



09 May 2024

Company Announcements Office
ASX Limited

Dear Sir / Madam

Macquarie Australia Conference Presentation

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

This announcement was authorised by the CEO and Managing Director.

Yours faithfully

Daniel Murnane
Company Secretary

Karoon Energy Macquarie Australia Conference

May 2024



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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.

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Guidance for the next 12 months to 31 December 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 TY23 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. 31 December 2023) of the Reserves and Resources Statement included in Karoon's TY23 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.

Resource volumetric estimates in MMboe have been rounded to one decimal place. Gas volumes are converted to barrels of oil equivalent (boe) on the basis of 6,000 scf = 1 boe

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

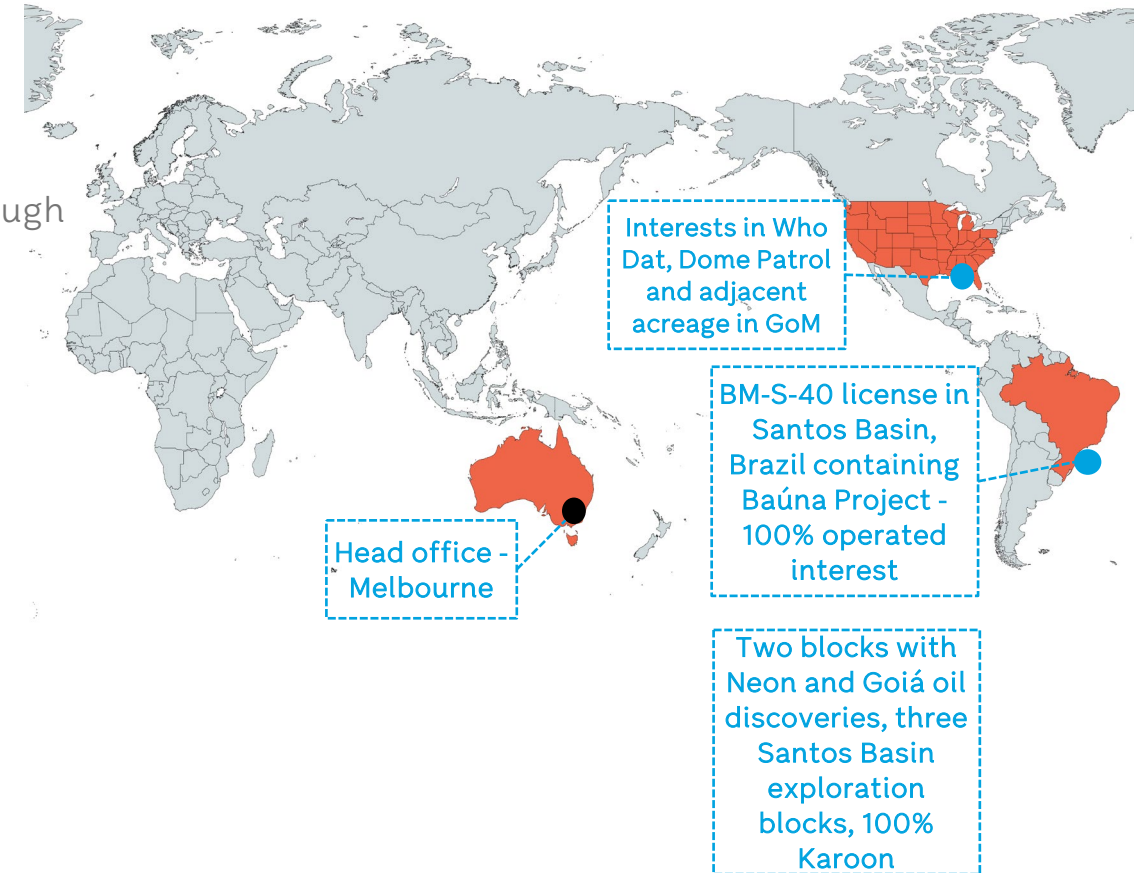
This presentation has been authorised for release by the Chief Executive Officer and Managing Director of Karoon Energy Ltd.

Overview

Oil and gas producer with strong cash flows from high quality assets



- › Interests in two world class oil and gas basins:
 - › Baúna Project in BM-S-40 offshore Brazil
 - › Who Dat/Dome Patrol in US GoM
- › Focus is to maximise performance and value of existing asset base through strong operating discipline, demonstrate value of Who Dat
- › Organic growth opportunities in Brazil and US GoM:
 - › Appraisal / Exploration at Who Dat East, South and West¹, potential infill/sidetracks within Who Dat
 - › Neon Foundation Project
- › Inorganic growth opportunities evaluated subject to strict investment criteria, deprioritised during Who Dat integration and development/appraisal phase
- › Capital management initiatives under Board consideration
- › Robust balance sheet with gearing of 10%² at 31 Dec 23, bond issue diversifies long term funding sources
- › Emissions targets – Carbon Neutral on existing operations since FY21, targeting to remain Carbon Neutral, aiming for Net Zero by 2035³



1. Refer ASX release dated 3.4.24 “Approval to drill Who Dat East and South exploration wells in the US Gulf of Mexico and CY24 Capex Guidance”

2. Refer ASX release dated 19.4.24 “March 2024 Quarterly Report”

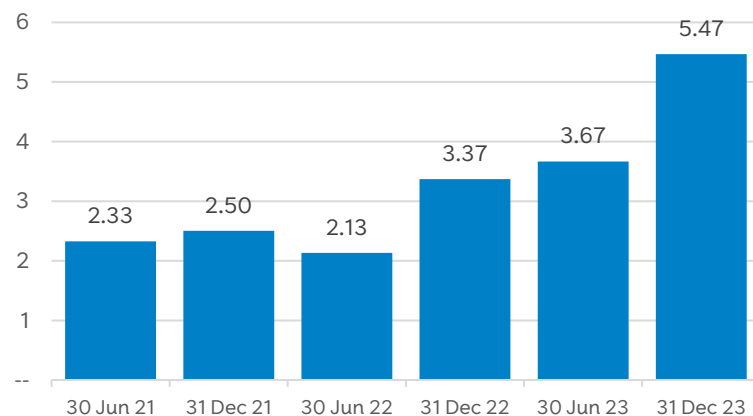
3. Refer to glossary on slide 17 for definitions

