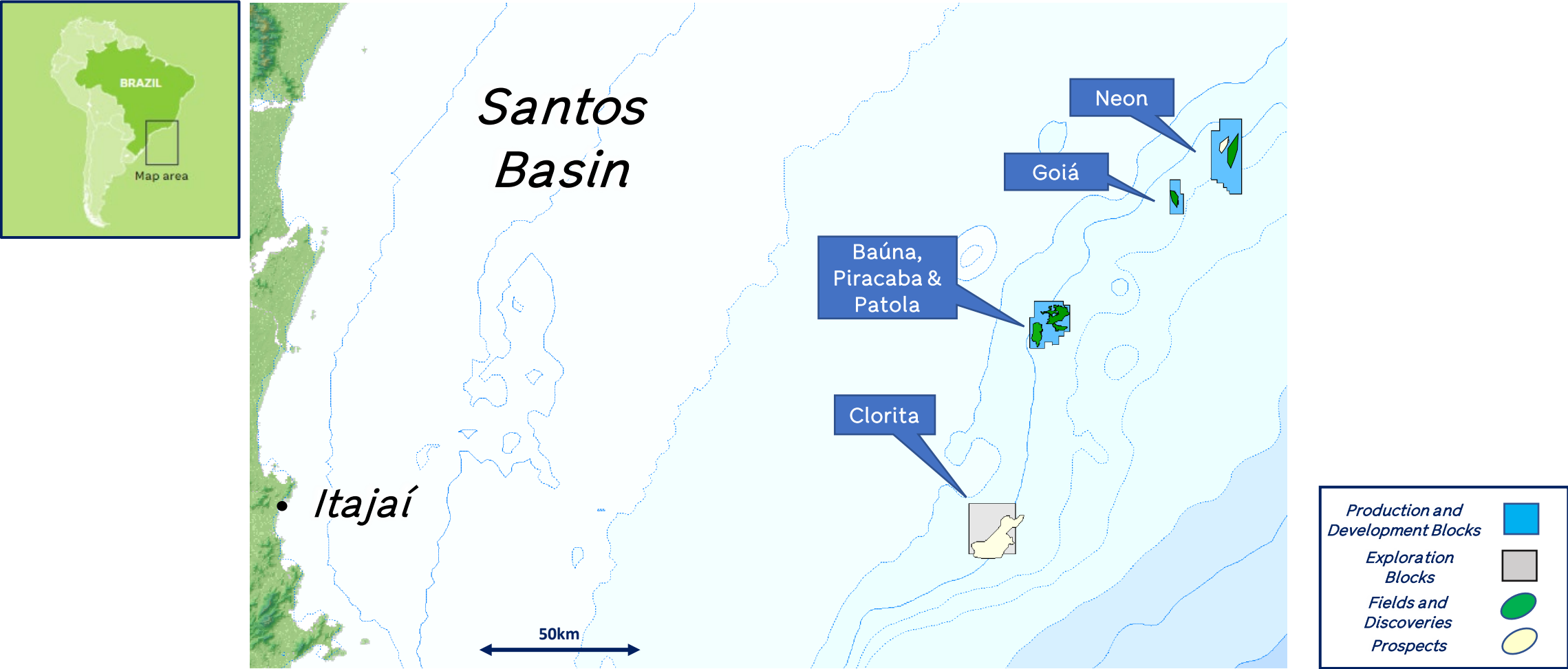
- › Oil producer with exposure to Brazilian oil industry:
 - › 100% owner/operator of high-quality Baúna field in BM-S-40 offshore Brazil, 55 MMbbl 2P reserves¹
- › Building reputation as a safe, reliable and responsible operator:
 - › Highly experienced Board, management, operations and development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

