



May Review 2013

Karoon Gas - Snapshot

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Brazil farmed-out 35% equity to Pacific Rubiales Energy Corp (PRE)
(subject to regulatory approval)

Santos Basin Exploration Drilling Campaign progressing

- Oil discovery at Kangaroo-1
- Emu-1 oil shows
- Bilby-1 drilling ahead

Australian Browse Basin Drilling progressing – 6-7 wells

Poseidon field:

- Zephyros-1 gas discovery (Kronos-1 look- alike)
- Boreas-1 gas discovery flows at 30.2 mmscf per day (facility constrained)
- Kronos-1 gas discovery flows at 26 mmscf per day (facility constrained)

WA-482-P and WA-314-P 3D seismic planned for mid year

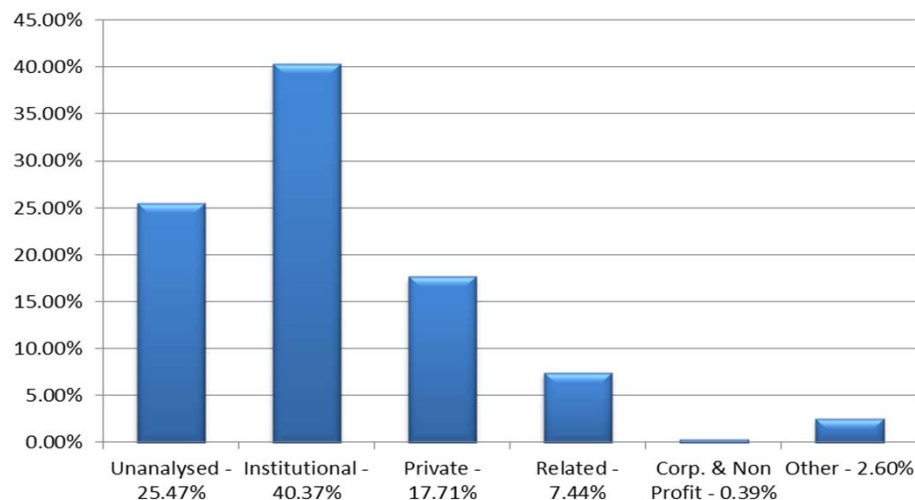


Investor Information

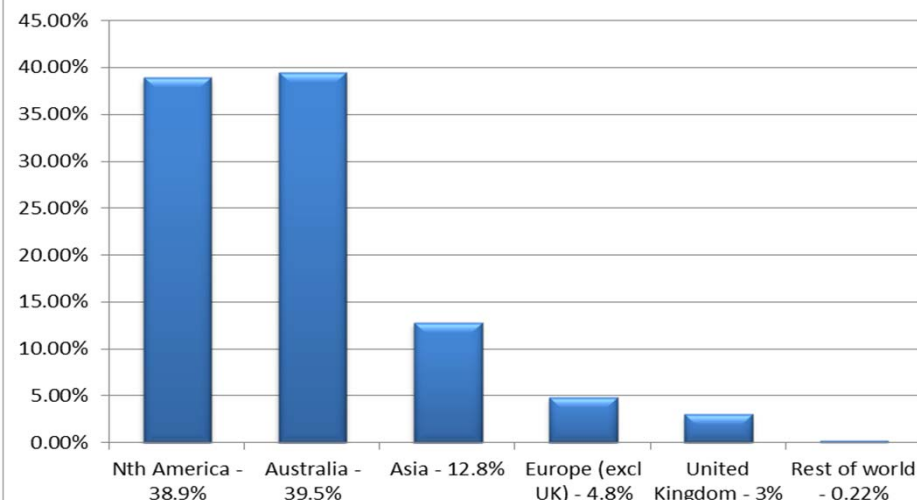


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Total Shareholder Composition



Institutional Shares by Geography



Substantial Shareholders

Rank	Name	%ISC
1	Wellington Management Company LLP	11.90
2	Talbot Group	11.89
3	Robert Hosking	5.66
4	FMR LLC	5.34
5	Paradice Investment Management Pty Ltd	5.23

- 221 million shares
- 11 million unlisted options
- Market capitalisation approx A\$928 million @ A\$4.20
- Cash at bank A\$210 million as at 30th April 2013
- Company in S&P/ASX 200 Index

Past. Present. Future.