Six Month Financial Highlights¹

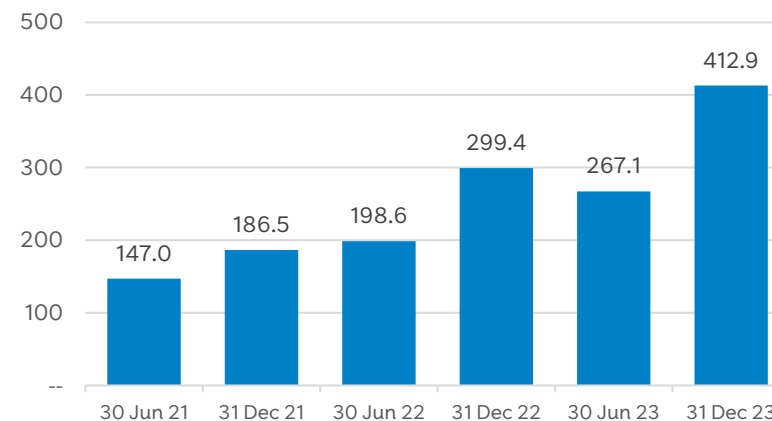
Production growth with largely fixed cost base, supported by robust balance sheet



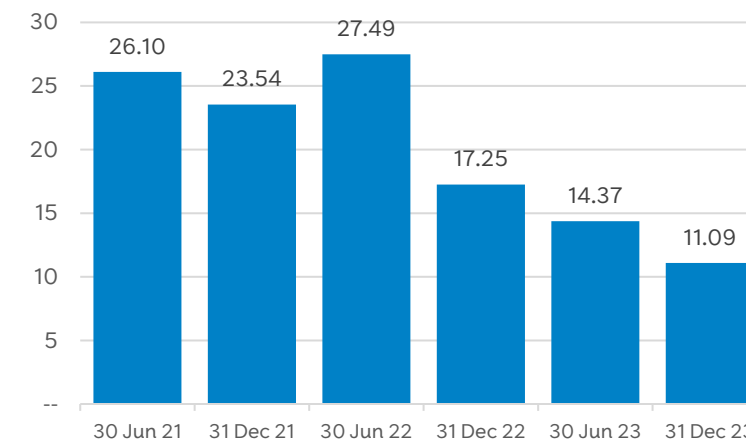
Production (MMboe)



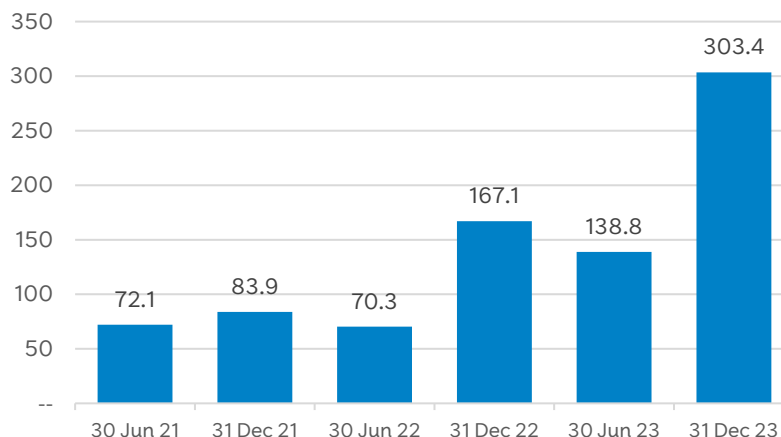
Sales revenue (US\$m)



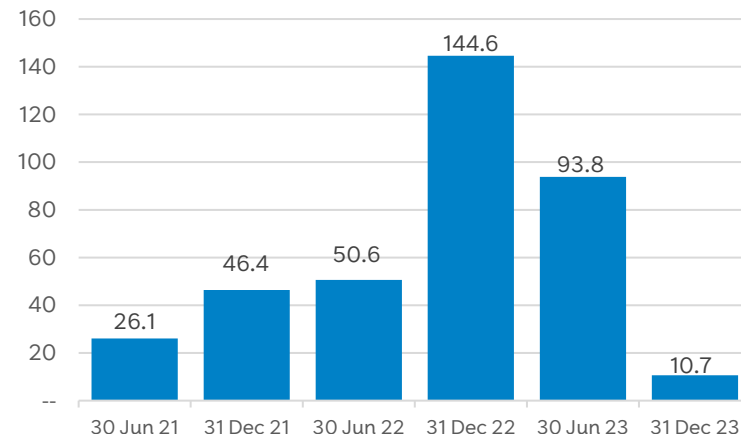
Unit Production Cost (US\$/boe)



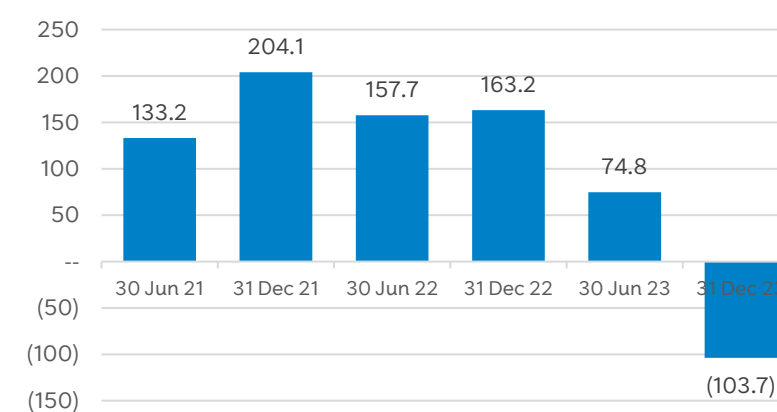
Operating Cashflow (US\$m)



Capital Expenditure (US\$m)



Net cash/(debt) (US\$m)

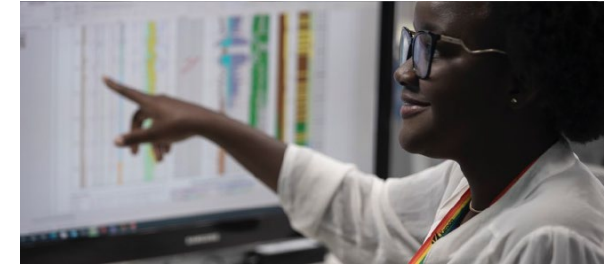


1. The financial information for the six month periods ending 31 December are audited reviewed information. The financial information for the six month periods ending 30 June are not audited but derived from audited and reviewed financial information.