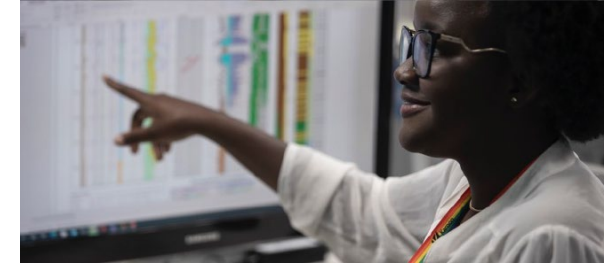
² Scope 1 and 2 GHG emissions

Karoon interests in Santos Basin, Brazil



Recent Progress

Growth activities delivered on time and within budget



Strong YTD operational and financial results (9 months)

- › LTI rate of 0.12, TRIR of 0.48
- › Production 5.35 MMbbl
- › ~95% uptime (ex scheduled shut-downs)
- › Average realised oil price US\$82.34/bbl
- › Sales revenue US\$443.8 million



Delivery of growth activities

- › Baúna intervention and Patola development delivered on time and within budget, safely and efficiently
- › Initial production rates, prior to shut in, higher than expectations
- › 23% increase in BM-S-40 2P reserves, 259% reserves replacement since taking operatorship¹
- › Neon resource and potential development assessment underway²
- › Active M&A assessment ongoing



Sustainable operations

- › First Sustainability Report released
- › Second Modern Slavery Statement submitted
- › Emissions targets unchanged – carbon neutral on existing operations immediately, Net Zero by 2035³
- › Committed to 16 new social/community projects



Robust balance sheet

- › At 31 March 2023:
 - › Cash and cash equivalents of US\$66.9m
 - › Undrawn available debt of US\$180m (US\$30m drawn)
 - › Liquidity of US\$246.9m
- › Following completion of current CAPEX program, modest ongoing sustaining capital requirements

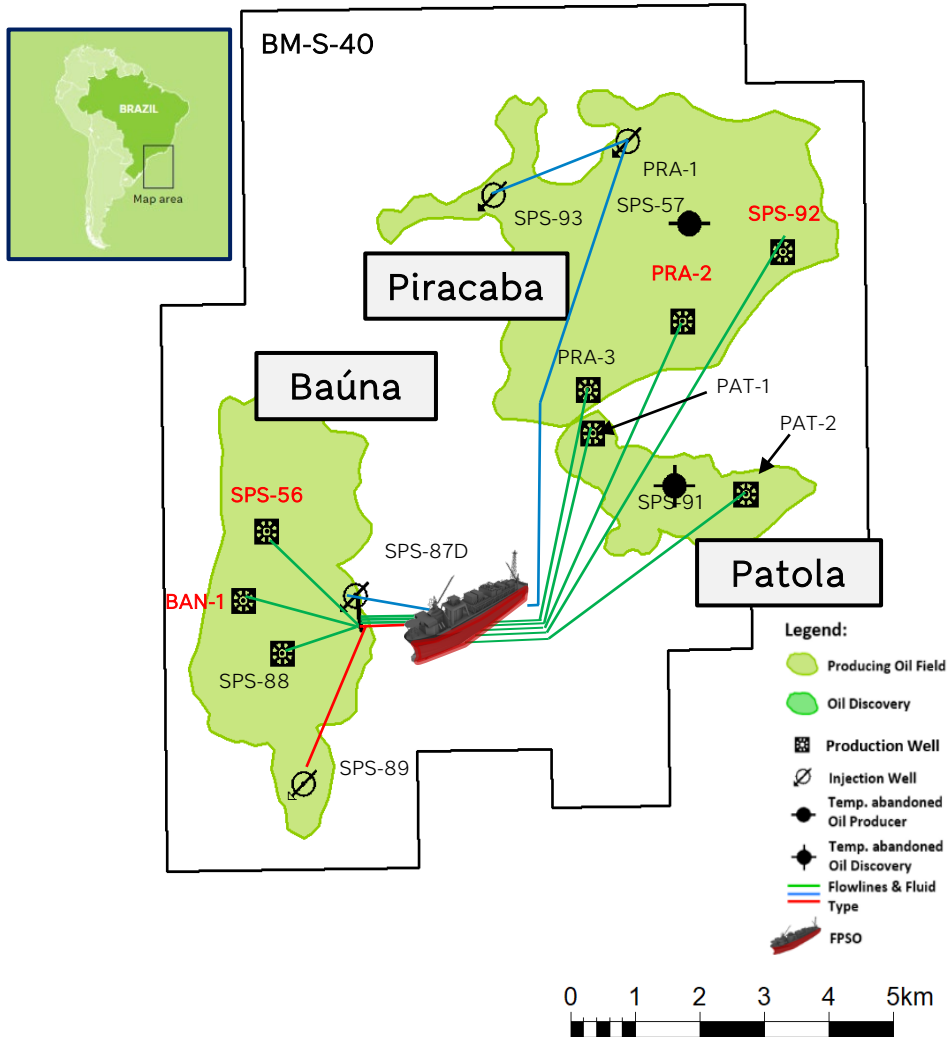
1. See page 14 of the 2023 Half-Year Report Financial Report for full details and disclosure. Karoon is not aware of any new information or data that materially affects these resource estimates, and all material assumptions and parameters are unchanged.

