



23 November 2023

Company Announcements Office
ASX Limited

Dear Sir / Madam

2023 Annual General Meeting – Address by Chairman and Presentation by CEO

In accordance with ASX Listing Rule 3.13.3, enclosed is the Chairman’s address and CEO Presentation to be delivered at the Karoon Energy Ltd 2023 annual general meeting.

This announcement was authorised by the Company Secretary

Yours faithfully

A handwritten signature in black ink, appearing to read 'Daniel Murnane'.

Daniel Murnane
Company Secretary

ASX RELEASE

23 November 2023 | ASX: KAR

2023 Annual General Meeting

Chairman's Address

The 2023 financial year was a busy one for Karoon. We successfully completed the Baúna intervention campaign and the Patola Development, as well as drilling two control wells on the Neon field. These projects were delivered safely and within budget, and resulted in a 52% increase in production, and an even larger uplift in profitability compared to the prior year.

Macro Environment

Before I talk about our strategy and priorities going forward, I'd like to say a few words about the macro environment.

Brent crude prices remained volatile over FY23, falling from US\$112/bbl in July 2022 to US\$75/bbl by the end of the fiscal year. This sharp drop reflected increasing concerns about the outlook for global economic growth, together with ample oil supply.

In addition, the oil and gas industry, like many other sectors, experienced considerable cost inflation during the year. The cost of many services, particularly drilling rigs, increased significantly as activity levels and global inflation increased in parallel. This dynamic is being incorporated into our future investment decisions, whether they be associated with our ongoing operating business, growth investments, or capital returns to shareholders.

Over the past few months, volatility of the oil price has continued, with the contrasting forces of OPEC+ supply cuts, and increasing geopolitical tensions in the Middle East. This volatility, and the high inflationary cost environment, highlight the importance of maintaining strong financial discipline through the oil price cycle, something which Karoon remains very focused on.

I would also like to make a brief comment about the operating environment in Brazil.

In November 2022, a new left-wing administration led by President Lula da Silva was elected and took office in early 2023. While we, like the rest of the industry, were disappointed about the sudden introduction of a Temporary Export Tax, we welcomed the decision to end the tax in line with the original stated timetable. In addition, the reduction in royalty rate which applies to incremental Baúna production resulting from our recent investments, provides a good incentive for further investment in mature and marginal fields.

In FY23, Karoon contributed more than US\$140 million to the Brazilian economy through employee benefits, payments to governments, and our environmental and social projects. We look forward to continuing to work closely with the regulatory authorities to maximise the benefit of our activities for all our stakeholders, including the people of Brazil and Karoon shareholders, under a continuing stable regulatory and fiscal framework.

FY2023 Results

As already mentioned, the Baúna interventions and Patola development helped Karoon deliver significant production growth in FY23. This resulted in a 70% increase in FY23

Underlying Net Profit after Tax, from just under US\$90 million to US\$146 million. The Statutory Net Profit after Tax in FY23 was US\$163 million, compared to a US\$64 million loss in FY22.

Karooon ended FY23 in a good financial position, with net cash of US\$45 million. This was despite a significant US\$238 million capital investment program over the year. As highlighted in our latest quarterly report, our balance sheet is continuing to strengthen as we enter a period with more modest capital requirements and significantly higher revenues.

Julian will go through the FY23 results in more detail in his presentation.

Delivery of Strategic Objectives

Following the completion of the Intervention and Patola projects, Karoon now has a substantial and cost-effective production base in Brazil. This is providing a solid foundation to pursue value accretive organic and inorganic growth.

We are making steady progress on advancing the potential Neon development, located approximately 60 kilometres north of our current operations in Brazil.

In addition, over the year we continued to explore inorganic opportunities in both Brazil and the deepwater US Gulf of Mexico.

This culminated in the acquisition of a 30% interest in the Who Dat and Dome Patrol oil and gas fields, located offshore Louisiana in the Gulf of Mexico, announced last week. These assets provide the key attributes we have been seeking, including value accretion, risk diversification, increased reserves and resources, additional reliable production, potential in-field and near field expansion opportunities, and a low-cost structure; all in a stable and fiscally attractive regime. Importantly, even after the equity capital raise, the assets will be cash flow and earnings accretive to Karoon, with planned and potential exploration and development activities self-funding. More information about this exciting acquisition will be provided in Julian's presentation shortly.

Environmental, Social and Governance

Turning now to ESG matters. The Company's sustainability strategies consist of five key pillars: health, safety and security; climate; people and culture; community; and the environment. These guide our decision-making. Progress was made on all five pillars during the year, but I'll highlight just three today.

Health and safety are Karoon's highest priorities, and it was pleasing that total recordable injury rates in FY23 were lower than FY22. Nonetheless, we believe all incidents are preventable, and this will continue to be the first thing we consider every day.

As an oil producer, we recognise the need to take responsibility for our greenhouse gas emissions. We achieved carbon neutrality on our Scope 1 and 2 emissions from Baúna for FY22 and we are on track to be carbon neutral for FY23. A key attraction of the Who Dat assets is that their emissions intensity is lower than Baúna, and that the acquisition adds lower-carbon gas to our product stream. Despite an increase in absolute emissions reflecting higher production, we are targeting to remain carbon neutral for all operations, including Baúna and Who Dat, and our ambitions for being Net Zero for Scope 1 and 2 emissions by 2035 remain unchanged.

Karooon's Board and management believe that a successful business should not only add value for shareholders, employees, contractors and governments, but also help improve the lives of people in our local communities. In FY23, Karoon provided funding to 22 social and

community projects in Brazil. I was fortunate to see some of these projects first-hand when the Board visited Brazil in July, and shareholders should be proud to see the positive impacts these investments are having in our local communities.

FY23 Remuneration Outcomes

The Company delivered on most, but not all, of its strategic and operational milestones in FY23. As a result, the remuneration of our people was adjusted accordingly. 60% of the possible Short Term Incentive outcome was awarded to our Key Management Personnel. The results reflect the completion of the Baúna Intervention and Patola projects, which were delivered on budget, as well as the positive results of the Neon drilling campaign, but also, appropriately, take into account the adverse impact of the six week unplanned production shutdown in March this year.

100% of the 2020 Long Term Incentive plan vested, based on an absolute three-year total shareholder return of 49% pa relative to the 18% pa hurdle rate; and Karoon's relative shareholder return position in the 80th percentile.

The Board believes these remuneration outcomes are well deserved and reflect significant value added for our shareholders. Pleasingly, the major proxy advisory firms share the Board's view, and have recommended voting in favour of our FY23 Remuneration Report.

We congratulate the management and staff for their many achievements during the year.

Capital management

On the topic of capital management, while we ended FY23 with a strong balance sheet, cash on hand was negatively impacted by the unplanned production shutdown. As a result, the Board decided not to pay a dividend in respect of FY23.

Our capital management priorities remain, in order, for stay-in-business capex, debt servicing, and then value-adding growth investment, balanced with sustainable returns to shareholders. The recent Gulf of Mexico acquisition will diversify our asset base and add reliable, long-term production which should enhance our ability to pay dividends in the future. The Board will closely monitor and reassess potential capital management options in early 2024.

Chairman Succession & Conclusion

As announced in March this year, I will be retiring as Karoon's Chairman at the conclusion of today's AGM. As such, I'd like to take a few moments to reflect on the changes that have occurred over my five-year tenure on the Board. In January 2019 when I joined Karoon, we were a pure exploration company with assets located in Australia, Brazil and Peru. Since that time, Karoon has refreshed its strategy and refined its focus. We have become a material oil producer and operator, with a pathway for further growth through both organic and inorganic opportunities. This was delivered by a revitalised Board and management team, who have brought new perspectives and expertise to navigate the successful transformation of Karoon.

Equally significant is the change in our shareholder base. In 2019, 40% of our shareholders were professional institutional investors, and the balance retail investors. Institutional investors now represent nearly 70% of the share register. Their support, together with a near threefold increase in Karoon's share price, from A\$0.77/share in January 2019 to A\$2.16/share as at close of business yesterday, underscores the collective belief by the market in the strategic direction of Karoon.

I would like to take this opportunity to commend the entire Karoon team, past and present, for their hard work and dedication in delivering the transformation of Karoon over the last five years.

Last, but certainly not least, I also thank you, our shareholders, for your continued loyalty and support. I will miss being part of the Karoon team. However, I am confident that, with Peter Botten as the new Chair providing Julian and the rest of Karoon with leadership and support, our Company is in very good hands, and well positioned to continue to deliver value into the future.

I will now hand over to Julian, who will speak further about the Company's operational performance.

Thank you.

MD and CEO's address

(Please refer to presentation)

Thank you Chairman, and good morning to everyone joining us here in the auditorium and on the call today.

Slide 4: Opening

As you have just heard from Bruce, FY23 was one of the busiest years for Karoon. During the year we successfully completed the Baúna intervention campaign and the Patola development. Most importantly, these projects were delivered safely and were also within budget. The Intervention and Patola programs were undertaken to ensure we extract the maximum value from the Baúna Project acquisition. The excellent results have set us up with a solid foundation for further growth.

We also drilled two very successful control wells at Neon which I hope, in time, will become a core part of that growth. Most recently, we announced a new acquisition, in line with our long-flagged M&A strategy, with our entry into the US Gulf of Mexico. We are acquiring a 30% non-operated interest in the Who Dat and Dome Patrol oil and gas fields, located offshore Louisiana as well as interests in neighbouring exploration leases. But before I go into more detail about Neon and the Who Dat acquisition, let me provide an update of our base business.

Slide 5: Trading update

The September quarter saw a significant lift in production and revenue as we started to reap the rewards of our Baúna Project programs. Operations maintained an excellent safety performance and in the three months to 30 September, Karoon generated US\$107 million of free cashflow, taking net cash at the end of the September quarter to US\$152 million. By the end of October, this had increased to US\$251 million.

Last week, we finalised a new US\$340 million debt package with our existing lenders. The Gulf of Mexico acquisition was funded by a fully underwritten equity issue, draw-downs from our new debt facility and from cash. After the transaction, our balance sheet remains strong, with proforma gearing of 14%, providing us with the ability to fund further growth as well as potential returns to shareholders.