1Q24 Trading Update



No Lost Time or Recordable incidents in 1Q24 in either Brazil or US



Baúna Project

- 1Q24 production of 2.16 MMbbl, 15% lower than December 2023 quarter
- Production impacted by issues on FPSO topside (gas dehydration) and the shut-in of well SPS-88
- Working with FPSO operator to improve facility reliability
- Annual maintenance shutdown scheduled to start late May 2024
- SPS-88 expected back online 3Q24¹
- Commencing facility life extension planning



Who Dat Assets

- 1Q24 production of 0.78 MMboe on a NRI² basis
- Production impacted by delays in bringing G2 and G4 wells online, lower well productivity than anticipated and bottlenecks in G-manifold subsea production system, as well as gas production deferral due to low gas price
- Integration continuing, with JV Technical committee meetings underway to optimise production and maximise long term value of Who Dat



Growth & exploration

- Who Dat East appraisal/exploration well spudded on 27 April².
- Expected duration ~55-60 days. Who Dat South expected to spud in 2Q24
- Neon Foundation Project now in Concept Select phase
- Neon Project Team addressing economic and technical challenges ahead of next decision gate targeted for early CY25
- Formal award of two deepwater blocks offshore Brazil expected mid-2024



Robust balance sheet

- At 31 March 2024, net debt of US\$129.5m:
 - Cash and cash equivalents of US\$119.5m
 - Drawn debt of US\$249.0m
- Karoon assigned credit rating of “B” with stable outlook by both S&P Global and Fitch³
- US\$350 million bond issue diversifies long term funding sources and offers flexibility⁴

1. Subject to finalising contracts and receiving regulatory approvals

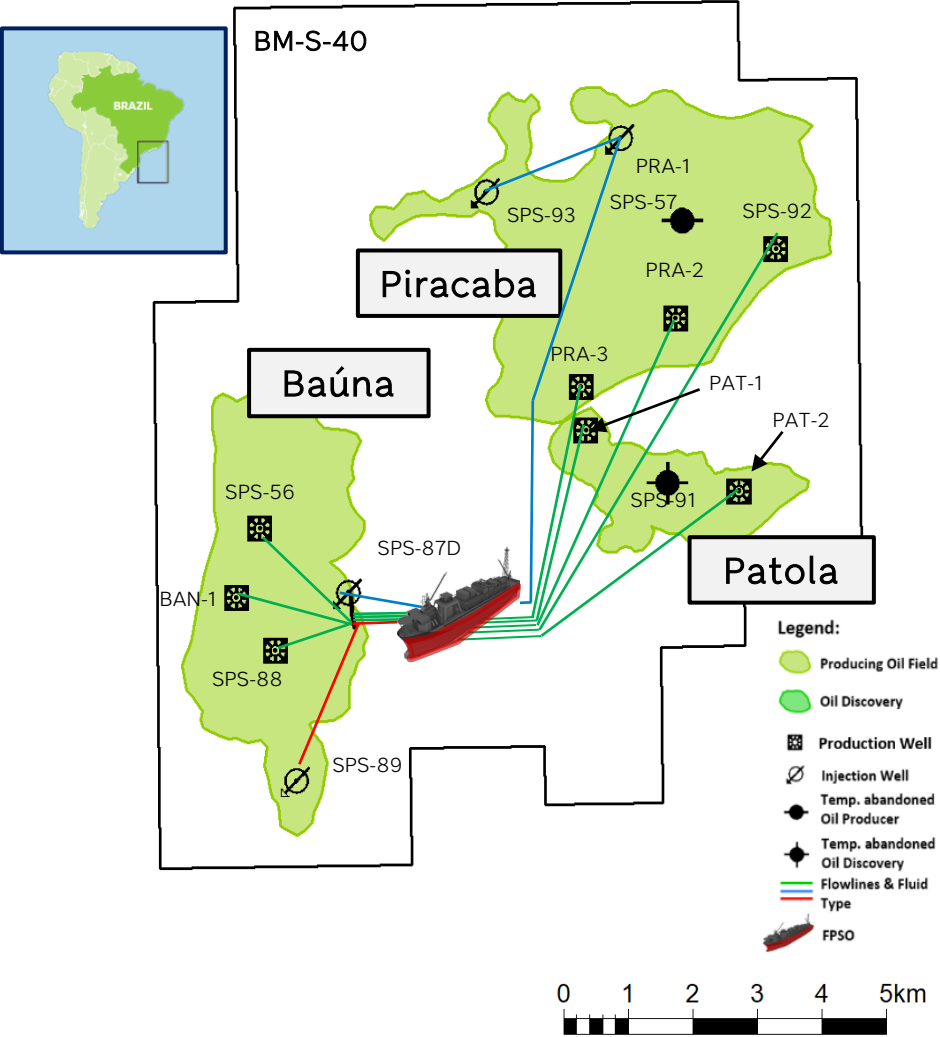
2. Refer to Glossary in slide 17 for definition