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

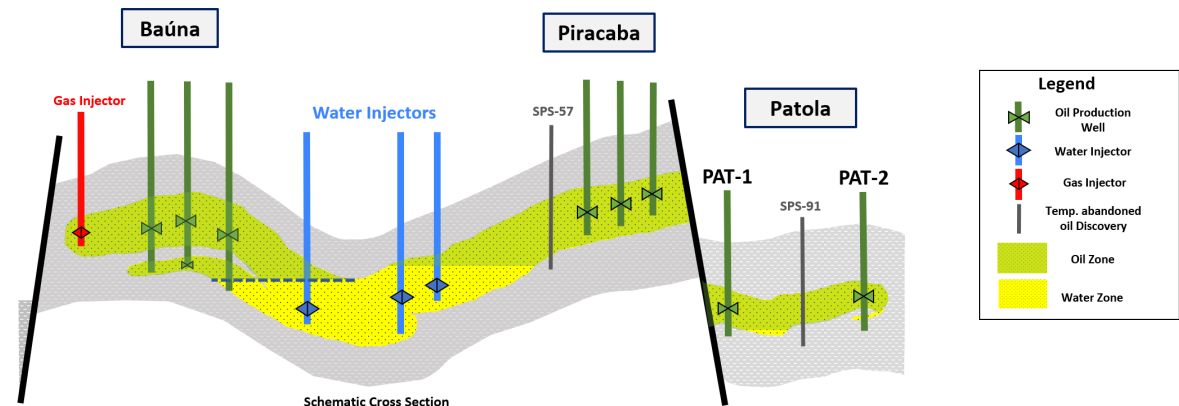
3. Net zero refers to reducing GHG emissions as far as possible and balancing the residual GHG emissions produced and GHG emissions removed from the atmosphere. To be achieved through future transition planning in respect of Scope 1 and 2 emissions, for Karoon equity positions.

BM-S-40: Baúna, Patola and Piracaba

Baúna interventions and Patola development delivered on time and budget



- ▶ 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-2 of 12,000 – 14,000 bopd², PAT-1 >12,000 bopd². Production from BM-S-40 reached >40,000 bopd prior to shut in on 28 March
- ▶ Both Baúna intervention campaign and Patola development delivered below revised budgets, resulting in reduction in FY23 capex guidance by US\$10m (at the midpoint), to US\$195 - 205m³



1. See ASX Release, Dec 22 Quarterly activities Report dated 24.01.23
2. See ASX Release dated 29.3.2023 “Second Patola Well onstream”
3. See ASX Release, Mar 23 Quarterly activities Report dated 27.04.23

