

Karoon Gas Australia Ltd

Corporate Review

April 2015



*Production Testing at Kangaroo-2
Queiroz Galvão "Olinda Star" Semi Submersible Drilling Rig*

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Resource Summary – NET to Karoon



The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. There is no certainty that any portion of the prospective resource estimated on behalf of Karoon will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

Independent Assessment - DeGolyer and MacNaughton					NET Contingent Resource			NET Un-risked Prospective Resource		
Permit	Interest	Basin	Country	Type	1C	2C	3C	Low	Best	High
WA-314-P*	100%	Browse	Australia	Wet Gas (Bcf)	-	-	-	559	1,096	2,051
Permit / Block	Interest	Basin	Country		1C	2C	3C	Low	Best	High
WA-482-P*	50%	Carnarvon	Australia	Oil (mmbbls)	-	-	-	375	1,117	2,837
Block Z-38*	75%	Tumbes	Peru	Oil (mmbbls)	-	-	-	686	1,686	3,764
Block 144*	100%	Maranon	Peru	Oil (mmbbls)	-	-	-	53	107	195

Internal Assessment					NET Contingent Resource			NET Un-risked Prospective Resource		
Prospect	Interest	Basin	Country		1C	2C	3C	Low	Best	High
Kangaroo**	65%	Santos	Brazil	Oil (mmbbls)	UNDER REVIEW			-	-	-
Echidna***	65%	Santos	Brazil	Oil (mmbbls)	-	-	-	37	95	226

* Prospective resource volume estimates have been independently assessed by DeGolyer and MacNaughton on a probabilistic basis and disclosed in Karoon's 30 April 2014 announcement. Prospective Resource estimates are under review following the completion of the 3D seismic and geological work.

** Karoon's assessment of the Kangaroo oil field contingent resource is currently under review following the completion of the Kangaroo-2 appraisal well and sidetrack program. Some well data remains outstanding and the interpretation of the wells results is continuing. Once all the data has been received and interpreted along with integrating new 2 millisecond seismic data into the field model, Karoon expects to be able to provide an update to the contingent resource estimates.

*** The Echidna net un-risked prospective resource estimates were assessed by Karoon's Engineering Manager, Mr Lino Barro on a probabilistic basis and disclosed in Karoon's 20 March 2015 announcement.

For the prospective resource estimates previously announced and referred to above, Karoon is not aware of any new information or data that materially affects the resource estimates and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Karoon's Global Footprint



Corporate Overview



The Strategy:

Karooon looks for high equity interests in early stage exploration provides opportunities with large potential targets in proven petroleum systems.

The Company's objective is to create shareholder value through the geotechnical work-up of the acreage, leveraging its high equity interests to help fund the exploration and appraisal of these opportunities.

Karooon aims to retain a material interest through the development phase and into production.

Karooon will utilise its technical expertise to progress the most economic opportunities from within its current portfolio and take advantage of opportunistic situations.

Overview

- A\$540 million market capitalisation
- 246.6 million ordinary shares on issue
- 11 million unlisted options
- A\$680 million cash at bank (as at 31/12/2014)
- Member S&P / ASX 200 Index
- Purchased approximately 4% of outstanding shares on issue during the six months ending December 2014 through the on-market buyback program

Substantial Shareholders

1. Wellington Management Co	12.1%
2. Talbot Group Investments	10.7%
3. IOOF Holdings Ltd	6.90%
4. Janus Capital	6.70%
5. Robert Hosking	4.81%

Investment Highlights



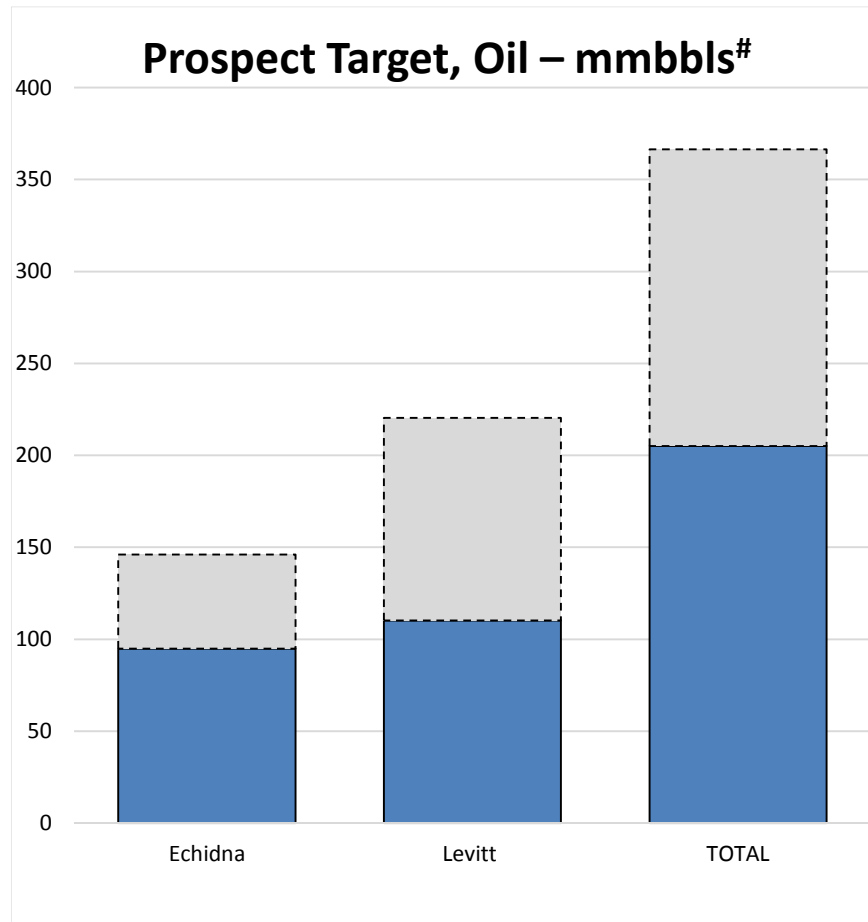
Proven Track Record	<ul style="list-style-type: none"> - Exploration led growth strategy delivering 67% exploration drilling success rate over Karoon's history (from 18 exploration wells).
Oil Focused Exploration	<ul style="list-style-type: none"> - 2 material oil exploration wells planned for June-Quarter 2015. - Targeting total net un-risked prospective resource best estimate 205 mmbbls#.
Strong Funding Position	<ul style="list-style-type: none"> - Well funded with A\$680 million cash at bank (as at 31/12/14). - US\$200 million contingent milestone payments remain outstanding from Origin Energy.
Production Prioritised	<ul style="list-style-type: none"> - Organic development opportunities to be prioritised. - The low oil price environment presents production asset acquisition opportunities.
Board Restructured	<ul style="list-style-type: none"> - Independent Non-Executive Chairman appointed during December 2014. - Shareholders represented by an independent majority on the Board of Directors.

FY15 Capital Program



- FY15 exploration & appraisal ('E&A') drilling expenditure forecast is approximately US\$180 million across 4 wells and 2 side-tracks at Kangaroo-2.
- One well option taken up in Santos Basin drilling program for Echidna-1.
- Remaining FY15 drilling is targeting net unrisked prospective resource of 205 mmbbls (gross 366 mmbbls)#.
- Non-essential E&A spend across the portfolio deferred where possible.
- 5,256 square kilometre 3D seismic survey being acquired over the eastern part of WA-482-P.
- Farmout campaigns on exploration acreage.