Slide 6: Baúna summary

Slide 6 summarises the outcomes of the Intervention and Patola Projects. Even with the increased work intensity and managing a multitude of different work fronts, our teams delivered significantly improved safety outcomes. Production peaked at over 40,000 bopd in late March, higher than our original expectations, prior to the unplanned shutdown. Total capex spent on the projects was just over US\$300 million, well within the original sanctioned budget. We also announced a significant uplift in our reserves and resources at Baúna, with a reserve replacement ratio of over 200% since we took over the assets on 9 November 2020.

Slide 7: Baúna operating performance

The unplanned shutdown was a result of a leak in the gas flare system of the FPSO. While the repair of the gas leak was undertaken within two days, safety and integrity are our top priorities, so Karoon and our FPSO operator, Altera&Ocyan, decided to undertake a comprehensive inspection of the FPSO's pipework. A number of repairs and pipe replacements were made, and production restarted in May.

As a single asset operator, FPSO uptime is key to Karoon's profitability. Going forward, we expect FPSO efficiency to be 90-95%. This is lower than our historical levels, reflecting the fact that we have less redundancy in our system as the Baúna Project is processing more fluids than before and is now fully utilising the equipment on the facility.

In March 2024, we are planning a two-week shutdown for substantial maintenance activities. The Operator is also conducting a higher degree of inspection and maintenance work than previously, to avoid any repeat of the April unplanned shutdown. Assuming no unforeseen outages, the asset uptime performance is taken into account in our production forecasts for Baúna, of 9 – 11 MMbbl guidance for FY24 and 8 to 10 MMbbl guidance for CY24. Reservoir and well performance is tracking as expected, with approximately a 15% blended decline rate for the three Baúna Project fields.

Slide 8: Baúna Life Extension

We are currently undertaking initial desktop studies to extend the life of the Baúna Project beyond the current contract life of 2028 (assuming we take up the available extensions to the current contract with A&O) and reserve life of 2032. The studies are looking to identify the scopes of work required and are planned to be finalised over the next 12 months. The potential Life Extension is important as it could unlock a further 11 MMbbl of 2C Contingent Resources in the asset and extend its life out to 2038.

Slide 9: Neon Development

Beyond Baúna, we have made considerable progress on our 100% owned potential organic growth project at Neon. During FY23 we drilled two control wells which improved our understanding of the resource and led to a 14% increase in 2C Contingent Resources, which are now over 60 MMbbl. The results have also helped de-risk a very exciting new prospect at Neon West, just 2 kilometres from Neon. Detailed technical and commercial feasibility studies on the potential Neon concept are currently underway.

Slide 10: Neon Development

The potential Neon concepts under consideration include a standalone FPSO development or a subsea tie-back. Our teams are evaluating the advantages and disadvantages of each of these concepts. We plan to provide an update on Neon in the first quarter of CY24, when we shall be in a position to make a Concept Select decision. Assuming the project meets internal technical and commercial hurdles at each decision gate, first oil is targeted for late 2028 or early 2029, potentially providing a peak rate of 30 to 50,000 barrels per day of new production.

Slide 11: Neon Hub Concept

The Neon concept currently focuses solely on the development of the 60 million barrels of 2C Contingent Resources at Neon. However, on this slide we highlight several promising near-field opportunities that could be unlocked if Neon is developed. These include the 27 MMbbl of 2C contingent resources at Goiá as well as the low risk 14.8 MMbbl of 2U undiscovered resources at Neon West which we are currently investigating to potentially bring into the Neon Foundation Project. The 2C and 2U Resources in the area amount to a potential total volume of more than 100 million barrels.

Slide 12: Acquisition of Who Dat

As announced last week, Karoon is acquiring a 30% working interest in the Who Dat and Dome Patrol oil and gas fields in the US Gulf of Mexico. We are very excited about this entry into one of the world's leading offshore oil and gas producing regions which provides a platform for Karoon's further growth. It also partners us with LLOG, known as one of the best operators in the Gulf, with an excellent operational and safety record, and Westlawn, a relatively new oil and gas company, staffed by highly successful and experienced upstream professionals.

The acquisition exceeds our internal return hurdles and will generate immediate positive cash flows. It also meets our much-flagged strategic objective to diversify our asset base by acquiring a value accretive producing asset with expansion opportunities.

As well as providing a long term, stable production base, there are near-term, low cost infill development opportunities. In addition the Who Dat acquisition brings a range of relatively low risk prospects located within tie-back distance of the Who Dat production facility, offering material potential upside.

Slide 13: Acquisition overview

This slide shows the location of Who Dat and Dome Patrol, which are approximately 90 kilometres off the coast of Louisiana in the highly productive Mississippi Canyon of the US Gulf of Mexico. The water depth in this area is approximately 800 metres and the Miocene age reservoirs are 4,000 to 5,000 metres subsea. The current production rate is approximately 42,000 boepd, but is expected to rise over the next few months as two new planned development wells are brought into production.

Operating costs are very low, at less than US\$6/boe in FY23, making this a very high margin asset, with a pre-tax operating margin of 65 –70%. This compares to US\$15.75 per barrel for Baúna in the same period, where we have a still very attractive pre-tax operating margin of approximately 50%.

Slide 14: Acquisition of Who Dat

The acquisition is transformational for Karoon, lifting our working interest reserves by 75% and our production by some 60%. The significant contingent and low risk prospective resources close to the production facility in Who Dat East, West and South are expected to ensure Karoon has a long pipeline of tiebacks and future developments to maintain production from this asset long into the future. Our work to date suggests there may be still more resources to delineate as potential drilling targets within the leases we have purchased.

Slide 15: Capital allocation framework

Slide 15 outlines our priorities for allocating capital. Our priority remains safe, reliable, and responsible business operations. Operations, sustaining capex and debt service remain our highest priorities, ensuring we maintain a healthy balance sheet. Firming up the potential development of Neon is a high priority while we also seek additional near field opportunities to complement our asset base in Brazil. Potential inorganic growth opportunities will continue to be ranked against returning capital to shareholders. The capital allocation waterfall is aimed at maintaining liquidity and balance sheet health, while supporting growth as we build scale to higher future levels of operating and long-term free cash flows. The Board is committed to ensuring shareholders see capital returns from these long term sustained cashflows, as well as the potential for continued share price appreciation.

Slide 16: Sustainability

Carbon management remains a key area for Karoon and our strategy in this area is unchanged. Through the implementation of a number of emissions-reduction projects and by acquisition of offsets we were carbon neutral for FY22 and we intend to continue to be carbon neutral going forward. Our first priority continues to be investing in opportunities to remove emissions from our own operations, but we have also entered a number of agreements to expand our acquisition of offsets while also continuing to pursue direct investment in nature-based projects to remove atmospheric carbon, importantly in projects with social co-benefits.

FY23 saw an increase in our carbon footprint due to our extensive work programs. However, both the absolute volume of CO₂ emitted and our emissions intensity have now dropped away significantly, as you can see in the chart on the top right.

In addition to taking responsibility for mitigating our emissions, Karoon also makes significant investments in projects to improve the lives of the people in the communities where we operate, which the Chairman has just touched on.

Slide 17: Summary

In summary, Karoon has made great strides over the past 12-18 months in delivering our strategic objectives. With the full delivery of the Baúna Project and the new acquisition at Who Dat, we have more than tripled our production base while maintaining very low gearing. We are well positioned to take advantage of the continued prevailing strength in oil prices with our modest capex commitments and high margin production. We continue to pursue opportunities to extend the life of the Baúna FPSO as we progress the promising potential

Neon development. While we shall spend some time ensuring we are positioned to get the full value from the Who Dat acquisition, we shall also continue to seek value-adding new opportunities in each of the two world class basins where we are now present, balanced with the commitment to initiate cash returns to shareholders.

I should like to express my sincere appreciation to our staff and contractors for their dedication to ensuring safety and reliability sit at the top of our priorities while pursuing our strategic growth objectives during the year. The results reflect the unwavering commitment, professionalism, and expertise of our teams in Australia and Brazil, whether they are working onshore or offshore.

Finally, I want to thank you, our shareholders, for your continued loyalty to our business and for your support of our strategic objectives.

Thank you for your attention and I'll now hand back to our Chairman.

This announcement has been authorised by the Board of Karoon Energy Ltd.

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT

INVESTORS

SVP Communications and Investor Relations

Ann Diamant
M: +61 407 483 128
E: ann.diamant@karoonenergy.com

SHAREHOLDING ENQUIRIES:

Computershare
Tel: 1300 850 505

MEDIA - AUSTRALIA

P&L Corporate Communications

Ian Pemberton
M: + 61 402 256 576
E: ian.pemberton@plcorporate.com.au

MEDIA - BRAZIL

InPress Porter Novelli

Andrea Blum
M: + 55 21 98105-9338

Daniela Melina
M:+ 55 21 99101-0248

Jacqueline Breitingger
M: +55 21 99465 9633

E: karoon@inpresspni.com.br

ABOUT KAROON ENERGY LTD

Karooon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil and Australia and is an ASX listed company.

Karooon's vision is to be a leading, independent international energy company that adapts to a dynamic world in an entrepreneurial and innovative way. Karoon's purpose is to provide energy safely, reliably and responsibly, creating lasting benefits for all its stakeholders.

FORWARD-LOOKING STATEMENTS

Petroleum exploration and production operations rely on the interpretation of complex and uncertain data and information which cannot be relied upon to lead to a successful outcome in any particular case. Petroleum exploration and production operations are inherently uncertain and involve significant risk of failure. All information regarding reserve and contingent resource estimates and other information in relation to Karoon's assets is given in light of this caution.

This announcement may contain certain "forward-looking statements" with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward-looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this announcement. Indications of, and guidance on, future earnings and financial position and performance, well drilling programs and drilling plans, estimates of reserves and contingent resources and information on future production are also forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements as actual outcomes may differ materially from forward-looking statements. Any forward-looking statements, opinions and estimates provided in this announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise (including, without limitation, in respect of imprecise reserve and resource estimates, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling, demand for oil, commercial negotiations and other technical and economic factors) many of which are outside the control of Karoon. Such statements may cause the actual results or performance of Karoon to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements speak only as of the date of this announcement. Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Karoon Energy Annual General Meeting

23 November 2023



Disclaimer



This presentation has been prepared by Karoon Energy Ltd. The information contained in this presentation is for information purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Karoon Energy Ltd, its directors, employees or agents, nor any other person accepts liability, including without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.