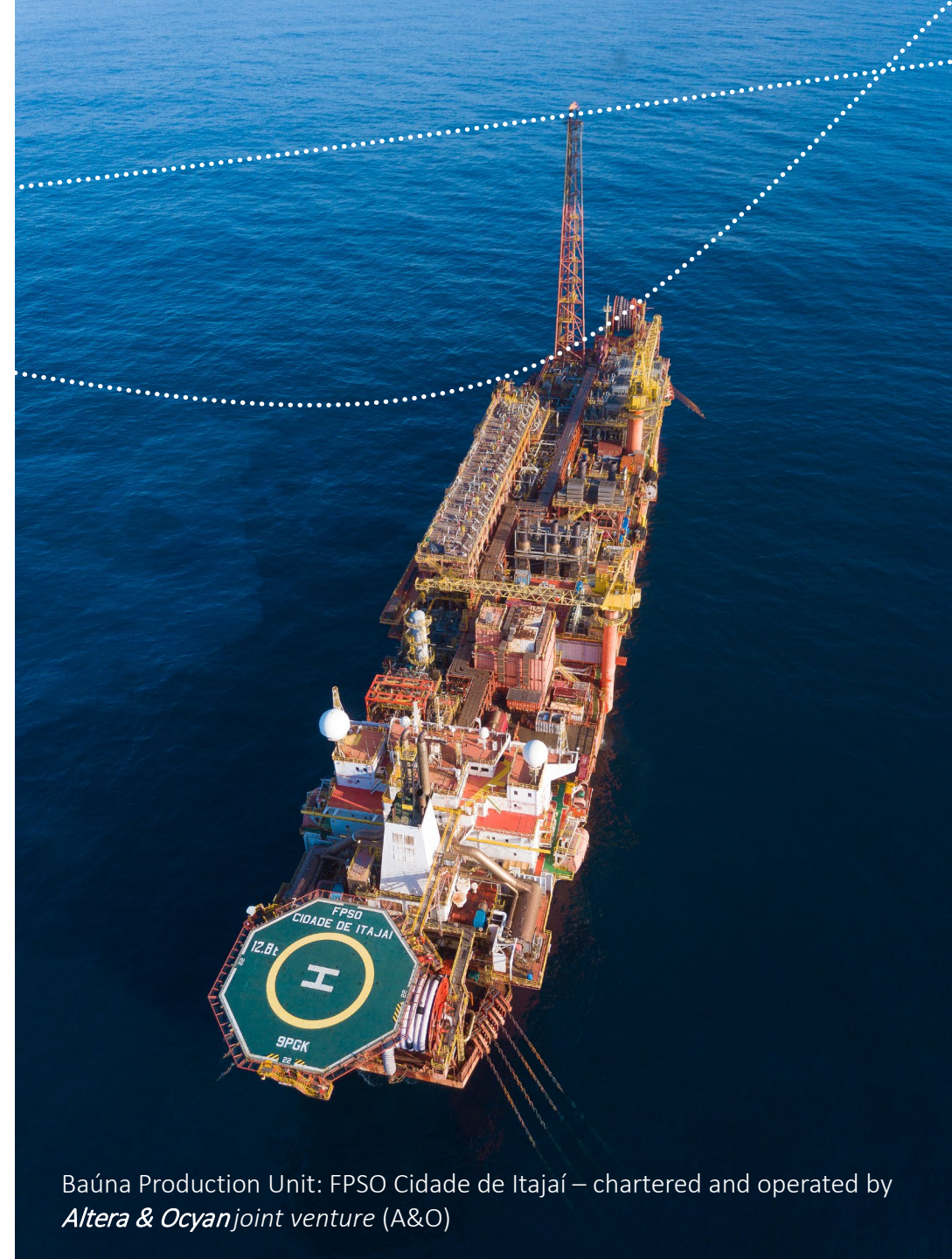
Works progressing on FPSO

Production scheduled to resume in May

- › Production suspended on 28 March¹ following loss of gas containment incident associated with high pressure flare on FPSO, Cidade de Itajaí
- › Source of gas leak and repairs completed within two days
- › Production suspended pending completion of essential and proactive maintenance which is ongoing, focused on pipe inspection and where necessary, replacement/repairs
- › Valves, tanks and hull inspections to take place during July 2023 shut-down