2H FY15 Drilling Inventory



Key

NET Unrisked Prospective Resource – Best Estimate

Net to JV Partner



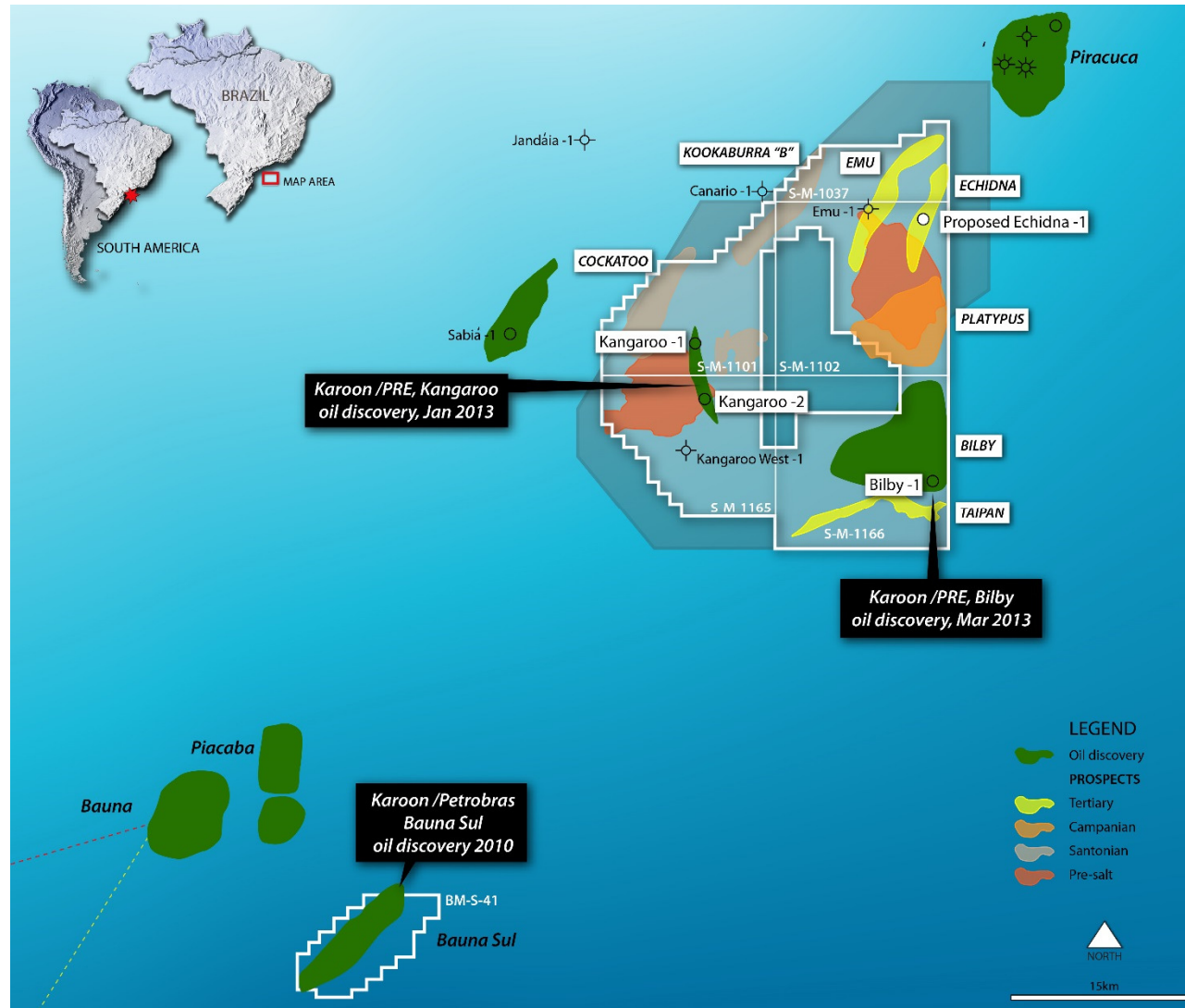
Echidna-1, Santos Basin, Brazil:

- Same play type and geological setting to the Kangaroo oil field on the Eastern side of salt diapirs.
- Echidna prospect is lower risk exploration, 43% chance of success.
- Potential to add incrementally to any possible Kangaroo development.

Levitt-1, Carnarvon Basin, Australia:

- Exciting new area with multi-billion barrel unrisked prospective resource.
- Karoon 90% carried on the total well cost. Karoon's exposure is estimated to be \$7 million.

Santos Basin - 6 Blocks



Santos Basin - 5 Blocks

Santos Basin, Brazil - Blocks S-M-1037, 1101, 1102, 1165, 1166

Equity Interests:

- Karoon 65% (Operator), Pacific Rubiales 35%.

Progress To Date:

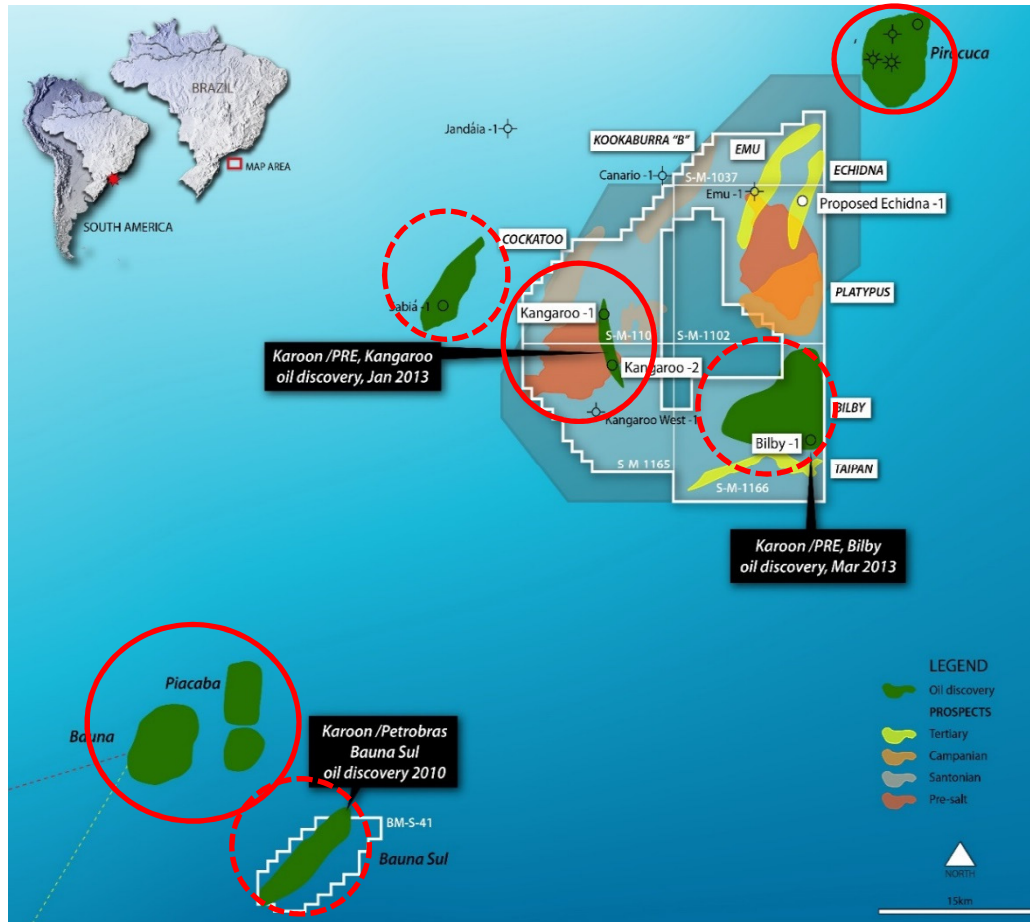
- Kangaroo-1 and Bilby-1 oil discoveries announced during 2013.
- Kangaroo-2 appraisal well & side-track program completed with flow testing confirming reservoir productivity.
- Ongoing field evaluation using geotechnical and engineering data collected from drilling results and new re-processed 2 millisecond seismic information.
- First rig option exercised to drill the Echidna-1 exploration well.
- Pre-FEED work currently being undertaken utilising current well results.
- 2014 firm work program period extended to 29 June 2015.