The distribution of this document in jurisdictions outside Australia may be restricted by law. Any recipient of this document outside Australia must seek advice on and observe any such restrictions.

Numbers have been rounded up or down where the digit is less than or greater than 5. We note that tables may not add due to rounding.

Forward looking statements

This presentation may contain certain 'forward-looking statements' with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this presentation. Indications of, and guidance on, future exchange rates, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward-looking statements. Any forward-looking statements, opinions and estimates provided in this presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of Karoon. Such statements may cause the actual results or performance of Karoon to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this presentation. Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Guidance for the next 12 months to 30 June 2024 is uncertain and subject to change. Guidance has been estimated on the basis of various risks and assumptions, including those "Key Risks" set out in Karoon's 2023 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).

Unless otherwise stated, all petroleum resource estimates are quoted as at the effective date (i.e. 30 June 2023) of the Reserves and Resources Statement included in Karoon's 2023 Annual Report.

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.

Karoon is not aware of any new information or data that materially affects the information included in the Reserves and Resources Update. All the material assumptions and technical parameters underpinning the estimates in the Reserves and Resources Update continue to apply and have not materially changed.

Authorisation

This presentation has been authorised for release by the Board of Karoon Energy Ltd.



Julian Fowles

CEO and Managing Director

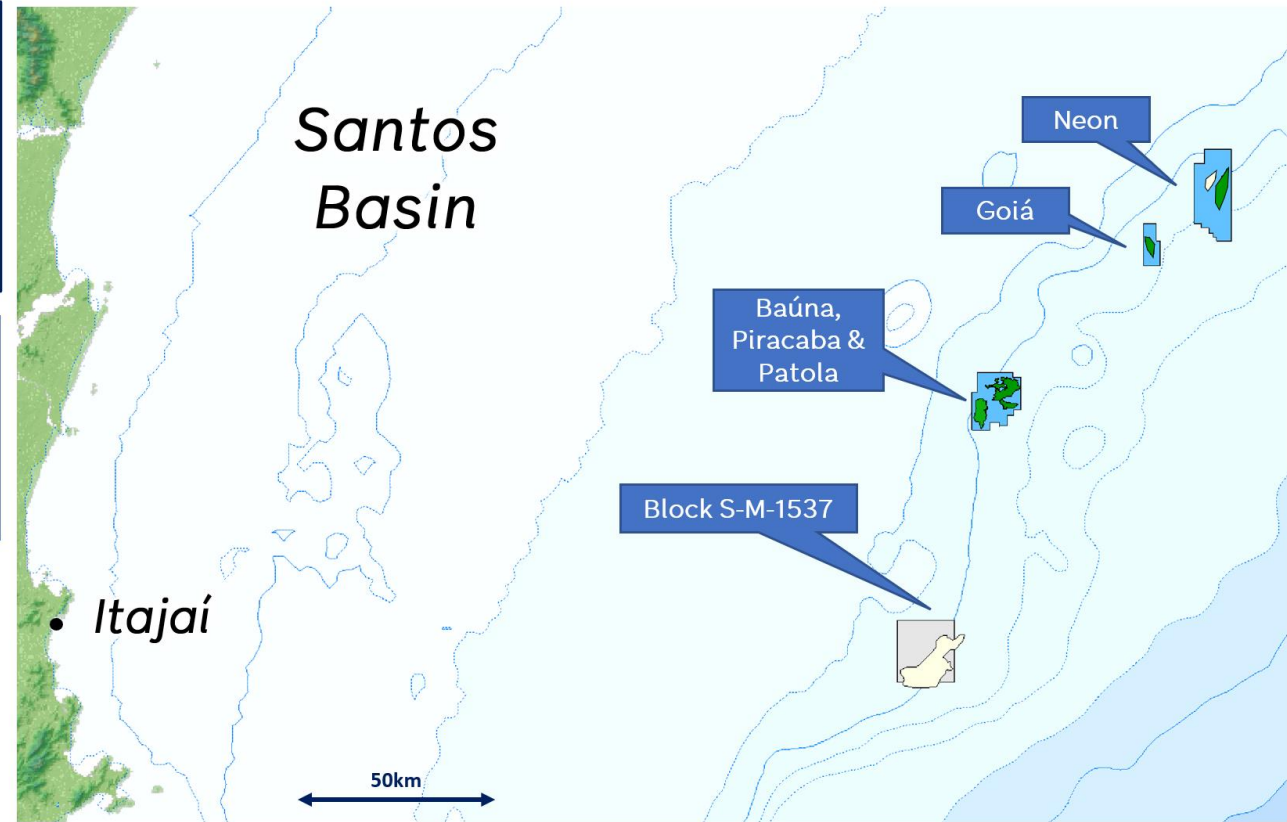
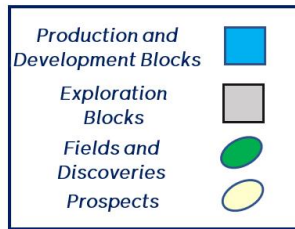
CEO and MD's Address

Delivering results and advancing strategy

Major production increase in FY23, maturing growth opportunities



- ▶ Completed Baúna intervention campaign and Patola development safely, on time and within budget. Resulted in 52% production increase and 70% higher underlying NPAT
- ▶ Two successful control wells drilled on Neon, safely and 36% under budget. Technical and commercial feasibility studies on potential development underway
- ▶ Ended FY23 in a strong financial position, with balance sheet well placed to fund organic and inorganic growth
- ▶ Evaluation of inorganic growth opportunities culminating in recent US Gulf of Mexico acquisition
- ▶ Carbon neutrality achieved in FY22 and forecast for FY23, aiming for Net Zero by 2035¹
- ▶ Contributed US\$150m to Brazilian and Australian economies in FY23²

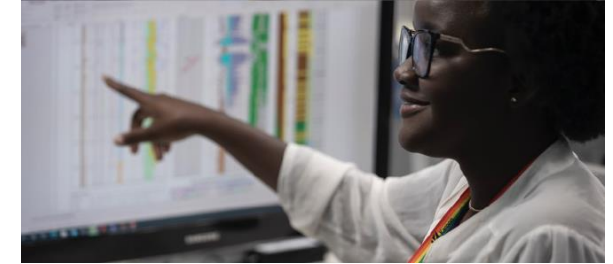


1. Carbon Neutral refers to firstly, reducing or avoiding operational Scope 1 and 2 greenhouse gas (GHG) emissions and, secondly, acquiring carbon offsets to balance the remaining Scope 1 and Scope 2 emissions. Net Zero refers to reducing Scope 1 and 2 GHG emissions as far as practical and balancing the residual GHG emissions produced with GHG emissions removed from the atmosphere.

2. Comprising employee benefits, payments to governments, community and environmental investments.

Trading Update – strong performance

First full quarter of Baúna production post interventions & Patola



Higher production & revenue in Sept Q 23

- › Sept Q sales revenue US\$203.9 million (+66% on prior quarter)
- › Production 2.8 MMbbl (+69% on prior quarter)
- › Average realised oil price US\$81.44/bbl (+11% on prior quarter)
- › No LTIs or TRIs¹ reported



Advancing growth strategy

- › Progressed Neon subsurface geotechnical evaluations and feasibility studies
- › Entry to Neon Concept Select targeted for late first quarter CY24²
- › Active evaluation of M&A opportunities, leading to US GoM acquisition in November 2023



Progress on sustainability objectives

- › Progress on evaluating various nature-based carbon offset and removal opportunities in Brazil
- › Term sheet signed to invest directly in REDD+ project in Brazil



Strong balance sheet

- › In Nov 23, finalised negotiations with lenders on new US\$340m debt package
- › US GoM acquisition (US\$720m) and associated costs funded by US\$274m debt, US\$171m cash and US\$300 equity raise
- › Proforma gearing⁴ of 14%
- › Including GoM, ongoing capex requirements modest in CY24 – US\$40 -47m (excl appraisal / exploration)

1. Per 200,000 hours worked

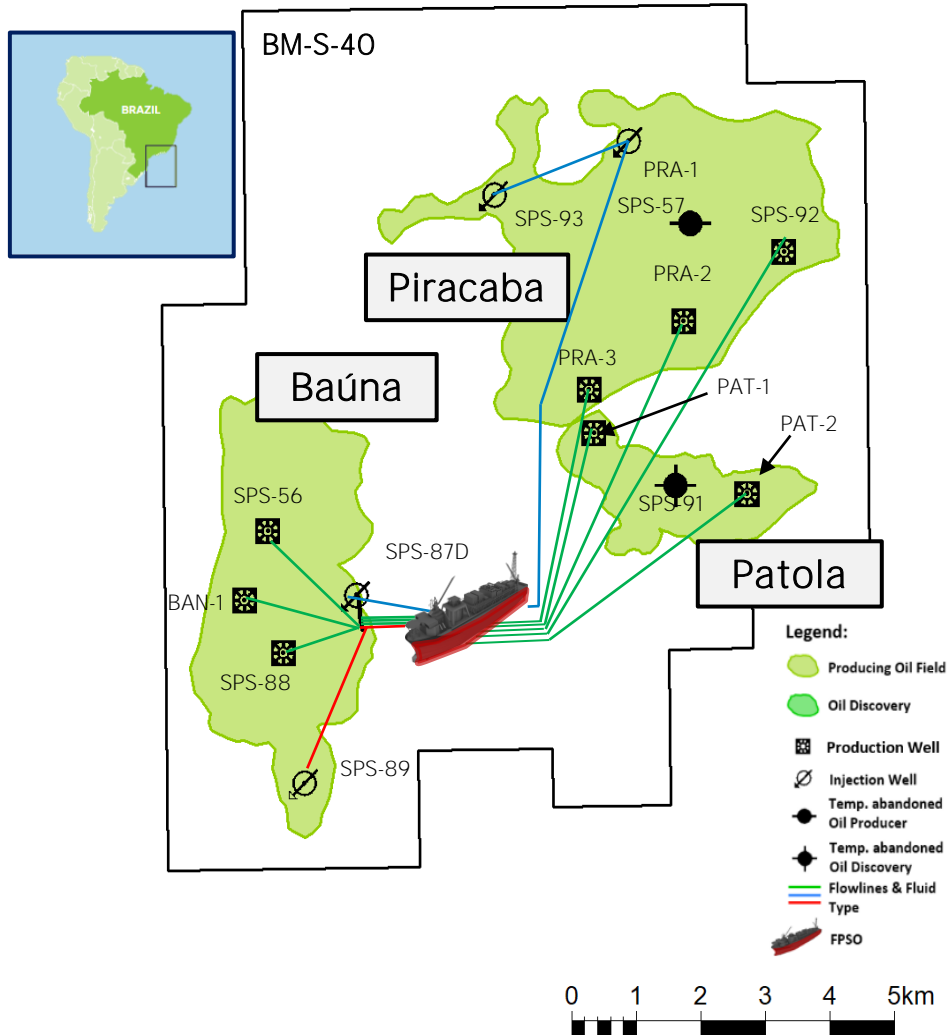
2. Subject to positive results from feasibility studies

3. Carbon Neutral refers to firstly, reducing or avoiding operational Scope 1 and 2 greenhouse gas (GHG) emissions and, secondly, acquiring carbon offsets to balance the remaining Scope 1 and Scope 2 emissions.