3. Refer ASX dated 23.4.24 “Karoon assigned credit rating by S&P Global and Fitch”

4. Refer ASX dated 8.5.24 “Karoon prices US\$350m Second-Priority Senior Secured Notes”

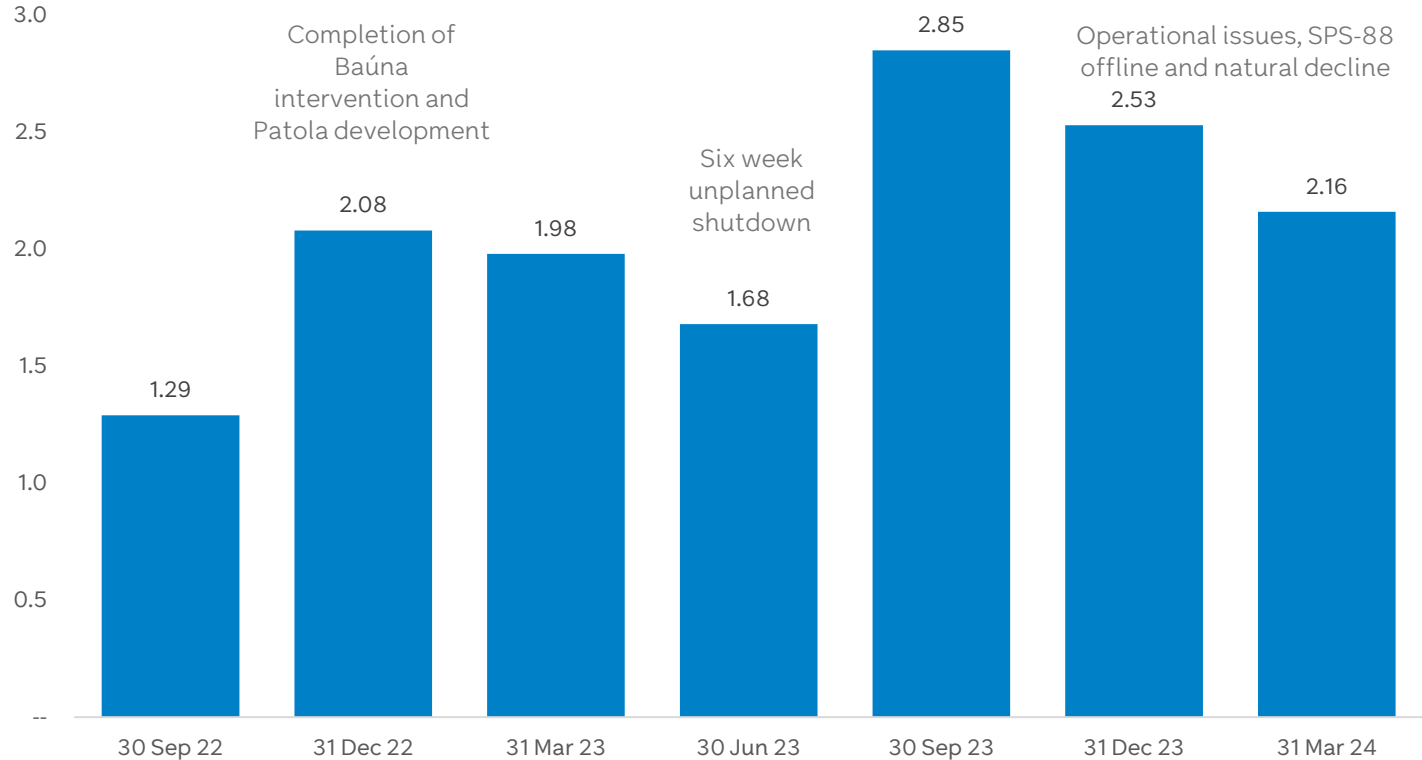
Brazil: Baúna, Patola and Piracaba

Facilities uptime remains key focus to optimise production



- ▶ Average BM-S-40 (Baúna Project) production ~24,000 bopd for 1QCY24. Production impacted by SPS-88 offline (since Nov 2023), gas dehydration unit and compression reliability issues¹ and natural decline
- ▶ Annual planned maintenance shutdown scheduled for May-June (three weeks) to include broad range of work-scopes to improve reliability

Baúna Project Quarterly Production (MMbbl)