Forward Program:

- Complete the current Echidna-1 exploration well, targeting 95 mmbbls net unrisked prospective resource.
- Continue work on the assessment of the Kangaroo well results and overall pre-feed work.
- Additional large targets present in the presalt and post salt intervals provide future exploration potential.

Net Unrisked Resource			Prospective Category		
	Interest	Type	Low	Best	High
Echidna#	65%	Oil (mmbbls)	37	95	226

Santos Basin – Development Options



Pre-FEED development concepts involve the use of a single FPSO and variations of a production platform which will allow;

- Low cost development drilling.
- Dry trees for managing multiple reservoirs.
- Options for subsea completions.
- CAPEX flexibility.

Scalability for value enhancement opportunities utilising discoveries in the area, creating a larger development hub.

- Several producing and undeveloped regional fields and discoveries that can be combined to build an integrated production hub.
- Additional potential add-ins from discoveries at Sabia and Bilby.
- Exploration add-ins from Echinna, Platypus Kookaburra B and pre-salt prospects.

Kangaroo Field – Well Results



Kangaroo-1

- Intersected 76 metre gross oil column, 42 degree API oil.

Kangaroo-2

- Intersected 250m gross reservoir (133 metres net) across five separate oil columns of Paleocene and Maastrichtian age.
- Production test in the Paleocene A, B and C reservoirs flowed at a maximum flow rate 3,700 stb/d, 33° API oil.
- Production test in the Maastrichtian A and B reservoirs flowed at a maximum flow rate 3,700 stb/d, 38° API oil.
- No CO₂, H₂S, water or sand produced in any of the flow tests.

Kangaroo-2 DDST

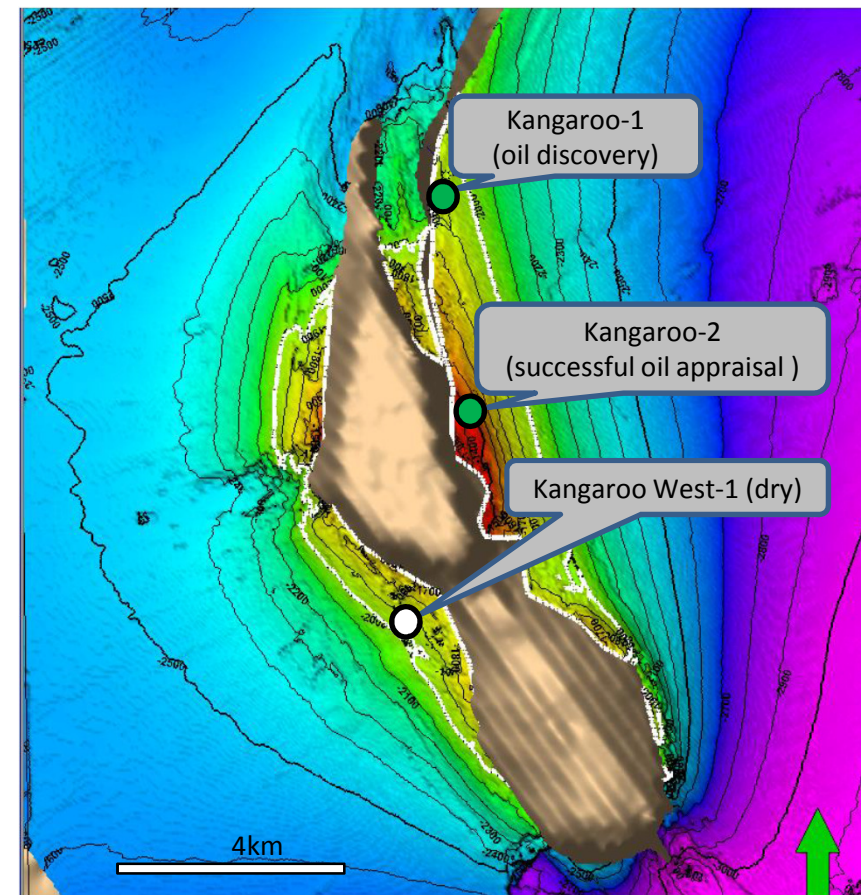
- Intersected a 50 metre gross (18 metres net) oil column in Maastrichtian aged reservoirs, 38 degree API oil.

Kangaroo-2 UDST

- Intersected a 37 metre gross (22 metres net) oil column in Paleocene aged reservoir, 39 degree API oil.

Kangaroo West-1

- Dry hole- due to lack of migration.



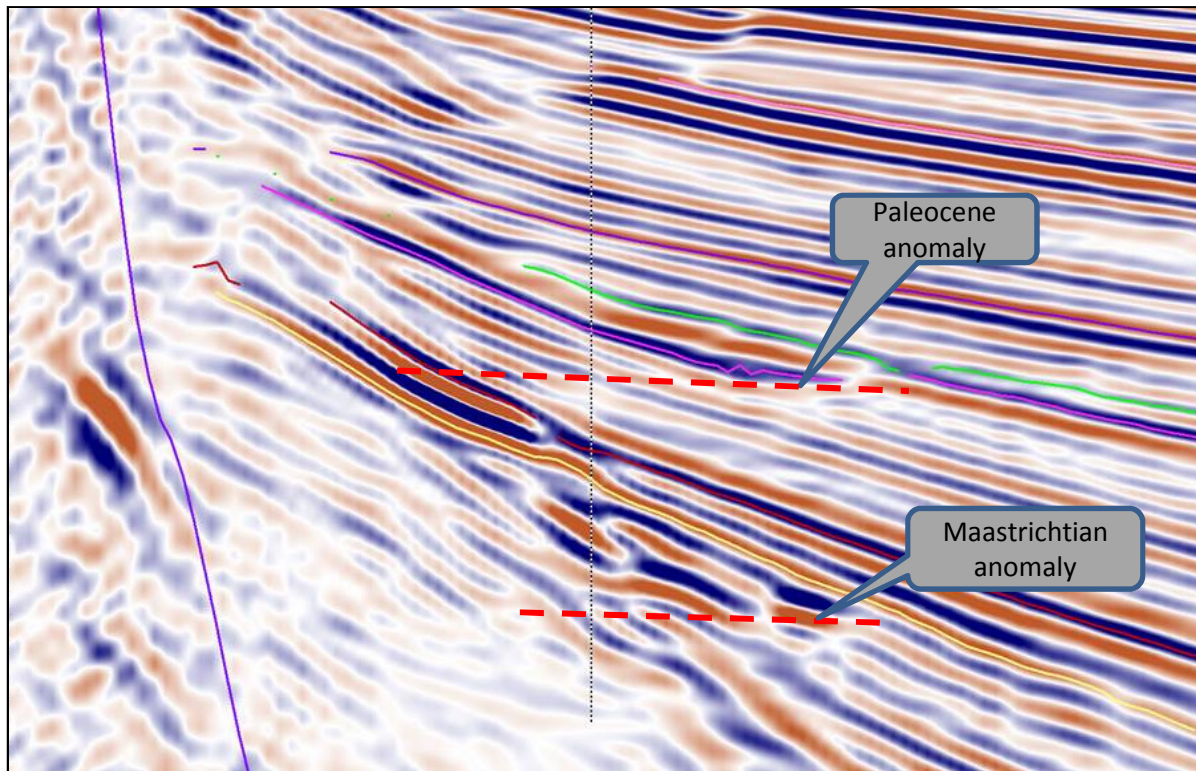
“Based on the flow rates achieved, a vertical production well could produce 6,000 to 8,000 stb/d from the combined reservoirs”