4. Net debt / Enterprise Value

BM-S-40: Baúna, Patola and Piracaba

Interventions and Patola delivered safely, on time and within budget



- ▶ Baúna intervention campaign and Patola development completed during FY23
- ▶ Personal safety improved on FY22 and no material environmental incidents, despite managing increased activity levels
- ▶ BM-S-40 production increased from ~12,600 bopd prior to program¹ to peak of >40,000 bopd prior to unplanned shut in on 28 March 23
- ▶ Production resumed on 9 May 23
- ▶ Both Baúna intervention campaign and Patola development delivered within original budget, final total capex of US\$302m
- ▶ Reserves and Contingent Resources upgraded³

At 30 June 2023	Reserves ³		
	1P (MMbbl)	2P (MMbbl)	3P (MMbbl)
Baúna	39.8	51.8	61.3
	Contingent Resources ³		
	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Baúna	10.5	11.1	14.9

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"

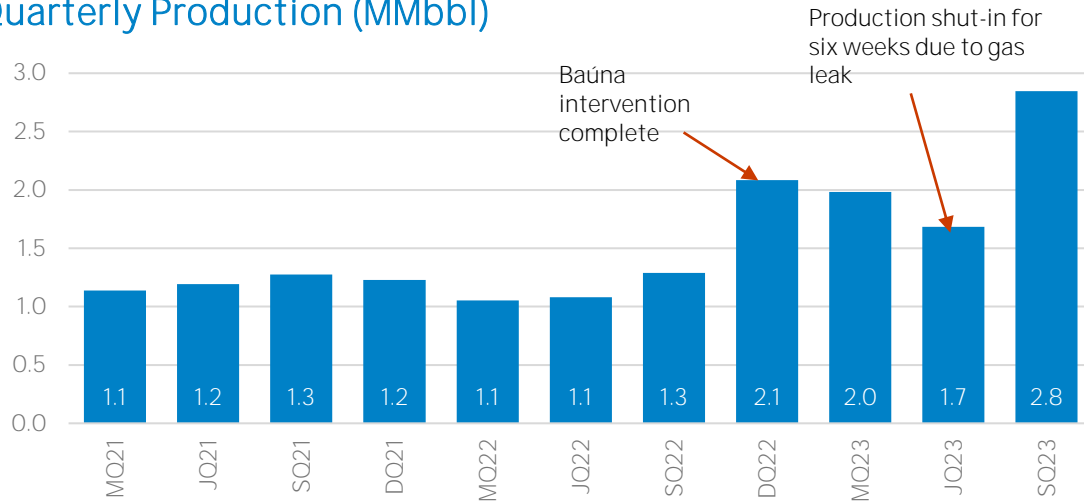
3. Reserves and Resources as at 30 June 2023 (see page 32 of the 2023 Annual Report). Karoon is not aware of any new information or data that materially affects these resource estimates, and all material assumptions and parameters are unchanged.

Baúna operating performance

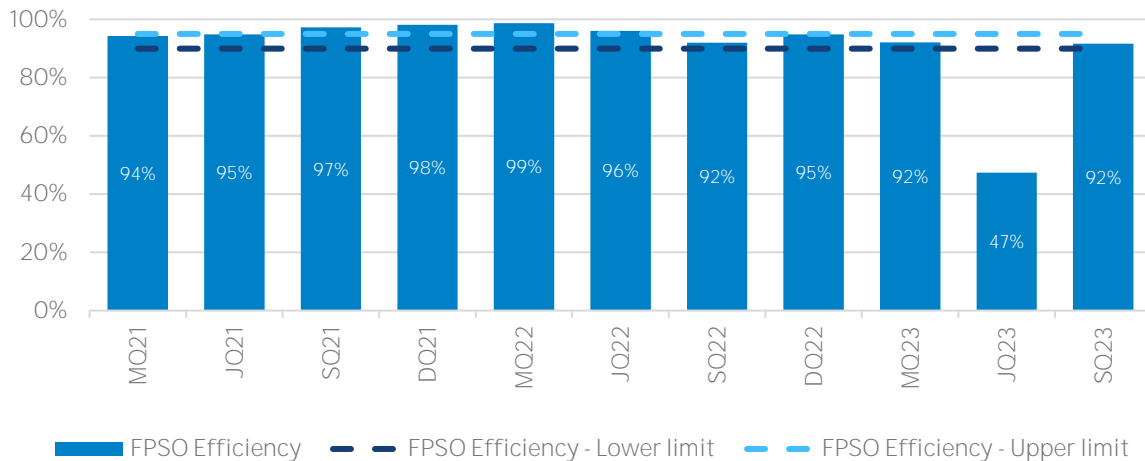
Focus on safety and reliability



Quarterly Production (MMbbl)



Quarterly FPSO Efficiency

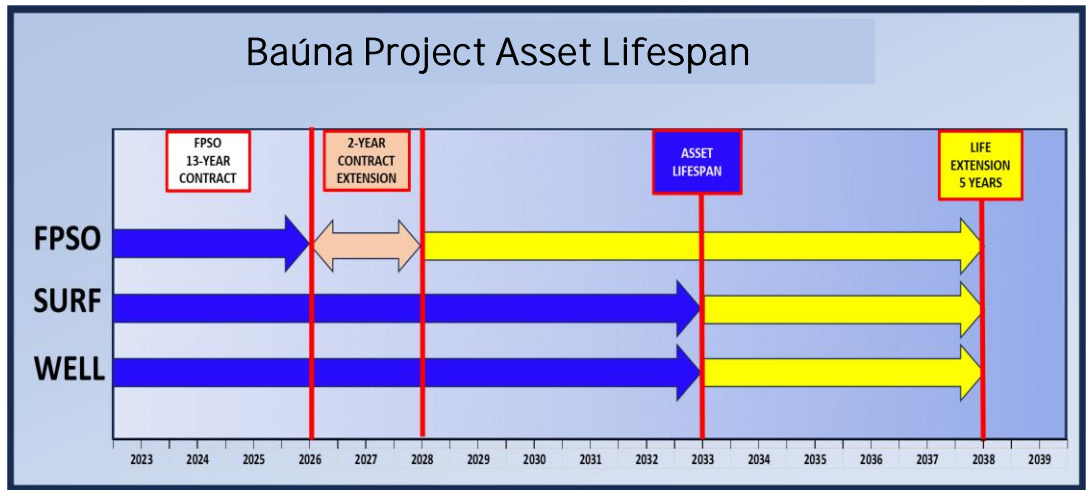
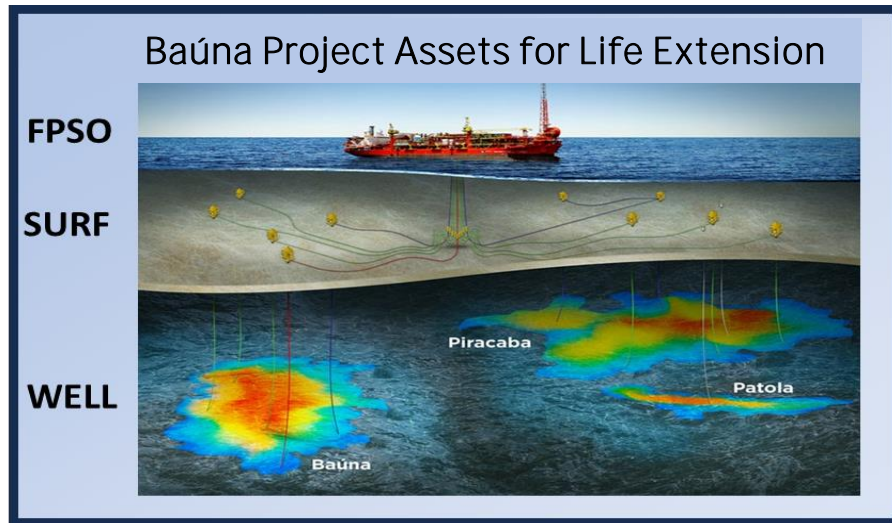


- ▶ Highest priority is maintaining a safe and healthy work environment, and minimising environmental impact
- ▶ September quarter 2023 was first full quarter of production following Baúna intervention campaign and Patola development
- ▶ Given higher fluid production rates (oil, water and gas), now using both processing trains = lower equipment redundancy
- ▶ FY23 average FPSO efficiency of 82% (including unplanned shutdown), Sept 23 Q = 92%, within forecast range of 90-95%¹
- ▶ Next planned maintenance shutdown scheduled for March 2024, including valves, tanks and hull inspections, subject to FPSO performance. Anticipate additional work prior to and following planned shutdown as part of ongoing enhanced maintenance program
- ▶ Excluding planned and unplanned downtime, combined natural decline rate from the Baúna Project fields over next twelve months expected to be ~15%

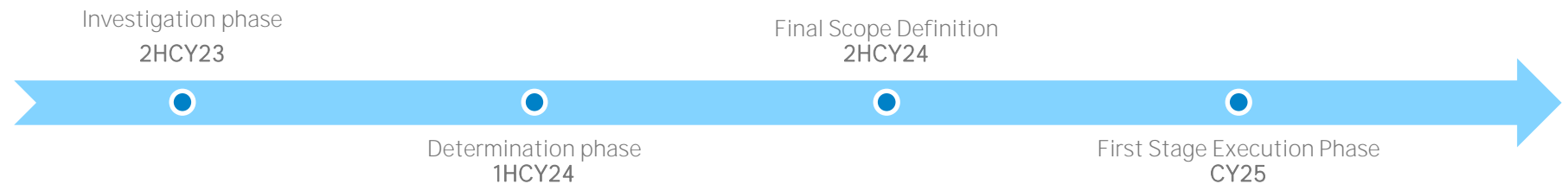
1. FPSO efficiency is defined as the proportion of actual production to potential production.