- › Highest priority is maintaining a safe and healthy work environment
- › Production from BM-S-40 expected to resume in May, reflected in revised production guidance of 7.0 - 7.7 MMbbl
- › Future uptime of FPSO anticipated to be within 92-97%, typical of similar FPSOs

1. Refer ASX Release dated 3.4.23 “Shut-in of Baúna production”

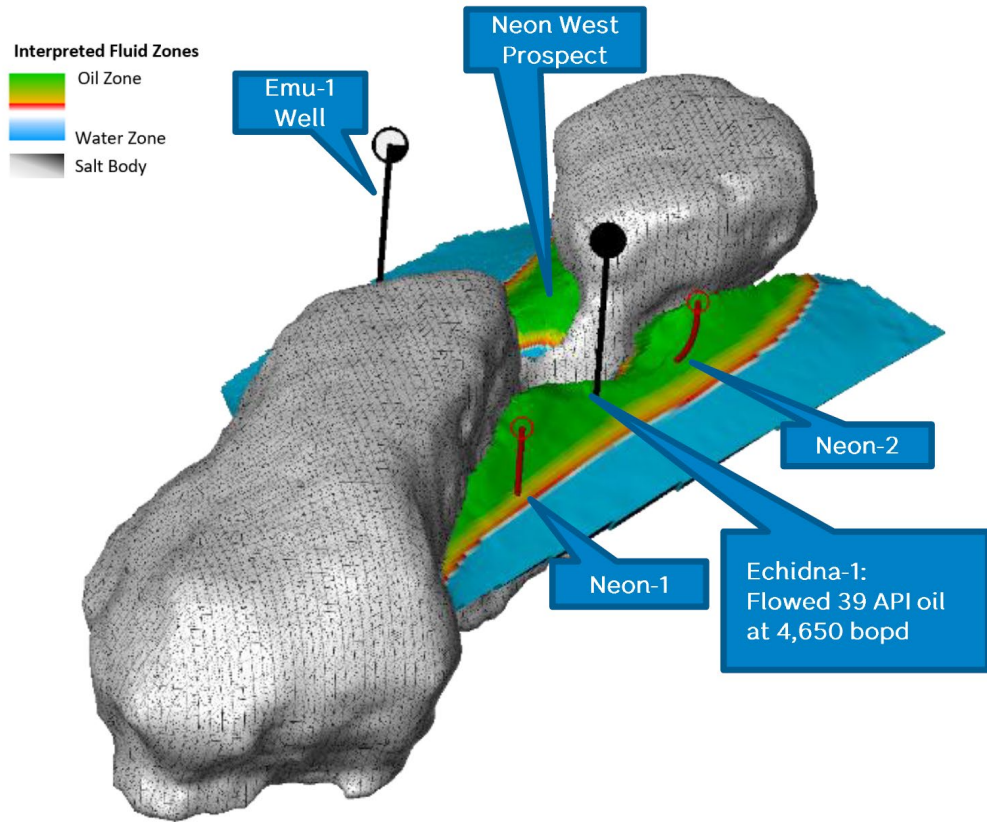
2. Excluding scheduled shutdowns for maintenance



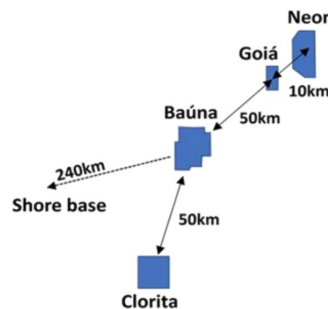
Baúna Production Unit: FPSO Cidade de Itajaí – chartered and operated by *Altera & Ocyan* joint venture (A&O)