Mr Robert Hosking, Managing Director

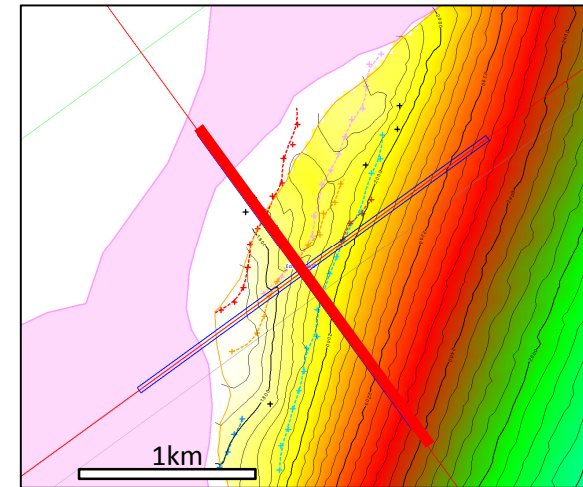
Forward Program- Echidna-1



Echidna-1



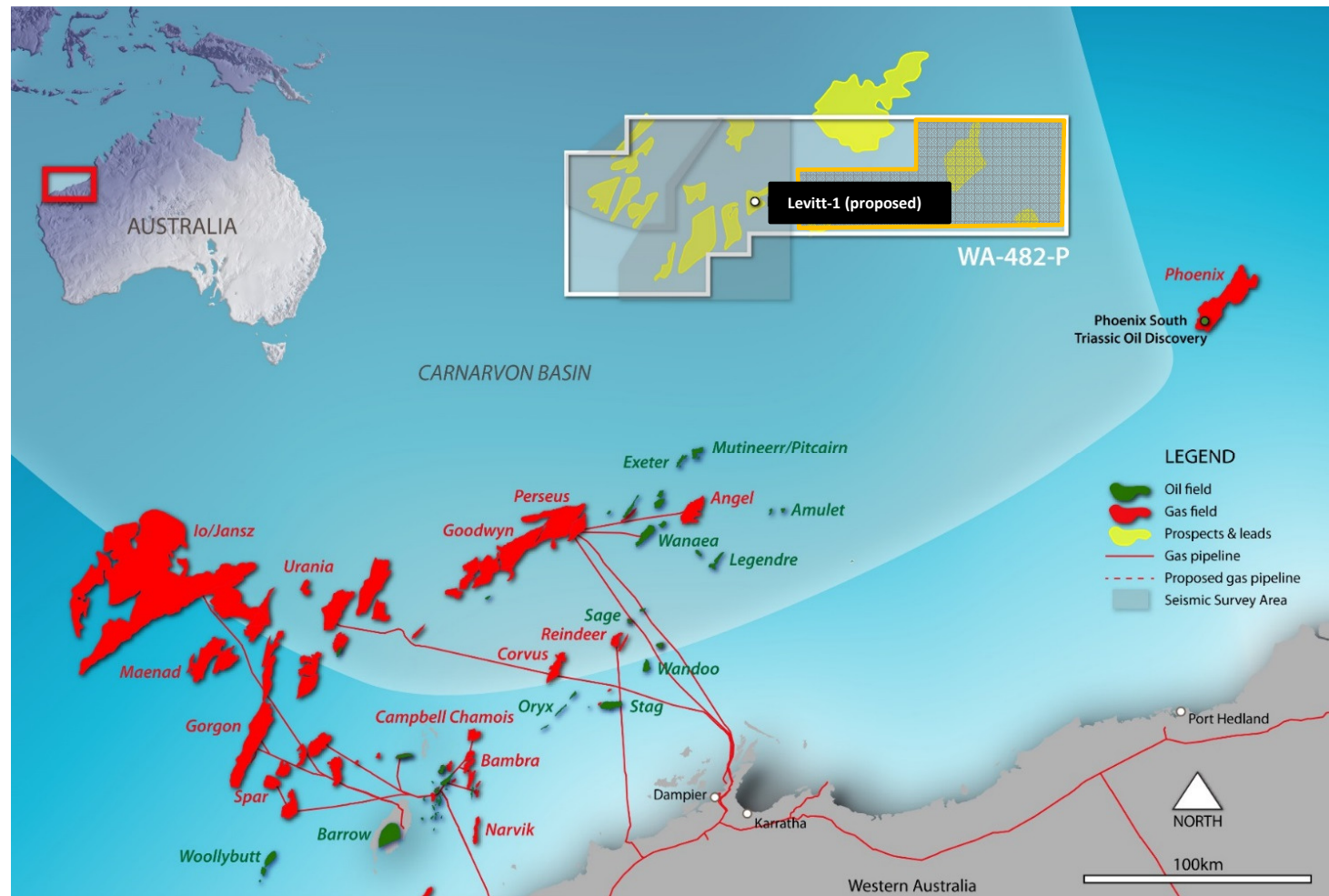
Echidna-1 is the 3rd well and first option well to be drilled in this campaign following Kangaroo West-1.



Echidna-1 is located on the East side of a salt structure and is the same trap type as proven at Kangaroo.

Lower density faulting and dips than Kangaroo field, more proximal reservoirs and good seismic anomalies make this an attractive lower risk target.

Carnarvon Basin



Exploration Permit WA-482-P

Carnarvon Basin, Australia – Permit WA-482-P

Equity Interests:

- Karoon – 50%; Apache – 50% (Operator).

Progress To Date:

- Current independently assessed un-risked prospective resource range (table below) are from prospects in the Canning 3D seismic area covering less than a third of the 13,539 square kilometre permit area.
- Karoon carried for 90% of the total cost of the first exploration well capped at US\$70 million. Expected cost to Karoon \$7 million.

Forward Plans:

- Levitt-1 exploration well expected to be drilled during May 2015, utilizing the Ocean America semi-submersible drilling rig.
- A regional third party Capreolus 3D seismic survey is being acquired over the eastern part of the permit during the June quarter. The joint venture is licensing 5,256 square kilometres of the survey.

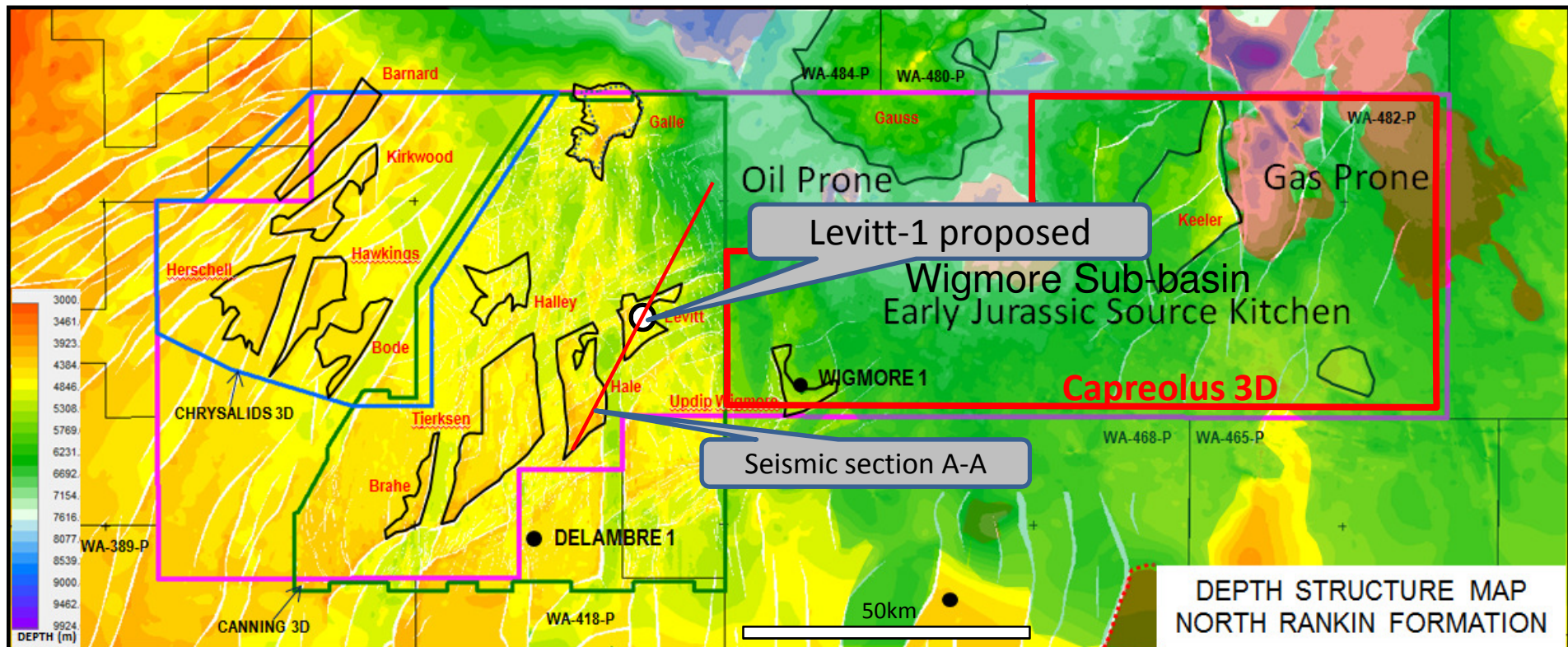
Exploration Upside:

- Numerous additional prospects are emerging from the Chrysalids and eastern area seismic data.