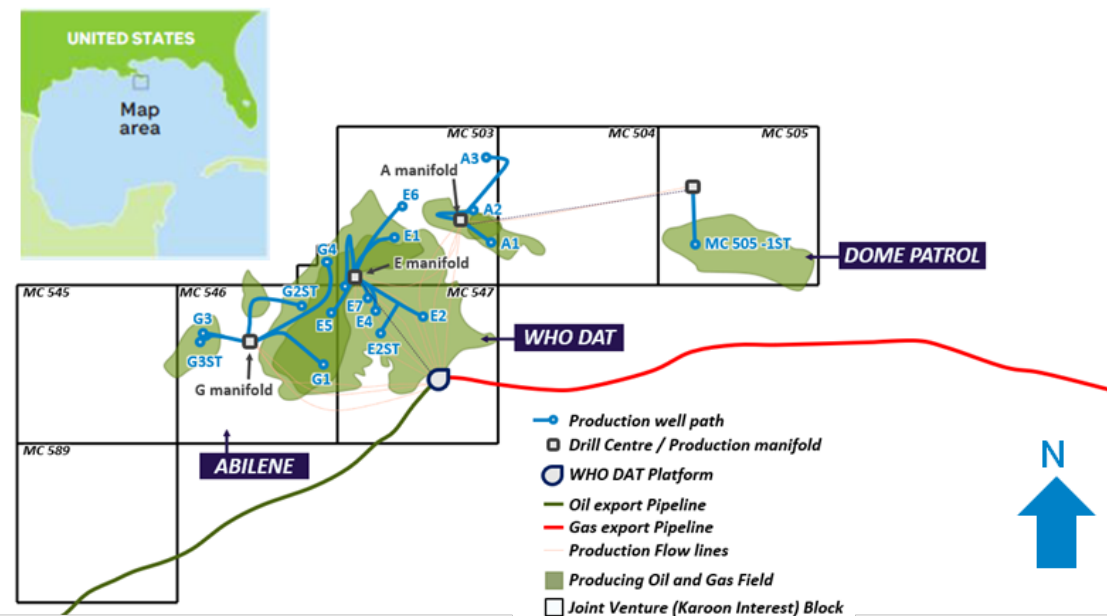


1. Refer ASX release dated 19.4.24 "March 2024 Quarterly Report"

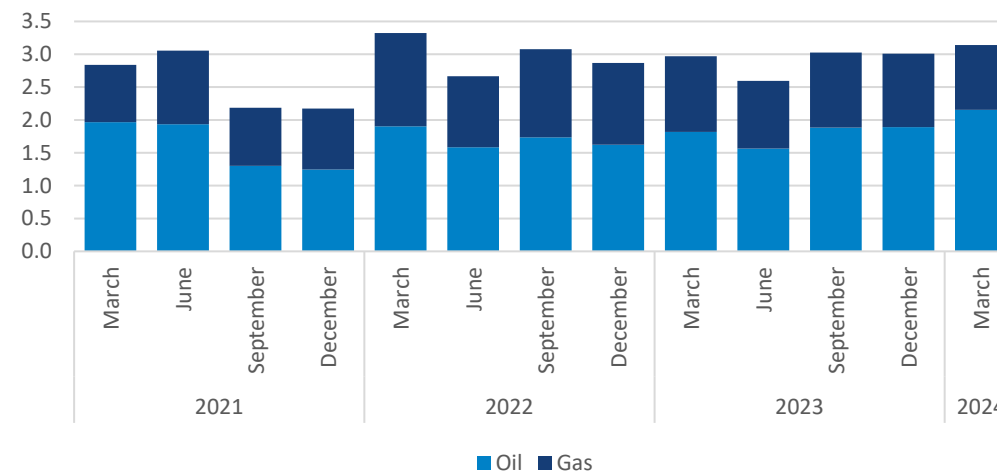
US: Who Dat operating performance

Optimisation of production ongoing¹

- ▶ G2 & G4 wells brought online in February 2024. Challenges experienced handling high pressures from new wells, including upper G2 reservoir
- ▶ Comingled flow from upper and lower zones in G2 well started on 1 May, with progressive equalisation of zonal pressures
- ▶ 1Q24 production also impacted by bottlenecks and back-pressure through G manifold lines/pipes
- ▶ Production from high-rate gas wells curtailed in Q1 to prioritise oil production in low gas price environment
- ▶ Despite challenges, March 2024 quarter delivered highest oil production for three years from Who Dat
- ▶ Karoon technical team now in place in Houston, focused on working closely with Operator, LLOG, and Westlawn to optimise Who Dat production and value, with series of collaborative workshops underway
- ▶ Reservoirs generally performing in line with expectations, view on Who Dat reserves unchanged
- ▶ Potential resource upside associated with ongoing exploration unchanged



Who Dat gross quarterly production (MMboe)



1. Refer ASX release 29.2.24 "TY23 Results Presentation" & ASX release dated 19.4.24 "March 2024 Quarterly Report".
 2. For illustrative purposes only

CY24 Production Guidance ¹



		Low	High
Production			
Baúna Project (NWI)	<i>MMboe</i>	7.5	9.0
Who Dat (NRI)	<i>MMboe</i>	3.0	3.5
Total Production	<i>MMboe</i>	10.5	12.5

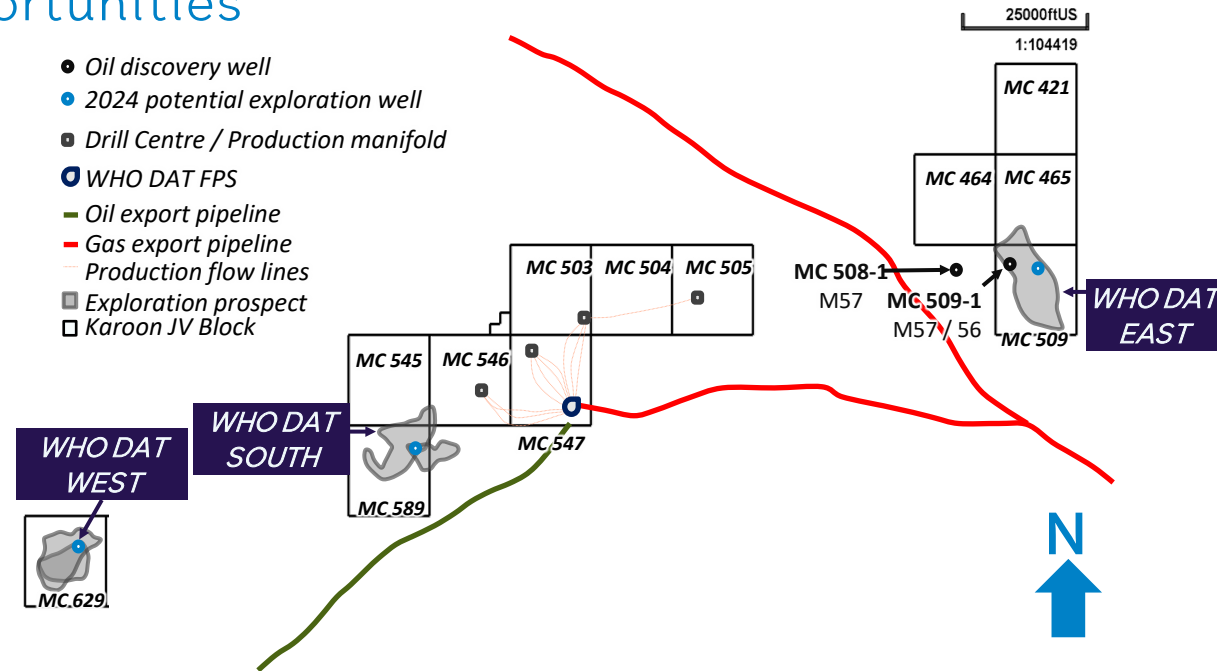
- › CY24 Baúna Project production forecast at 7.5 – 9.0 MMboe:
 - › Incorporates operational issues in April, extended annual maintenance shutdown in May-June (three weeks), and SPS-88 intervention completion in 3Q24 (previously 4Q24)
 - › Average CY24 FPSO efficiency expected to be in 90 - 95% range
- › CY24 Who Dat production expected to be 3.0 – 3.5 MMboe on NRI¹ basis. Recent downgrade reflects delays in bringing new wells online, production system constraints and well performance, as well as continued prioritisation of oil production over gas:
 - › Liquids now expected to comprise ~75% of CY24 production versus ~60% previously
 - › JV partner technical committee meetings ongoing to develop strategies to lift and optimise production from the fields

1. Guidance is subject to various risks (including “Key Risks” set out in TY23 Annual Report) and assumes drilling results and expected future development and appraisal projects being delivered in accordance with their currently expected schedules. See also the disclosure on page 15.