Possible FPSO Life Extension Projects

- › Studies ongoing on extending Baúna Project life (i) from 2028 to end 2032 (beyond current A&O lease) and (ii) potential extension from 2033 to 2038 (subject to contractual negotiations)
- › Booked 1C, 2C and 3C Contingent Resources of 10.5 MMbbl, 11.1 MMbbl and 14.9 MMbbl, respectively, associated with potential FPSO life extension from 2033 to 2038¹
- › Life Extension comprises Investigation (Asset Diagnostic), Determination (Conditions for Life Extension) and Execution phases



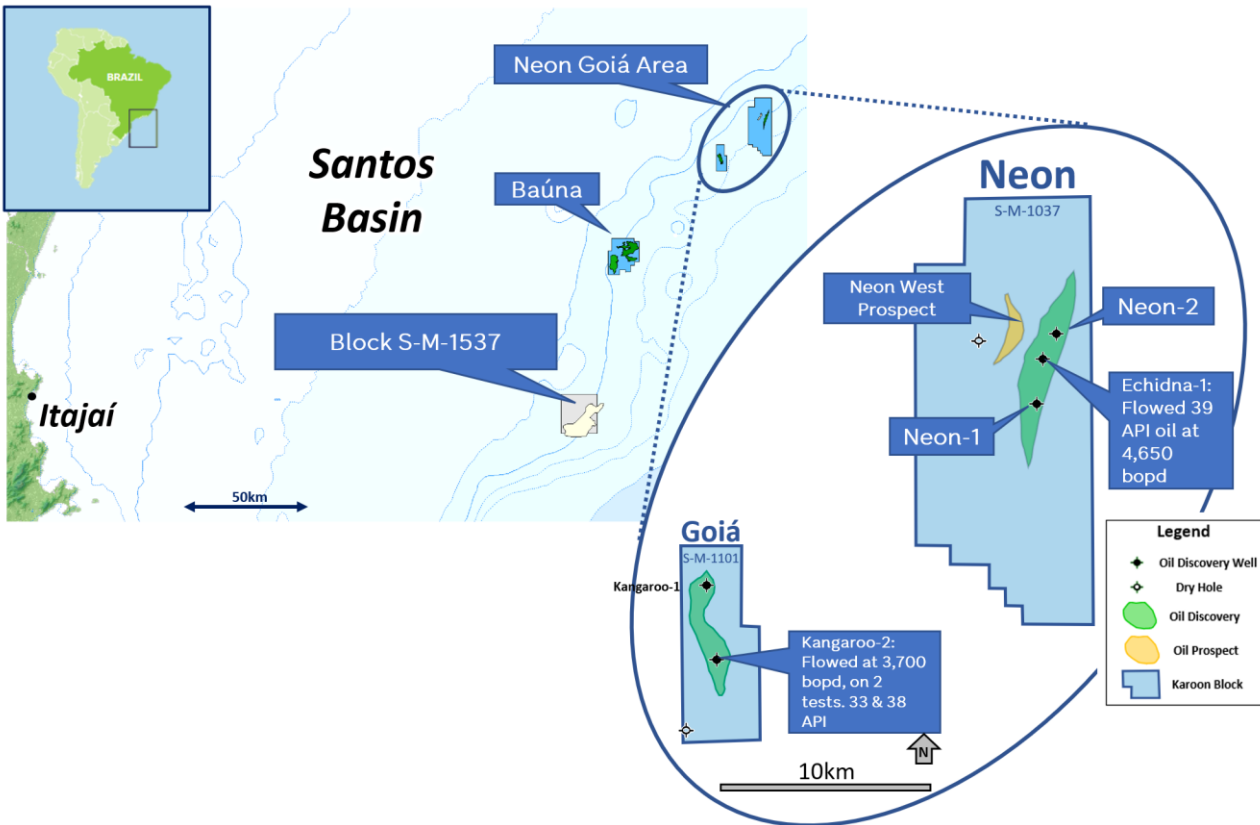
	LIFESPAN	UP TO
FPSO	15 YEARS	CY28
SURF	20 YEARS	CY33
WELL	20 YEARS	CY33



1. Reserves and Resources as at 30 June 2023 (see page 32 of the 2023 Annual Report). Karoon is not aware of any new information or data that materially affects these resource estimates, and all material assumptions and parameters are unchanged.

Organic Growth: Potential Neon development

Control wells drilled safely and below budget; feasibility studies underway



- › Both Neon control wells successful, achieved pre-drill objectives:
- › Neon-1 confirmed 39 API oil and oil-water contacts closely aligned to seismic predictions
- › Neon-2 confirmed 33 API oil and thickened reservoir sections in cross-fault and northwestern regions
- › Control well results bring calibration to subsurface models
- › Improved subsurface definition incorporated into resources reassessment, resulting in 14% increase in 2C Contingent Resources to 60.1 MMbbl¹
- › Final total CAPEX for two Neon wells of US\$45m, 36% below mid-point of budget (US\$65-75m)
- › Technical and commercial feasibility studies underway including detailed subsurface modelling, integrating seismic reprocessing, core and fluid sample analyses

1. Contingent Resource volume estimates presented for Neon and Goiá and Prospective Resources for Neon West are as disclosed in the 2023 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 continue to apply and have not materially changed

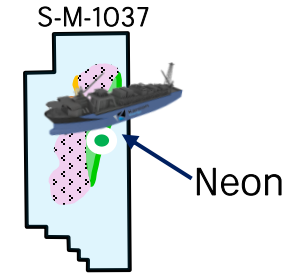
Neon foundation project concepts under consideration

Stand-alone FPSO or subsea tieback

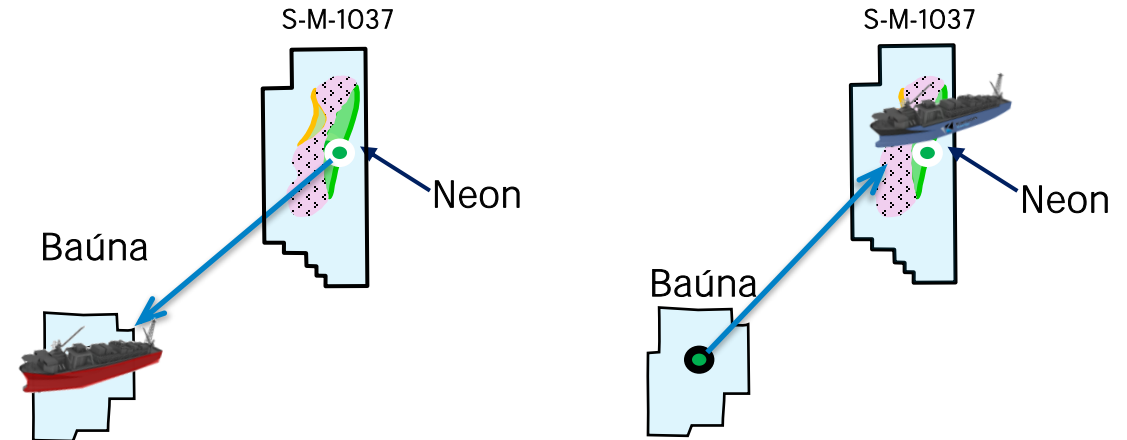


- ▶ Concepts being evaluated include:
 - ▶ Standalone FPSO development
 - ▶ New build or conversion / redeployed unit
 - ▶ Subsea tie-back:
 - ▶ Neon field tied back to Baúna FPSO or potentially vice-versa
- ▶ Preliminary advantages/disadvantages of standalone vs tie-back:
 - ▶ Standalone concept reduces reliance on one production system and has fewer technological and licencing risks
 - ▶ Tie-back concept provides potential lower \$/bbl, reduced CO₂ emissions and takes away dependence on successful Baúna FPSO life extension
- ▶ Key variables being considered:
 - ▶ 3 - 7 wells (producers & gas injectors)
 - ▶ 30,000 - 50,000 bopd processing capacity
 - ▶ Opportunities to bring Neon West into Foundation Project