Net Unrisked Resource			Prospective Category		
Prospect / Permit	Interest	Type	Low	Best	High
Levitt [#]	50%	Oil (mmbbls)	36	110	275
WA-482-P[#]	50%	Oil (mmbbls)	375	1,117	2,837

[#] As assessed by DeGolyer and MacNaughton, refer to Resource Summary, pg 3 (based on Canning 3D seismic only)

Carnarvon Basin – WA-482-P

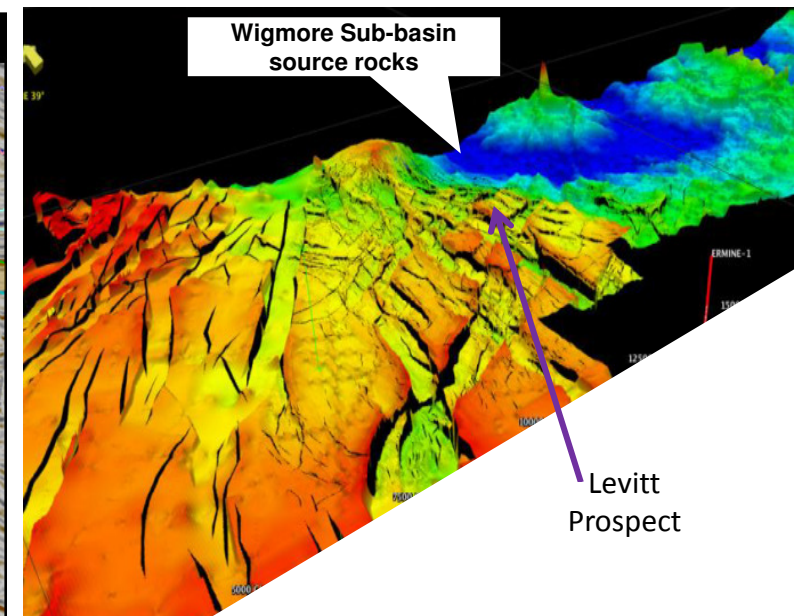
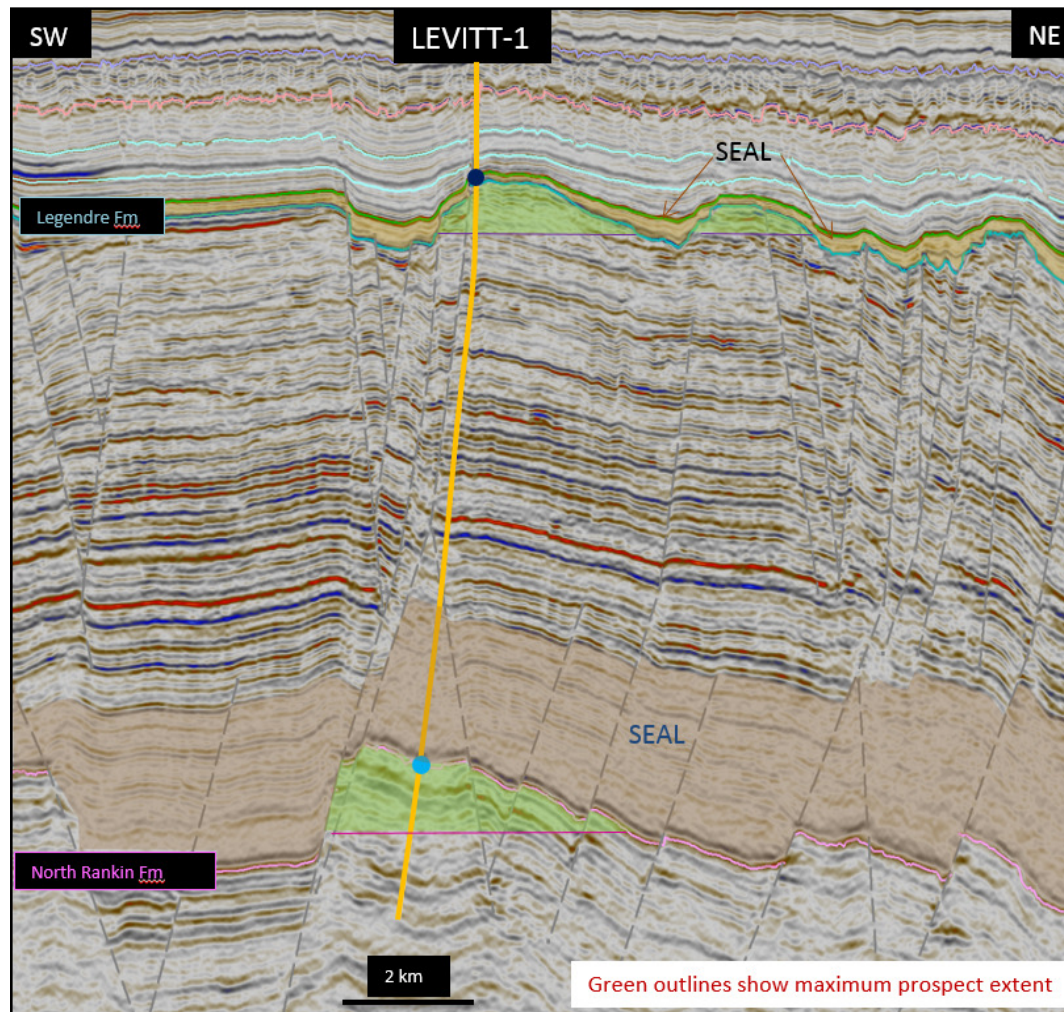


- Levitt-1 is well positioned to receive migrating hydrocarbons from the oil mature Early Jurassic Wigmore sub-basin source kitchen.
- Primary target North Rankin formation and secondary target is the Legendre formation.