Organic Growth US: Infill and exploration at Who Dat

Attractive near-field exploration/appraisal opportunities

- Who Dat East well spudded on 27 April. Who Dat South well to spud in 2Q24
- Subject to JV approval, Who Dat West exploration well scheduled to be drilled in late 3QCY24/early 4QCY24
- All three prospects located within tie-back distance of Who Dat manifolds/FPS
- Additional prospect (Who Dat East Deep) to be matured
- Future infill/sidetrack opportunities within Who Dat field to be assessed on newly reprocessed seismic



Indicative timeline for drilling campaign

	2024			
	1Q	2Q	3Q	4Q
Who Dat East		█		
Who Dat South			█	
Who Dat West				█

Key prospect information

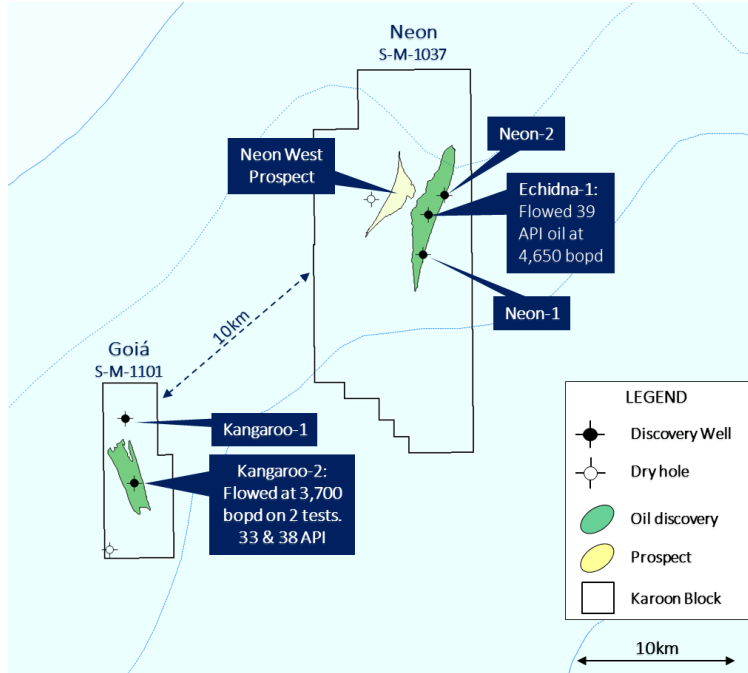
Prospect	Net working interest	Gross Resource ¹		Chance of success ²	Target
		2C (MMboe)	2U (MMboe)		
Who Dat East	40%	17	35	62%	Mid Miocene
Who Dat South	30%	-	31	52%	Miocene
Who Dat West	35%	-	77	36%	Upper Miocene
Total		17	143		

1. Gross Contingent and Prospective Resource volume estimates presented are based on the Net Revenue Interest volumes as disclosed in the TY23 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. As assessed by independent expert Netherland Sewell and Associates, Inc (NSAI).

Organic Growth Brazil: Potential Neon development

Further analysis over next 12 months to narrow range of uncertainties



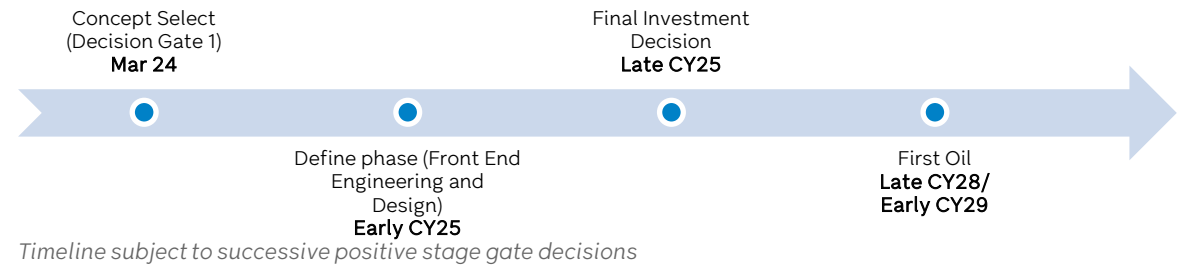
Contingent Resources¹

	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	37.7	60.1	89.5
Goiá	16.0	27.0	46.0

Prospective Resources¹

	1U (MMbbl)	2U (MMbbl)	3U (MMbbl)
Neon West	6.1	14.8	32.9

- Board approved Neon Project to enter Concept Select (Decision Gate DG-1)²
- During Concept Select, will focus on addressing key economic and technical challenges ahead of DG-2 in early CY25, whether to enter ‘Define’ phase
- Evaluation underway of potential exploration well in Neon West prospect in late CY25² as well as work on development optimisation, risk mitigation and development cost reduction to address downside case
- Subject to potential development continuing to meet stringent internal commercial/technical hurdles and supportive market conditions, potential timing as below:



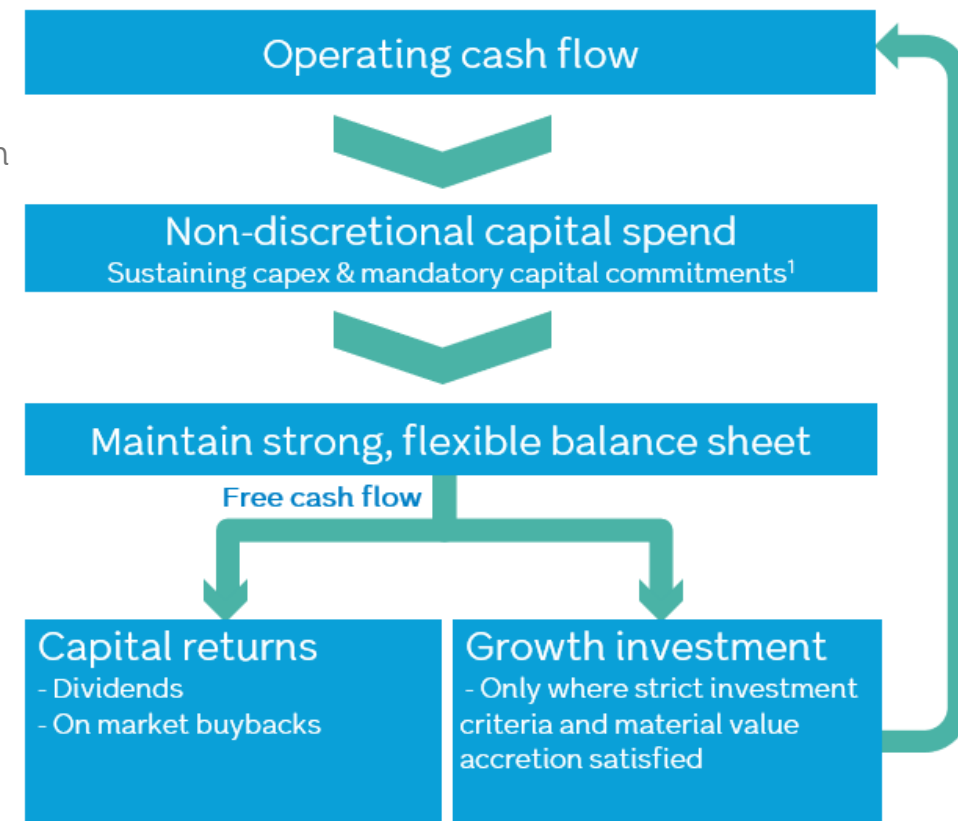
1. Contingent Resource volume estimates presented for Neon and Goiá and Prospective Resources for Neon West are as disclosed in the TY23 Annual Report. Karoon is not aware of any new information or data that materially affects these resource estimates and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

2. Refer ASX release dated 24.4.24 “2024 First Quarter Report”

Capital Allocation Framework

Building long term sustainable cashflow and delivering shareholder value

- › Safe and reliable operations, fund PBR contingent consideration, maintain / strengthen credit rating
- › Strong free cash flow from Baúna and Who Dat enhances capacity to pursue both value accretive growth and provide shareholder returns
- › Karoon Board actively considering capital management in line with capital allocation framework, with additional information to be provided by CY24 half year results
- › Given long lead times, continue to screen M&A opportunities, to drive long term value creation
- › Strict criteria for inorganic growth:
 - › Value accretive, acceptable risk profile, meeting return hurdles (mid teens post-tax IRR)
 - › Fundable on timetables driven by vendor
 - › Producing, or close to production, long production and reserve life
 - › Low risk in-field and near field development upside
 - › Complementary to Karoon's footprint and/or capabilities (key focus offshore Brazil / USA)
 - › Compatible with Karoon's carbon targets
 - › Scale that delivers meaningful shareholder value accretion and production



1. Capital commitments include Contingent Payments to Petrobras

Funding strategy – bond issue diversifies funding sources



Strategy for growth underpinned by strong balance sheet

- › Current RBL debt facility of US\$340m, with strong support from high quality lending syndicate
- › Diversifying debt funding sources with inaugural US\$350 million US 144A high yield issue priced at 10.5%¹:
 - › Timed to align with Baúna and Who Dat high production year, strong credit position, avoiding US political volatility
 - › Accessing deepest global pool of debt capital available to mid-cap energy companies, as commercial banking capacity declines
 - › 5-year bond lengthens Karoon’s debt maturity profile, provides optionality via flexible funding source, improved legal terms and covenants
 - › All-in cost of bond lower than all-in cost of RBL when drawn (hedging not required by bond, fixed tenor and size defray up-front costs), with better terms than alternatives
 - › Proceeds to be used to prepay drawn RBL facility amount, balance held in cash. RBL capacity reinstated, boosting liquidity
 - › Bond issue completed in favourable markets at cost effective rates
- › Karoon Energy Ltd assigned credit rating of “B” with stable outlook by both S&P Global and Fitch²
- › Net leverage after bond issuance would be less than 0.2 x EBITDA³
- › Accessing bond market opens a long-term strategic funding source and allows Karoon to establish new funding relationships

1. Refer ASX dated 8.5.24 “Karoon prices US\$350m Second-Priority Senior Secured Notes”

2. Refer ASX dated 23.4.24 “Karoon assigned credit rating by S&P Global and Fitch”

3. Refer ASX release dated 23.4.24 “Supplemental Disclosure Information”

CY24 Guidance¹



Period		12 months to 31 Dec 24	
		Low	High
Production²			
Brazil	MMboe	7.5	9.0
Who Dat (NRI)	MMboe	3.0	3.5
Total Production	MMboe	10.5	12.5
Costs			
Unit Production Costs ³	US\$/boe	10.5	15.0
Business Development, share-based payments & Neon studies	US\$m	11.0	12.0
Finance costs and interest (net) ⁴	US\$m	36.0	44.0
Other Operating Costs ⁵	US\$m	31.0	35.0
Investment Expenditure			
Neon	US\$m	13	14
Other capex ⁶	US\$m	37	48
Who Dat	US\$m	87	102
Total Capex	US\$m	137	164
Contingent Capex ⁷	US\$m	33	43
Petrobras consideration ⁸	US\$m	86	86