Concept 1 – Standalone FPSO Development



Concept 2 – Subsea tieback



Enter Concept Select
1QCY24

FID Late CY25

First Oil

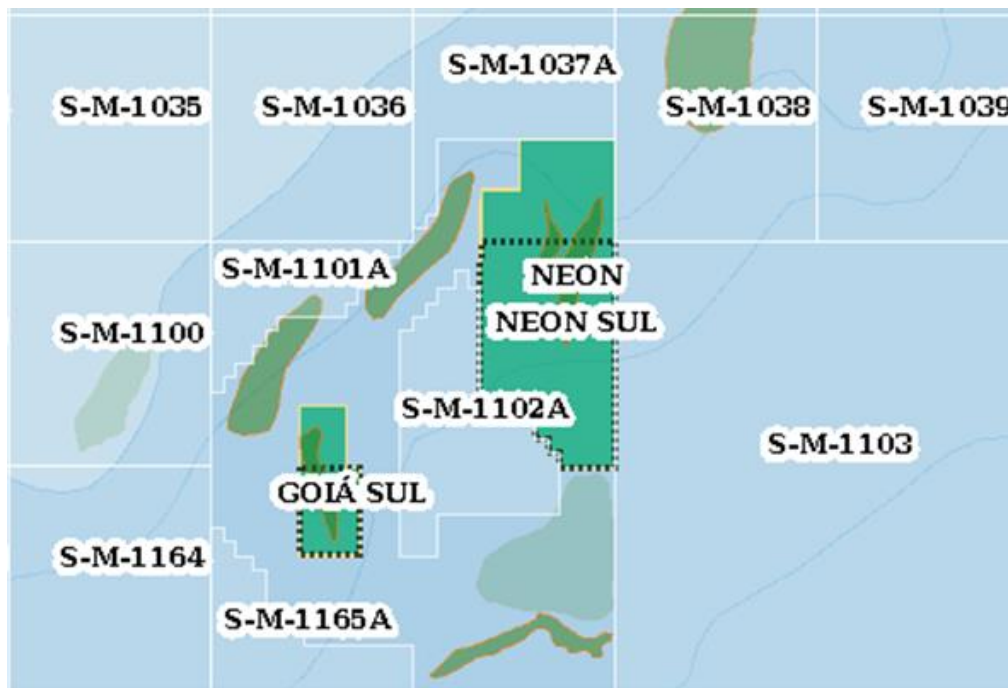
Late CY28/Early CY29

FEED Early CY25

Timeline subject to positive stage gate decisions

Neon hub-style development

Possible longer-term opportunities



- › 2C Contingent Resources and 2U Prospective Resources of >100 MMbbl in Neon area:
- › Undrilled Neon West prospect located 2km west of Neon. Potentially part of Foundation Project. Structurally and stratigraphically analogous to Neon. At 30 June 23, booked 2U Prospective Resources of 14.8 MMbbl¹
- › Goiá located ~10km SW of Neon. Discovered in 2013. Well flowed 3,700 bopd of 33 and 38 API oil on two tests. 2C Contingent Resource of 27 MMbbl¹ booked in May 2018²
- › If Neon is commercial, hub-style development to be considered, involving tie-back of these existing and potential accumulations near Neon
- › Other potential opportunities, including possible near field exploration, to assess full resource potential of Neon area, to be evaluated over time

	Contingent Resources ¹		
	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	37.7	60.1	89.5
Goiá	16.0	27.0	46.0
	Prospective Resources ¹		
	1U (MMbbl)	2U (MMbbl)	3U (MMbbl)
Neon West	6.1	14.8	32.9

1. Contingent Resource volume estimates presented for Neon and Goiá and Prospective Resources for Neon West are as disclosed in the 2023 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 continue to apply and have not materially changed.

2. Refer ASX Release dated 8.5.2018 "Resources Update"

Acquisition of Who Dat assets in Gulf of Mexico

Compelling value proposition



Karoon to acquire 30% interest in offshore Who Dat and Dome Patrol oil and gas fields, associated infrastructure and adjacent exploration acreage¹

Acquisition consideration of US\$720m⁵ funded by cash, debt and a fully underwritten equity raise

Entry to US Gulf of Mexico



Low risk entry into Tier 1 prolific hydrocarbon Basin with highly experienced operator, LLOG

Acquisition of high value, low emission intensity barrels



Low cost barrels (opex of US\$5.70 per boe²) to deliver long term production and pre tax cash operating margin of 67%⁸

Highly strategic acquisition



Achieves Karoon's M&A objectives and establishes platform for further growth

Increases scale



Builds scale with +57-63% CY24E production, +75% 2P Reserves and +50% 2C + 2U Resources⁶

Delivers immediate financial return



Mid teens cash flow per share and earnings per share accretive³, **exceeds Karoon's IRR hurdles⁴**

Low risk infrastructure-led growth



Growth from low risk, low cost, near term infill development, material discovered resource upside and attractive exploration opportunities

Materially diversifies business



Geographically diversifies asset base and offsets natural decline from Baúna with a long-life asset

Robust balance sheet



Balance sheet remains strong, with peak leverage at 0.4x FY23A pro forma EBITDA and liquidity of US\$80m⁷

1. Refer to Appendix A, "Acquisition of Interest in GoM - Investor Presentation" dated 16/11/23 for detailed breakdown of permits and Blocks acquired.
2. Gross Interest basis, LTM (Last Twelve Months) to July 2023.
3. Reflects the first full year of ownership. The purchase price accounting for the Transaction has not been finalised, resulting in the inclusion of an estimated depreciation and amortisation charge relating to the Target. The cash flow accretion analysis includes approved CAPEX and excludes debt repayments, and one-off integration costs. The newly issued shares are calculated based on a TERP discount of 10.8% on a share price of A\$2.05/share.
4. Karoon's internal pre tax IRR hurdles align with industry normal practices and target an average (across all investments) in the mid teens, adjusted for geopolitical and fiscal stability risk of the region of investment.
5. Exploration is subject to carry of US\$39.1 million on a 2 for 1 basis.
6. Net Working Interest basis.
7. Refer to slide 30 of "Acquisition of Interest in GoM - Investor Presentation" dated 16/11/23
8. Refer to slide 15 of "Acquisition of Interest in GoM - Investor Presentation" dated 16/11/23

High margin production asset

Material growth underway, with development and exploration upside



Location	▶ Mississippi Canyon, US Gulf of Mexico (offshore Louisiana, ~800m water depth)
Current production rate ¹	▶ ~42,000 boepd gross (ramping up through development program)
FY23 (LTM Jul23) production	▶ ~33,000 boepd - 61% oil / 39% gas
FY23A (LTM Jul23) operating costs	▶ US\$5.7/boe (gross) / US\$7.1/boe (NRI)
Nameplate capacity of Floating Production System (FPS)	▶ 40,000 bbl oil + 150 MMscf/d gas
2P Reserves ²	▶ 129 MMboe (gross) / 39 MMboe (NWI) / 31 MMboe (NRI)
2C Resources ²	▶ 17 MMboe (gross) / 7 MMboe (NWI) / 5 MMboe (NRI)
2U Resources ^{2,7}	▶ 143 MMboe (gross) / 50 MMboe (NWI) / 40 MMboe (NRI)

Proforma Net Working Interests^{3,4,5}

Assets	Producing			Exploration		
	Who Dat	Dome Patrol	Abilene	Who Dat South	Who Dat West	Who Dat East
KAROON ENERGY	30%	30%	~16%	30%	35%	40%
LLDG	45%	45%	~21%	70%	65%	60%
Westlawn	25%	25%	~12%	-	-	-
CNOOC ⁶	-	-	50%	-	-	-

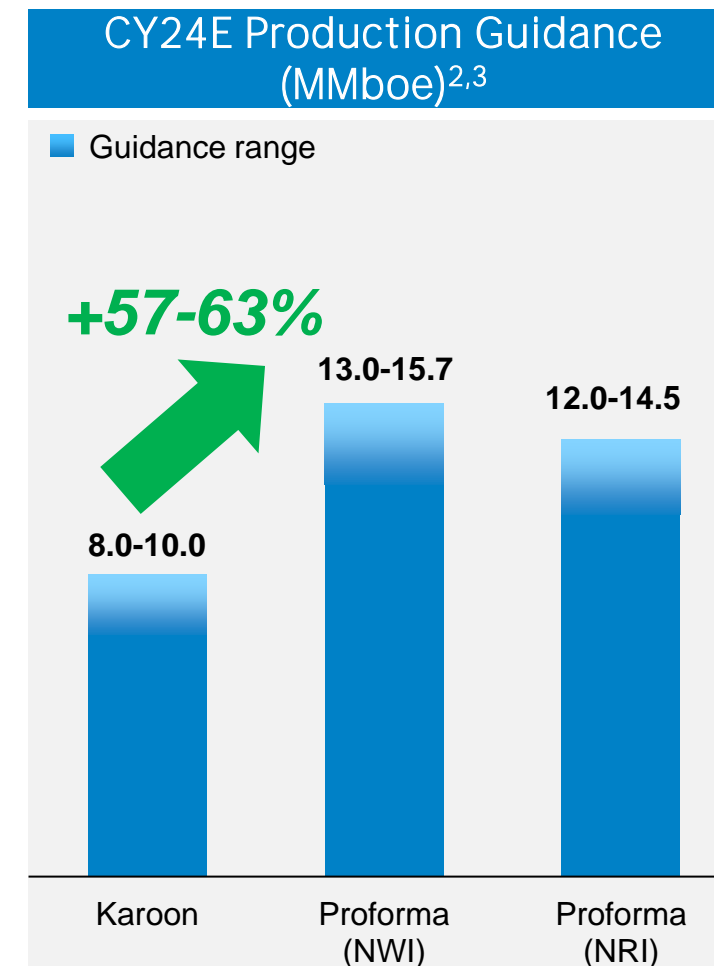
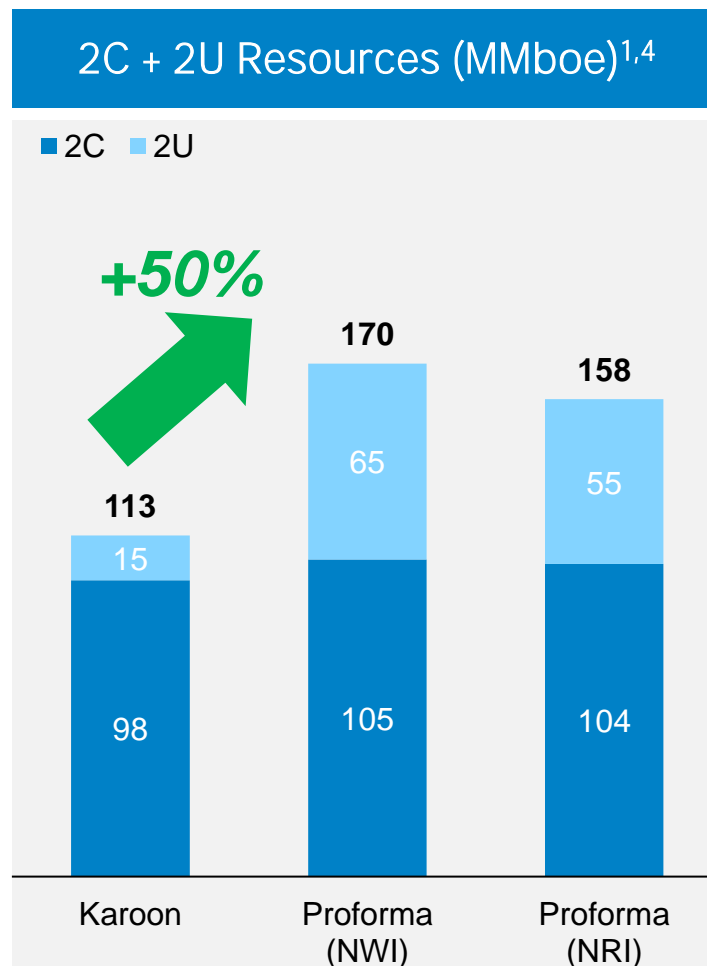
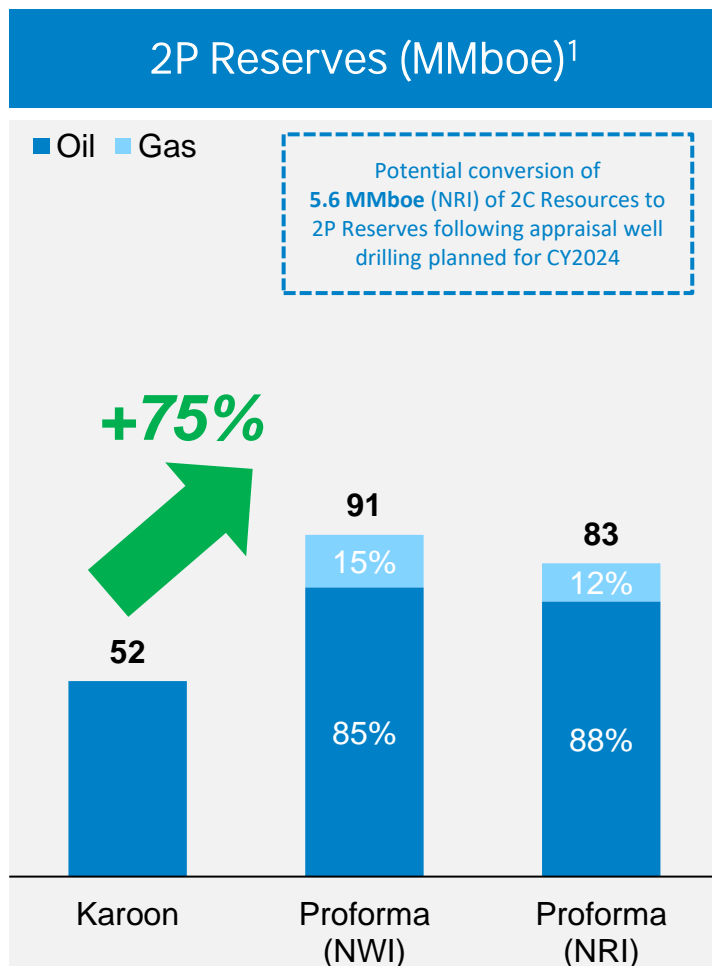