Carnarvon Basin – WA-482-P



NE-SW seismic section AA through Levitt



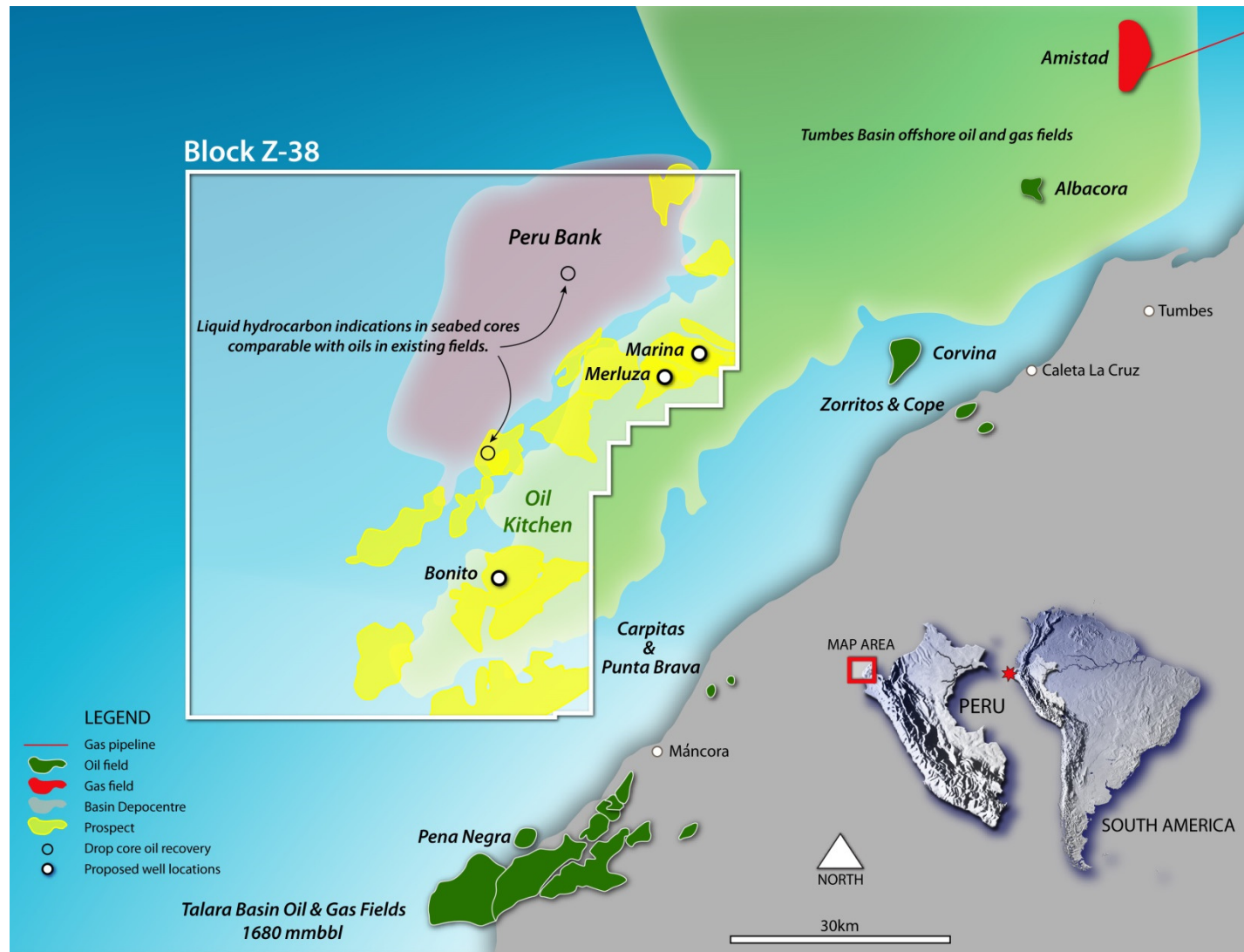
Levitt-1

Prospective targets at Legendre and North Rankin Fm. levels.

Gross unrisked prospective resource best estimate 220mmbbbls, 110mmbbbls net[#]

[#] As assessed by DeGolyer and MacNaughton, refer to Resource Summary, pg 3

Tumbes Basin



Exploration Block – Z-38

Tumbes Basin, Peru - Block Z-38

Equity Interests:

- Karoon – 75% (Operator); Pitkin Petroleum – 25%.

Progress to Date:

- Independently assessed net un-risked prospective resource Best Estimate 1,686 mmbbls[#] (across 18 prospects).
- Prospect evaluation complete and preliminary drill locations have been selected.
- Environmental plan approval received.
- The block is currently in force majeure.

Forward Plan:

- Initial 2 well campaign planned.
- Preliminary well locations Marina and Bonito prospects.

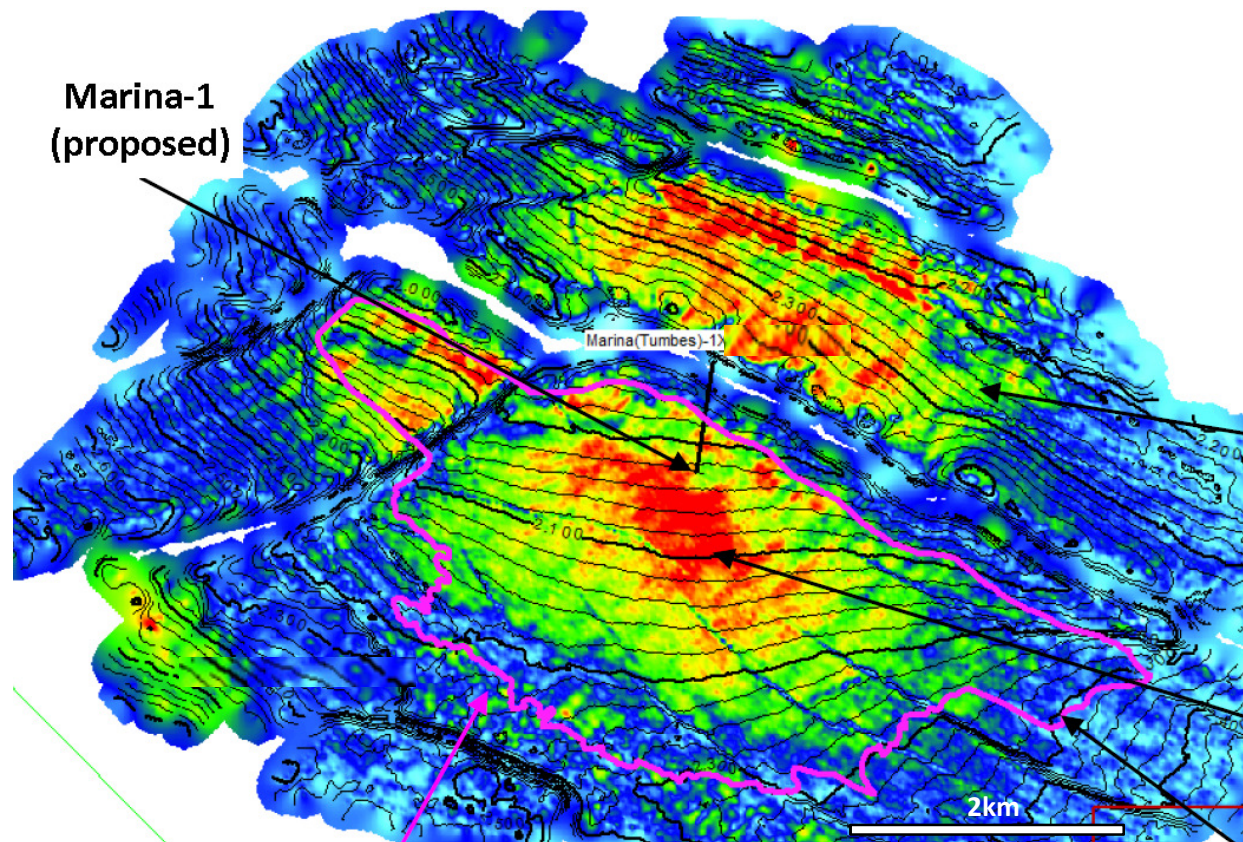
Farmout:

- Non-exclusive farmout negotiations remain on-going along with discussions with interested parties.