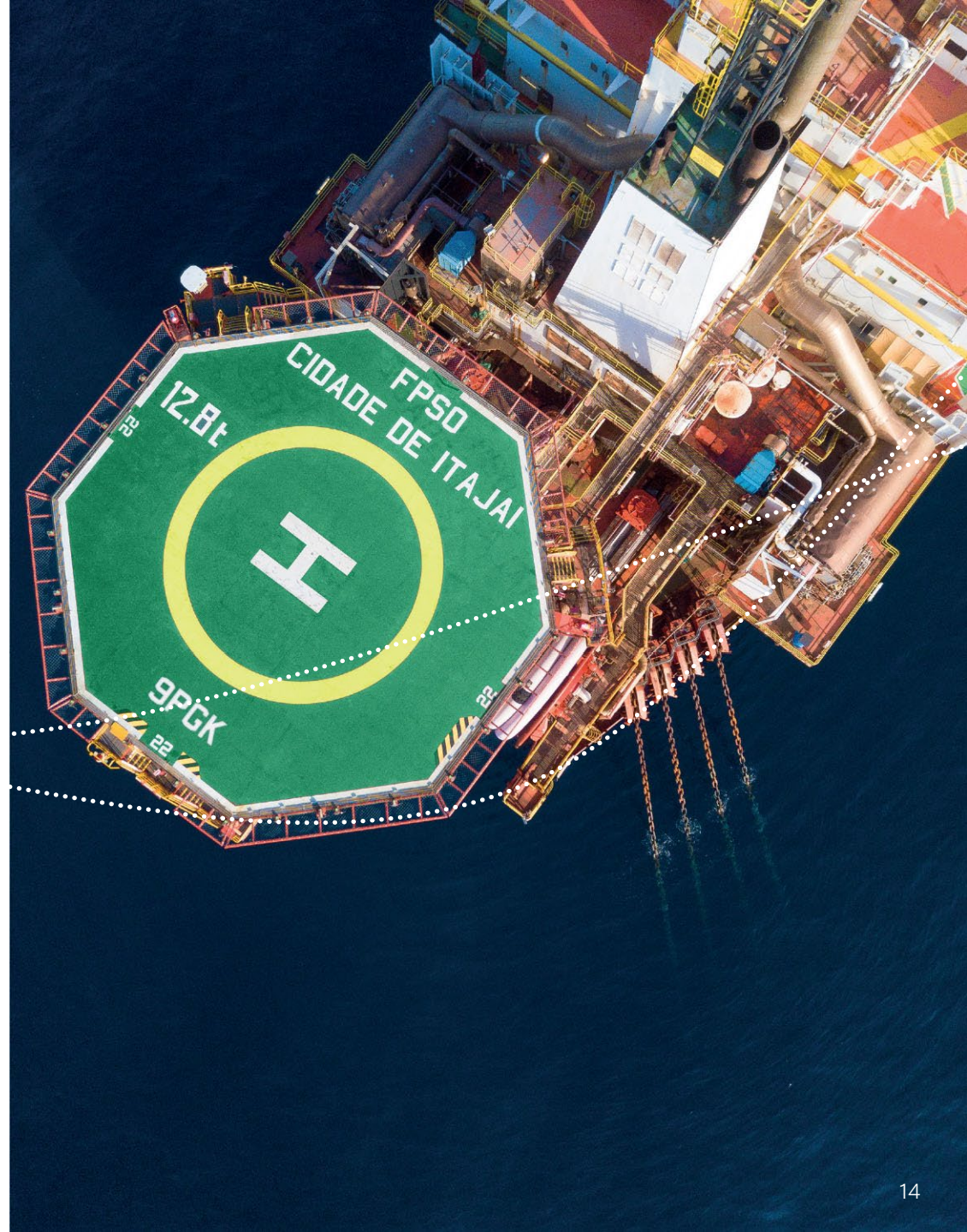
BASIS OF GUIDANCE

1. Guidance is subject to various risks (including “Key Risks” set out in TY23 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, interest on debt and financial instruments and interest income
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. Includes Signature Bonuses expected to be paid to ANP and the cost of SPS-88 intervention, subject to contracting and regulatory approvals
7. Who Dat West exploration well, subject to JV approval
8. Contingent consideration (including accrued interest) paid to Petrobras in January 2024

Summary

Focus on creating shareholder value

- › Highest priority remains delivering safe and reliable operations while maximising production and value
- › Two high quality, low unit operating cost, producing assets in prolific hydrocarbon basins, with organic growth opportunities
- › Near term catalysts include:
 - › SPS-88 well returning to production at Baúna
 - › Drilling results from Who Dat East & Who Dat South wells
- › Solid financial position with robust balance sheet:
 - › Gearing of 10% as at 31 December 2023
- › Strong cash flows at current oil prices
- › Bond issuance diversifies long term funding sources
- › Board actively considering capital management in line with capital allocation framework



Glossary



Term	Definition
1QCY24	Quarter ended 31 March 2024
Bcf	billion cubic feet
Boe	Barrels of oil equivalent
Carbon Neutral	Carbon Neutral refers to having a balance between emitting and offsetting greenhouse gas emissions, achieved through acquiring carbon offsets in respect to Scope 1 and 2 GHG emissions.
CY	Calendar Year refers to the 12 month period to 31 December
EBITDA	Earnings before interest, tax, depreciation and amortisation
Financial Year, FY	Financial Year relates to the 12 month period to 30 June
Gearing	Net debt / (net debt + book value of equity)
GoM	Gulf of Mexico
Karoon	Karoon Energy Ltd and its subsidiaries
LTM	Last 12 months
MMbbl	Million barrels of oil
MMboe	Million barrels of oil equivalent. Gas converted to oil on basis of 6,000 scf gas = 1 barrel of oil equivalent
Net Debt	Total borrowings less cash and cash equivalents (excluding transaction costs)
Net Zero	Net Zero refers to reduction of Scope 1 and 2 GHG emissions as far as possible with the residual balanced using carbon removals projects and if required carbon offsets.
NGL	Natural gas liquids
NRI	Net Revenue Interest (after government and third-party royalties)
RBL	Reserves Based Lending
scf	Standard cubic feet
US	The United States of America