Scale is approximate

1. Conversion of gas based on 6 mcf gas = 1 boe. Production as at 26 October 2023.
2. Reserves and Resources as at 1 August 2023. Refer to Appendix A, "Acquisition of Interest in GoM - Investor Presentation" dated 16/11/23 for detailed breakdown of Reserves and Resources.
3. Interests will be validated after signing the PSA by way of a customary title review and defect process as set out in the PSA.
4. Refer to Appendix A, "Acquisition of Interest in GoM - Investor Presentation" dated 16/11/23 for detailed breakdown of well area by block/lease.
5. Working interest table as at 16 November 2023.
6. China National Offshore Oil Corporation (CNOOC).
7. Excludes Who Dat East Deep Prospect.

Transformational impact

Material increase in Reserves, Resources and production



1. Karoon Reserves and Resources as at 30 June 2023. Who Dat Reserves and Resources as at 1 August 2023.

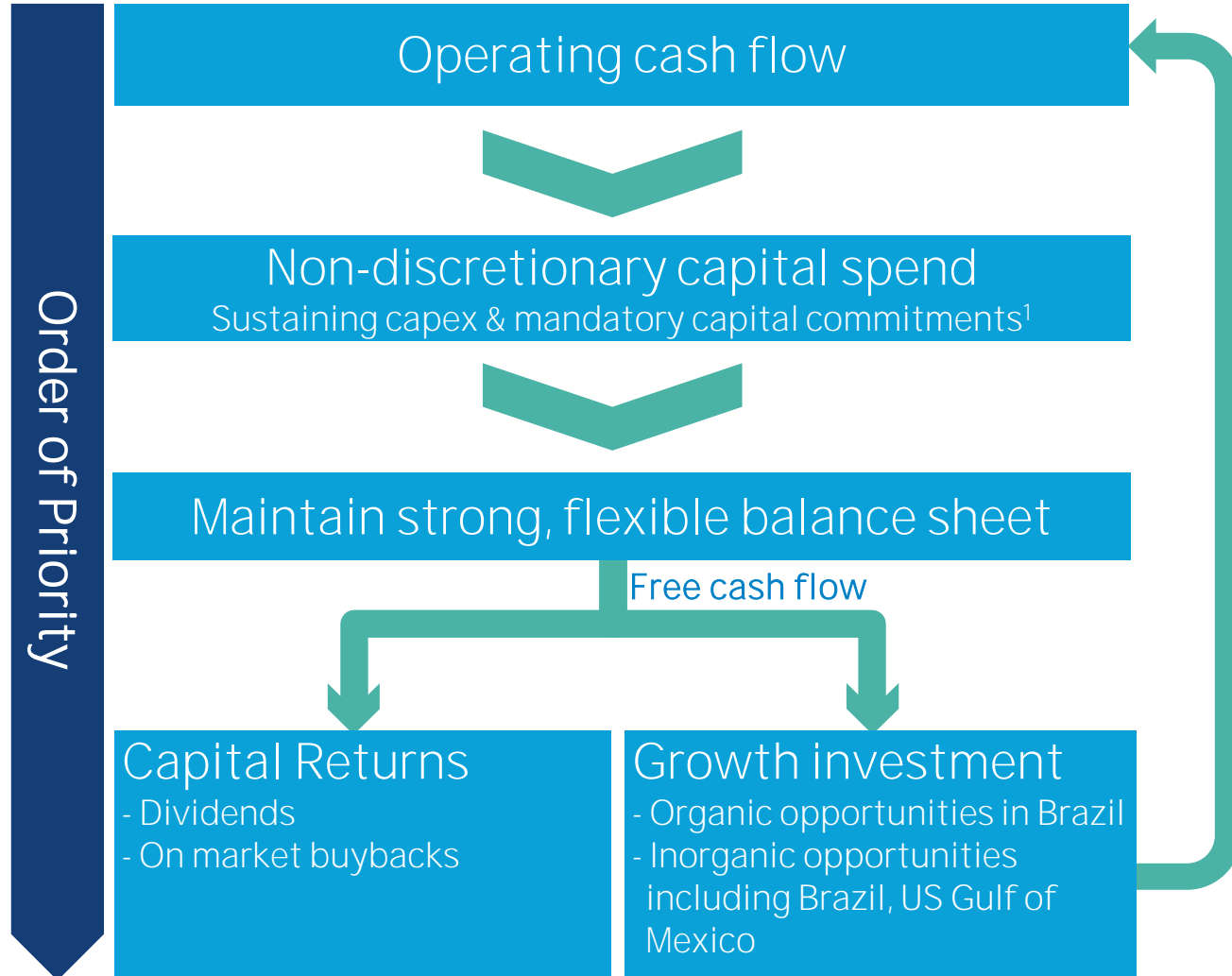
2. Production ranges based on CY24E management guidance for Karoon and Who Dat. Who Dat breakdown of oil vs gas production projected based on CY23A percentages.

3. Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Refer to slide 33 for further details on guidance.

4. Excludes Who Dat East Deep Prospect.

Capital Allocation Framework

Building scale to achieve long term sustainable cashflow and shareholder returns



- ▶ Priority is to support safe and reliable operations and meet capital commitments including debt repayments
- ▶ Capital allocation framework ranks growth opportunities with desire for capital returns to shareholders
- ▶ Strong free cash flow from Who Dat strengthens capacity to pay dividends over medium term
- ▶ Diversifies asset base, geography/ geopolitical risk and operating cashflows
- ▶ Improves access to capital
- ▶ Provides long term free cash flow generation