Independently Assessed			Net Un-risked Prospective Resource		
	Interest	Type	Low	Best	High
Marina (Prospect) [#]	75%	Oil (mmbbls)	129	240	405
Bonito (Prospect) [#]	75%	Oil (mmbbls)	186	415	953
Z-38 (Block) [#]	75%	Oil (mmbbls)	686	1,686	3,764

[#] As assessed by DeGolyer and MacNaughton, refer to Resource Summary, pg 3

Tumbes Basin Z-38 Marina Prospect



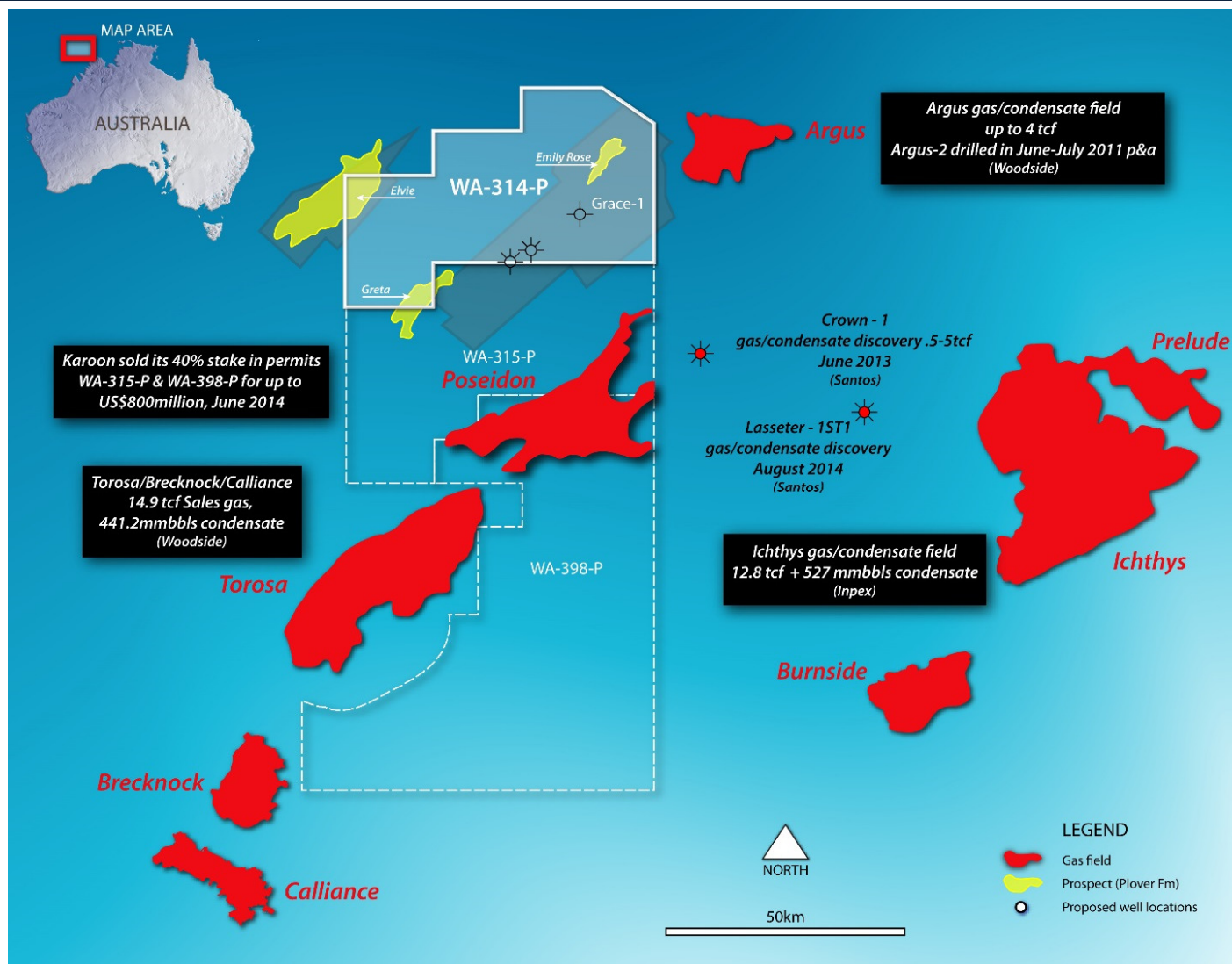
Marina Prospect

Intra Tumbes horizon time map with Intra Tumbes full stack trough amplitude seismic anomaly.

Good concordance with structural highs with some conformity with time contours.

Multiple similar targets at a number of levels.

Browse Basin



Exploration Block – WA-314-P



Browse Basin, Australia - Permit WA-314-P

Equity Interest:

- Karoon 100% (Operator).

Progress to Date:

- Kraken 3D seismic processed data received.
- Current (Year 6) work program commitment comprises G&G studies.
- NO current well commitment.

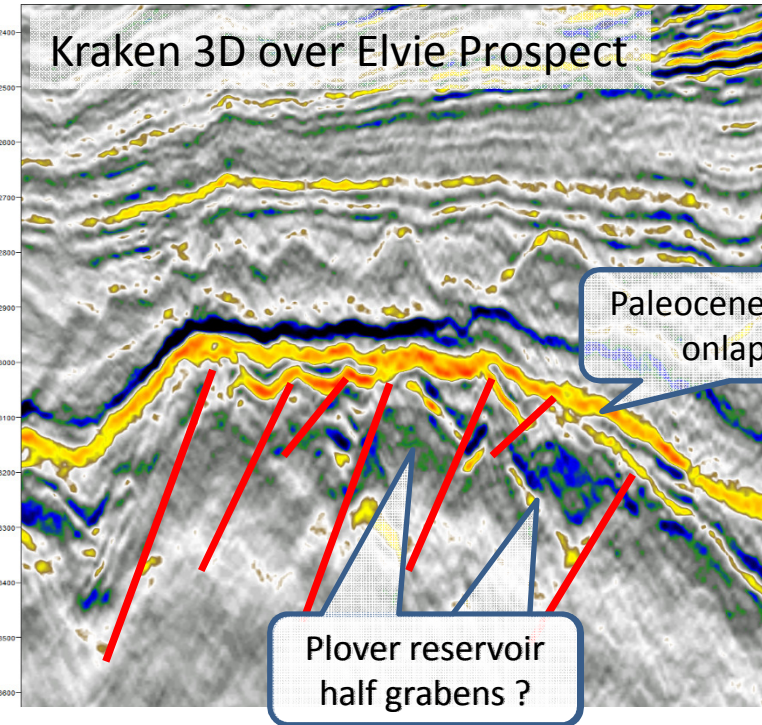
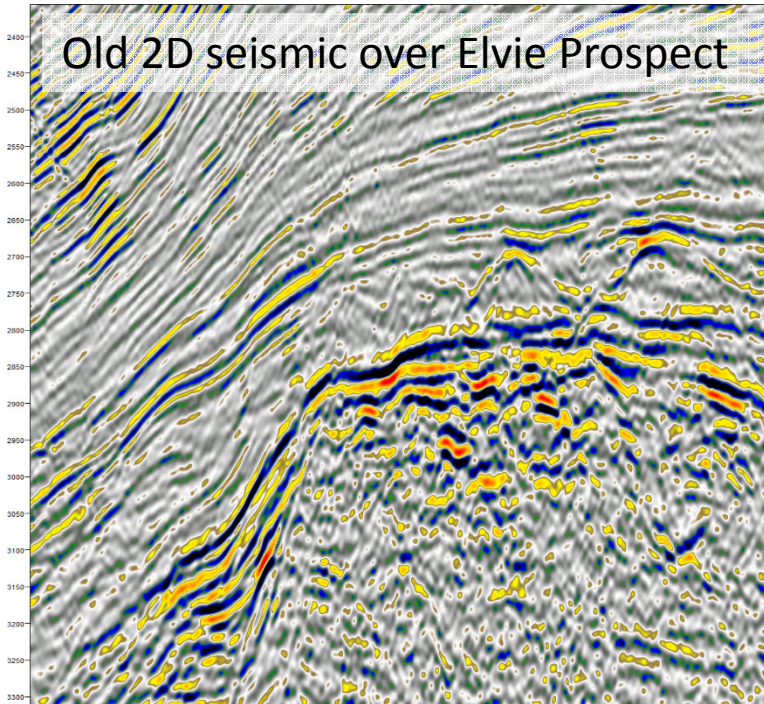
Exploration upside

- New 3D seismic and the analysis of regional data strongly supports the presence oil as the most likely hydrocarbon type in the large Elvie Prospect.
- Seismic anomalies support the presence of trapped hydrocarbons.
- New Paleocene turbidite sand play identified.