Potential Neon development

Control wells drilled below budget and have reduced subsurface uncertainty



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



- 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 2,357m 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
- Both wells were drilled on time and US\$15m below budget midpoint. FY23 capex guidance for Neon studies is now US\$50-60m
- Updated subsurface evaluation and reassessment of resource potential underway
- 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

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 8

2. See ASX announcement dated 16.2.23 “Neon Drilling Update” for details.

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

Revised FY2023 guidance¹

As at 27 April 2023



Full Year FY2023 Guidance	22/2/23	27/4/23
PRODUCTION (MMBBL)	7.5 - 9.0	7.0 - 7.7
COSTS		
Unit Production Costs (US\$/bbl) ²	13 - 17	15 - 17
Other Operating Costs (US\$ million) ³	19 - 23	19 - 23
Business Development, share-based payments & Neon studies (US\$ million)	12 - 14	10 - 12
Finance costs and interest (US\$ million) ⁴	9 - 10.5	9 - 10.5
Unit DD&A (US\$/bbl) ⁵	12 - 14	11 - 13
Temporary export tax (US\$ million) ⁶	-	18 - 24
INVESTMENT EXPENDITURE (US\$ MILLION)		
Intervention and Patola Projects	200 - 220	195 - 205
Neon evaluation	65 - 75	50 - 60
Petrobras contingent consideration ⁷	85	85
Other Plant and Equipment	4 - 8	2 - 4

NOTES:

1. Guidance is subject to various risks (including those “Key Risks” set out in Karoon’s 2022 Annual Report).

2. Unit Production Costs: based on daily operating costs associated with Baúna Production, excluding government royalties.

3. Other Operating costs: includes staff costs, IT, corporate costs and non-oil and gas related depreciation, excludes government royalties, social investments in lieu of tax and foreign exchange gains/losses.

4. Finance costs and interest include fees and debt interest.

5. Excludes depreciation on FPSO right-of-use asset capitalised under AASB 16 ‘Leases’, which is included as part of Unit Production Costs.

6. This is on a pre-tax basis. It is based on an indicative realised oil price of US\$79.40/bbl. Note that this is not oil price guidance.

7. Relates to contingent consideration paid to Petrobras in January 2023.

Sustainability

Focus on carbon emissions, social projects

- › FY2023 Scope 1 emissions impacted by Noble Developer drilling rig and associated support vessels. Expected to decrease significantly following departure of rig in March 2023
- › Scope 1 and 2 GHG emissions from FY2022¹ will be fully offset by VER Agreement with Shell Western Supply and Trading, also anticipate being carbon neutral for FY2023
- › Aiming for Net Zero² by 2035
- › Appointed expert consultant to assist finding further opportunities to reduce emissions from existing operations
- › 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
- › Adopted new Community Investment Guidelines to help steer Karoon's voluntary social and environmental project investments

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 our existing technical and commercials teams have significant experience and knowledge