1. Capital commitments include Contingent Payments to Petrobras

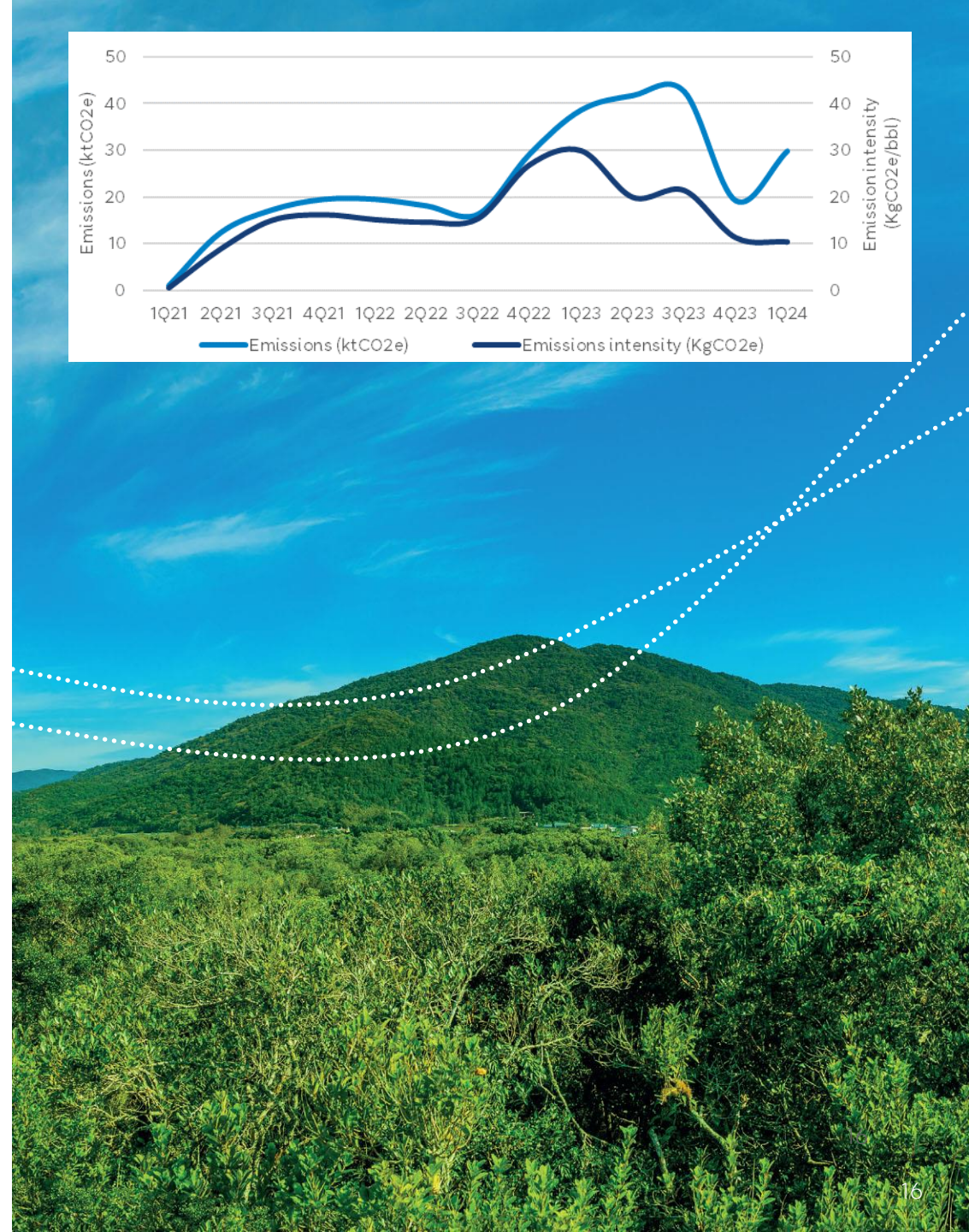
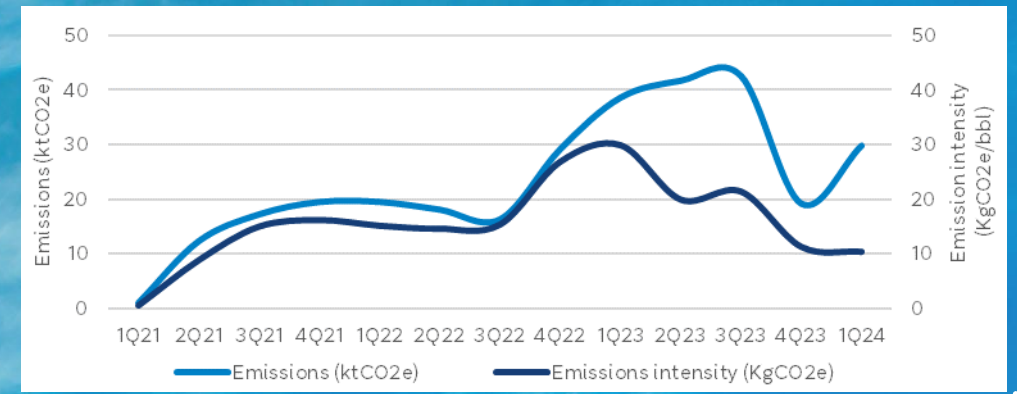
Sustainability

Focus on carbon emissions, social projects

- › Scope 1 and 2 GHG emissions for FY22¹ fully offset by VER Agreement with Shell Western Supply and Trading. Anticipate being Carbon Neutral¹ for FY23, aiming for Net Zero² by 2035
- › Target for being carbon neutral and Net Zero by 2035 unchanged with GoM acquisition - lower carbon intensity assets and addition of gas expected to reduce Karoon's overall carbon intensity
- › Maturing equity and/or development opportunities in nature-based carbon offset and removal projects to offset residual emissions, potential partnerships in Brazil being evaluated:
 - › Focus on high quality projects with social benefits
 - › Carbon units to be acquired from a REDD+ project in Brazil
- › Karoon's approach to managing climate risks and targets reviewed and supported by external consultant, based on Karoon's current size and scale
- › Contributed ~US\$150m to Brazilian and Australian economies in FY23, including ~US\$2m on social and environmental projects in Brazil, focused on education and employment
- › Second Sustainability Report issued in August 23. Reporting improvements implemented, including reporting with reference to Global Reporting Initiative (GRI) Standards and improved alignment with TCFD

1. Carbon Neutral refers to firstly, reducing or avoiding operational Scope 1 and 2 greenhouse gas (GHG) emissions and, secondly, acquiring carbon offsets to balance the remaining Scope 1 and Scope 2 emissions.

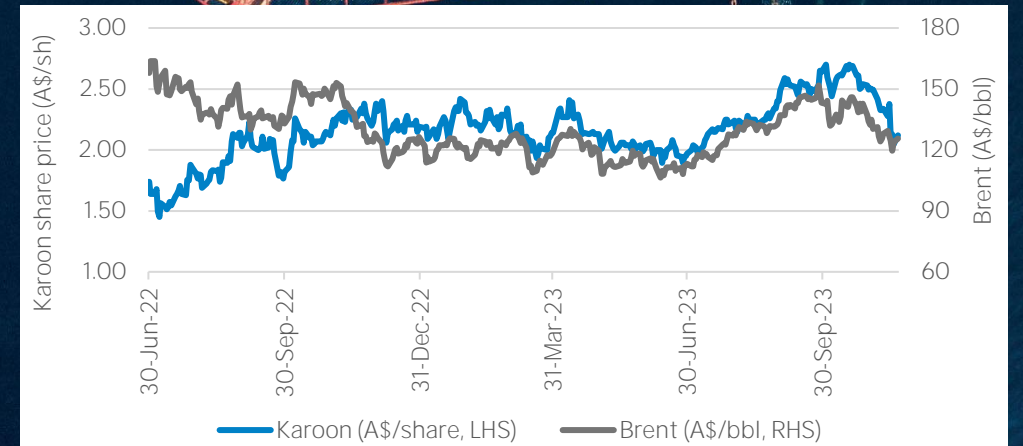
2. Net Zero refers to reducing Scope 1 and 2 GHG emissions as far as practical and balancing the residual GHG emissions produced with GHG emissions removed from the atmosphere.



Summary

Focus on creating shareholder value

- ▶ Significant progress on delivering strategic objectives
- ▶ US GoM acquisition is transformational, adding high margin, long term production, as well as infrastructure-led appraisal and exploration opportunities
- ▶ Focus on maintaining safe, reliable and sustainable operations, with integrity of Baúna FPSO a high priority
- ▶ Production increases materially with addition of GoM assets. Guidance for CY24 of 12 – 14 MMboe, with lower unit production costs (US\$9 – 14/boe)
- ▶ Encouraging results from Neon control well program and resource reassessment being incorporated into technical and commercial studies, targeting decision to enter Concept Select in early CY24
- ▶ Strong balance sheet post GoM purchase. Proforma gearing at completion of ~14% and US\$80m cash, plus cash flows from Brazil
- ▶ Cash flows from two high quality assets in prolific hydrocarbon basins provides balance sheet flexibility for ongoing organic growth, acquisitions and returns to shareholders



Appendix 1: Guidance¹



Period		Proforma CY24	
		12 months to 31 Dec 24	
		Low	High
Production²			
Brazil	MMboe	8.0	10.0
Who Dat (NRI)	MMboe	4.0	4.5
Total Production	MMboe	12.0	14.5
Costs			
Unit Production Costs ³	US\$/boe	9.0	14.0
Business Development, share-based payments & Neon studies	US\$m	11.0	12.0
Finance costs and interest ⁴	US\$m	27.0	31.0
Other Operating Costs ⁵	US\$m	31.0	35.0
Investment Expenditure			
Neon	US\$m	13.0	14.0
Other capex	US\$m	12.0	13.0
Who Dat ⁶	US\$m	15.0	20.0
Total Capex	US\$m	40.0	47.0
Petrobras consideration ⁷	US\$m	85.0	87.0

Note: Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Unit DD&A subject to the finalisation of the transaction and subsequent purchase price allocation.

BASIS OF GUIDANCE

1. Guidance is subject to various risks (including “Key Risks” set out in Karoon’s 2023 Annual Report)
2. Production assumes drilling results and expected future development and appraisal projects being delivered in accordance with their currently expected schedules
3. Unit Production Costs: based on daily operating costs associated with Baúna and Who Dat Production, and Baúna FPSO lease costs (Pre AASB 16)
4. Finance costs and interest include fees and debt interest
5. Other Operating costs: includes staff costs, IT, other corporate costs and non-oil and gas related depreciation. This excludes royalties and other government take, social investment/sponsorships in lieu of tax and foreign exchange gains/losses
6. Excludes exploration capex that is yet to be approved by the JV
7. Contingent consideration payable to Petrobras which is dependent on future oil prices

Guidance to 6 months to TY23 (on an underlying basis, excluding the impact of the transaction and associated costs) remains unchanged

Appendix 2: Glossary



Term	Definition
ASX	Australian Securities Exchange
Baúna	Concession BM-S-40 containing the producing Baúna, Piracaba and Patola light oil fields in Brazil.
Boe	Barrel of oil equivalent
Boepd	Barrels of oil equivalent per day
bbl or barrel	Barrel of oil = 42 United States gallons; equivalent to approximately 159 litres
Bopd	Barrels of oil per day
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ESG	Environmental, Social and Governance
FPSO	Floating, production, storage and offloading vessel
GoM	Gulf of Mexico
Karoon	Karoon Energy Ltd and its subsidiaries
LTI	Lost time injury
M&A	Mergers and acquisitions
MMbbl	Million barrels of oil
MMboe	Million of barrels of oil equivalent
pa	per annum
REDD+	Reducing emissions from deforestation and forest degradation, as well as forest conservation, sustainable management of forests and enhancement of forest carbon stocks.
TRIR	Total Recordable Injury Rate