Farmout:

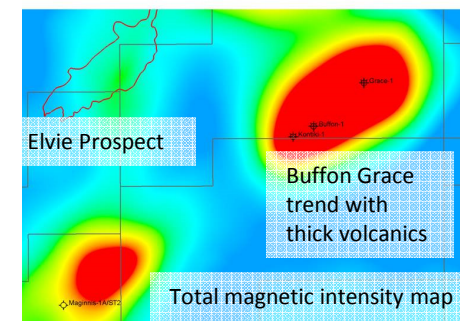
- Discussions remain ongoing with participants now having access to new 3D seismic.

WA-314-P – Seismic

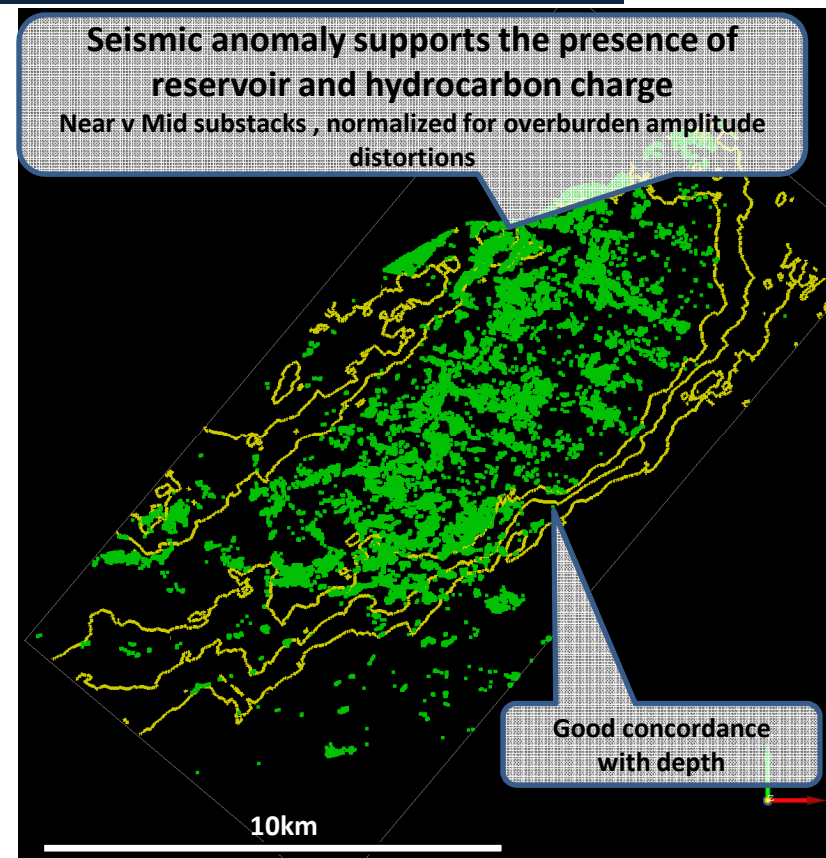
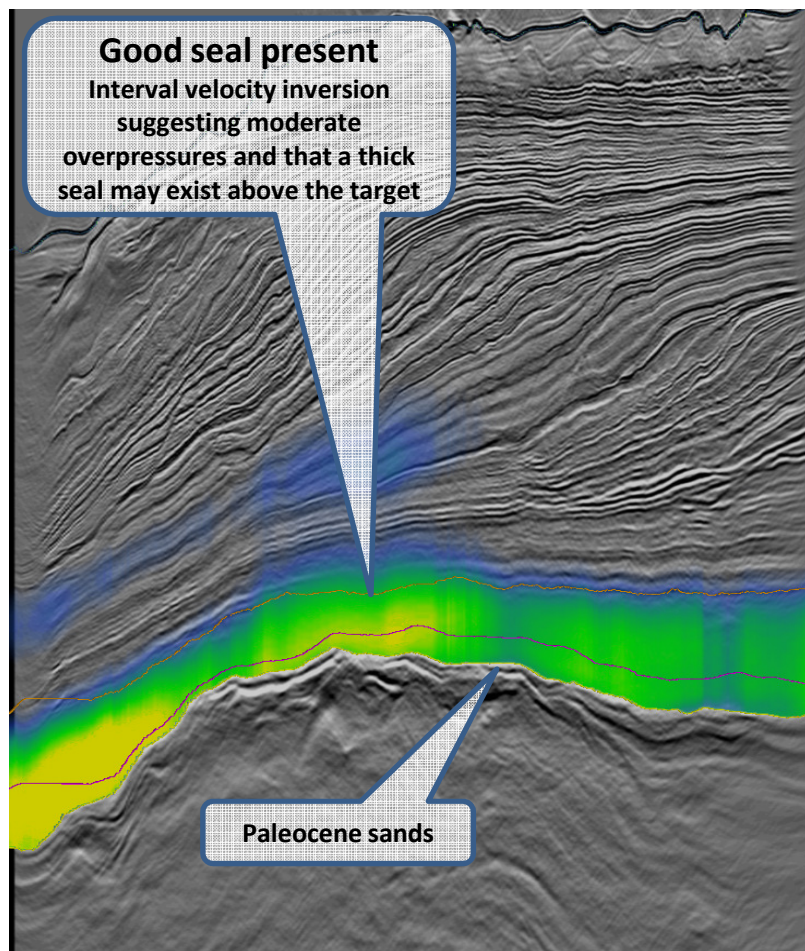


Results;

- Accurate depth imaging under rugose sea-floor.
- Imaging of fault blocks that underpin the Elvie four-way closure.
- Imaging of Jurassic half grabens.
- Enhanced detail in onlap and Paleocene turbidite drape plays.
- Magnetics indicate low impact of volcanics at Elvie prospect.



WA-314-P – Elvie prospect



New 3D seismic and analysis provides dramatically improved resolution, and increases the confidence in the presence of reservoir, seal and hydrocarbon charge in the Elvie Prospect.

Other Assets



Block 144, Marañón Basin, Peru

Equity Interest:

- KAR 100% (Operator).

Progress to Date:

- Farmout process commenced, preliminary interest received and data room slots being scheduled.
- The Block is currently in force majeure.

Block 1352, Santos Basin, Brazil

Equity Interests:

- KAR 20%, Petrobras 80% (Operator).

Progress to Date:

- Bauna Sul (formerly Maruja) oil discovery announced January 2011.
- Petrobras operated.
- Technical and commercial assessment remains on-going.

Corporate Social Responsibility



Karooon is committed to the equitable and sustainable development of the environment and the communities in regions where we operate



Corporate Social Responsibility



Peru was identified as the operational location where investment in social and environmental programs presented the best chance to make a significant positive contribution. The focus is on empowering individuals and communities by creating opportunities for improved healthcare, education, training and business.

Karooon implemented the Citizen Participation Plan, a program designed to allow frequent and transparent dialogue with local communities around planned exploration activities and to identify the best opportunities to support those communities.

Social and Environmental Programs:

Block Z-38, Tumbes Basin

- *Artisanal Fishermen Formalization:* Promote the formal identification through licensing of local fishermen and safety at sea.
- *Micro Business Program:* Promote micro businesses in bijouterie (through the brand *Mutumbi*) managed by the local women of Tumbes.
- *Frigatebird Project:* Promote sustainable tourism in the mangrove ecosystem of Puerto Pizzaro, Tumbes, through researching and increasing the awareness and protection of the Magnificent Frigatebird and its habitat.

Block 144, Marañón basin

- *Healthcare and Education Programs:* Promote health and education for disadvantage localities to support the local institutions and improve living condition
- *Land Titling Program:* Formalize community boundaries and publically register property to improve the land security
- *Natural Medicine Program:* Improve community knowledge and opportunities around the biodiversity in the Amazon

Contact Information



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