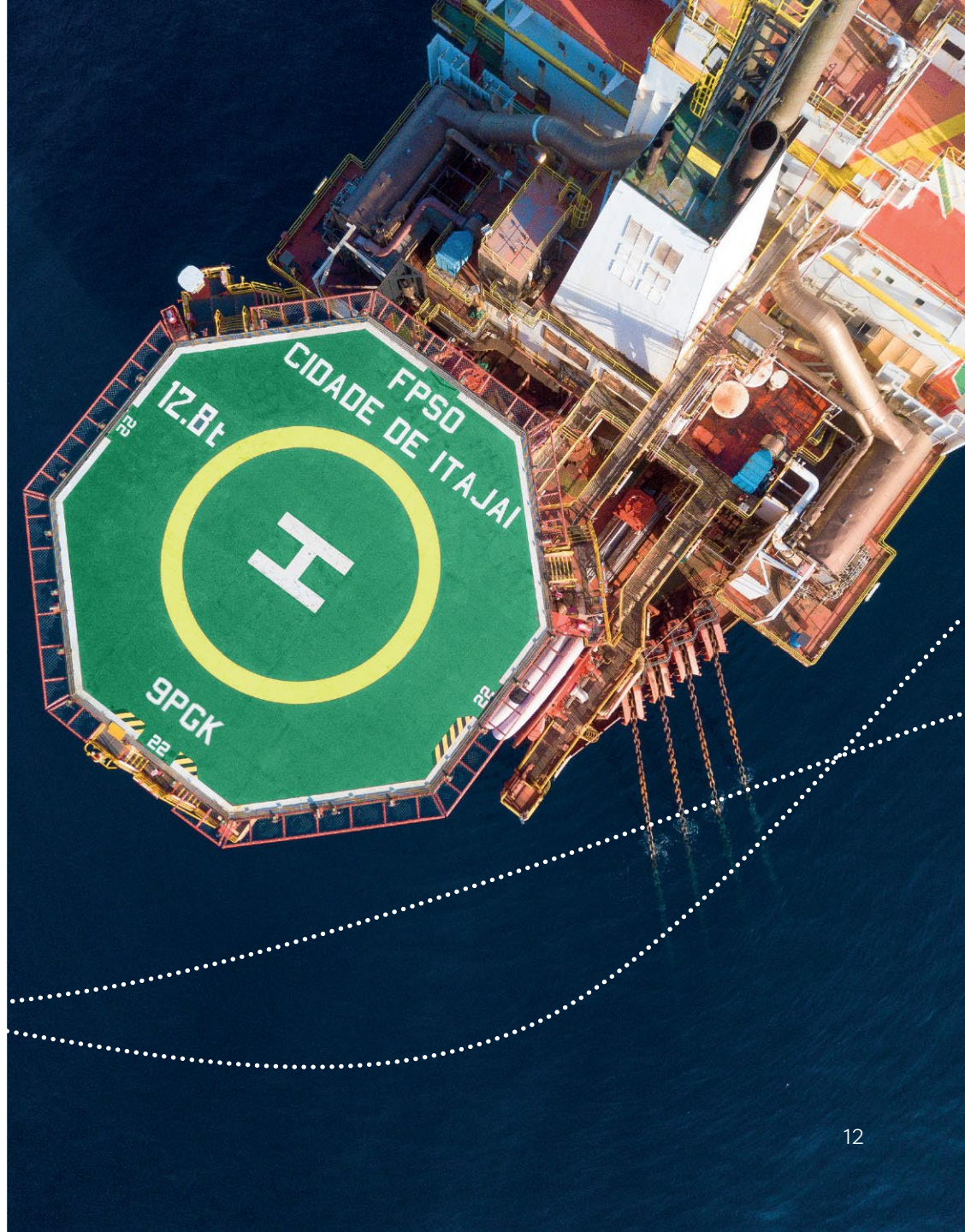


Summary and Outlook

Focus on creating shareholder value

- › Significant progress on delivering strategic objectives
 - › Baúna intervention program, Patola development and Neon drilling activities all delivered on time and within budget
 - › Initial production rates above expectations
- › Production expected to resume in May after completion of work on FPSO, Cidade de Itajaí
- › Encouraging results from Neon control well program, will be incorporated into technical and commercial assessment, enabling a Concept Select decision in the first quarter of CY2024
- › Ongoing evaluation of value-adding, material inorganic growth opportunities:
 - › In or close to production with potential for further expansion
 - › Focused on offshore oil assets in Brazil and North America
- › Strong cash flows, with higher production over largely fixed operating cost base impacting unit opex
- › Solid financial position with robust balance sheet. US\$30m debt drawn from US\$210m facility, modest sustaining capex going forward, liquidity of US\$247m
- › Returns to shareholders to be addressed in 2H CY23¹

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



Appendix 1: 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.