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What we have done

Australia

- 2005 - Acquired WA-314-P and WA-315-P (100%)
- 2006 - Farm-out to ConocoPhillips
- 2007 - Acquired WA-398-P (40%)
- 2009 - Discovery of Poseidon
- 2010 - Discovery and production test at Kronos-1
- 2012 - Discovery and production test at Boreas-1
- 2012 - Farm-in to North Carnarvon Basin WA-482-P (100%)
- 2013 - Discovery at Zephyros-1

Brazil

- 2007 - Awarded 5 Blocks in the Santos Basin Brazil
- 2010 - Acquired wide azimuth 3D seismic survey (first in Brazil)
- 2012 - Farm-out 3 wells -35% to Pacific Rubiales Energy Corp*
- 2013 - Discovered 42 API oil column at Kangaroo-1
- 2013 - Emu-1 well drilled(oil & gas shows)

Peru

- 2008 - Farm-in to Z-38
- 2009 - Acquired 2D seismic
- 2010 - Acquired 3D seismic

*Subject to regulatory approval

What we are doing

Australia

- Appraisal and exploration drilling 6 - 7 wells 2012-2014
- Browse Basin - farming-out an interest in WA-314-P

Brazil

- Santos Basin, drilling of 3 wells. Commenced December 2012
- Currently drilling Bilby-1
- Sourcing rig for Kangaroo discovery well

Peru

- Tumbes Basin-farming-out an interest in Z-38
- Preparations continuing for a minimum two well drilling program expected to commence by early 2014 in Peru Tumbes Basin Z-38

Where we are going

- Early entry into highly prospective basins, with high equity, larger potential targets and a proven petroleum systems
- Realise best economic outcome for shareholders by leveraging off large equity positions in early stage projects

Key personnel



BOARD AND SENIOR MANAGEMENT

ROBERT HOSKING – EXECUTIVE CHAIRMAN

Founding Director and shareholder of Karoon Gas with 35 years of commercial experience. Involved in the oil and gas industry for 18 years. Founding Director and shareholder of Nexus Energy

CLARK DAVEY – INDEPENDENT NON-EXECUTIVE DIRECTOR

30 years oil and gas accounting experience with PWC and private consulting. Energy and Resources tax specialist including experience with structuring and PRRT

MARK SMITH – EXECUTIVE DIRECTOR AND EXPLORATION MANAGER

30 years experience as a Geologist and Exploration Manager in petroleum exploration and development, mainly with BHPB in Australia, Southeast Asia and North America

SCOTT HOSKING – COMPANY SECRETARY AND CFO

International financial and commercial management background with corporate finance expertise

JOSE COUTINHO BARBOSA – NON-EXECUTIVE DIRECTOR

38 years experience in Petrobras Group, including director of Exploration and Production, CEO of Braspetro, the international subsidiary of Petrobras, and acting CEO of Petrobras SA in several instances and Managing Director.

EDWARD MUNKS – SOUTH AMERICA DIRECTOR AND COO OF KGA

32 years international experience. Was fundamental in the acquisition of the Karoon Group's exploration portfolio in South America. Also responsible for the company's South American operations

STEPHEN POWER – NON-EXECUTIVE DIRECTOR

25 years as a commercial lawyer providing advice to participants in the resources industry in Australia and overseas

TIMOTHY HOSKING – GENERAL MANAGER – SOUTH AMERICA

10 years experience. Instrumental in the acquisition and consolidation of the South American assets including responsibility for the government and private oil and gas company relationships, which have resulted in Karoon's current South American portfolio. Coordinated all field operations in Peru and Brazil

GEOFF ATKINS – INDEPENDENT NON-EXECUTIVE DIRECTOR

40 years experience in investigation planning design, documentation and project management of significant port harbour and maritime projects.

KEY PEOPLE

DENNIS HINING – DRILLING MANAGER – SOUTH AMERICA

40 years experience in the oil and gas industry. Former head of ExxonMobil Worldwide Ventures Group for Deepwater Exploration Drilling, Drilling Engineer for Shell Oil. Experienced in Brazilian deep pre-salt development projects

JORGE CAMERGO – ADVISOR TO THE BOARD

34 years of experience in the oil and gas industry. Former President of Statoil and ASA in Brazil. Worked for Petrobras for 27 years

BRIAN LUECKE – EXPLORATION MANAGER – SOUTH AMERICA

40 years International and US experience in the oil and gas industry with Phillips Petroleum, IEDC, ARCO and Anzoil

GERMAN BARRIOS – ADVISOR TO THE BOARD

25 years experience. Partner of Barrios Fuentes Abogados – a law firm in Peru specialising in oil and gas law

Brazil assets – Regional Activity

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Location:

Santos Basin, Brazil. 300-450m water depth. On trend with Piracuca, Newton, Muluza, Maruja, Tiro and Sidon fields.

Prospective resource:

12 prospects and leads firmed up including 2 in pre-salt section.

Current Karoon Net Unrisked Mean Prospective Resource in the Post salt, total 454 million barrels.

Pre-salt values subject to additional work.

Karoon discovered resource:

Kangaroo oil field (to be appraised)
Gross contingent 3C 337 million bbls.

Maruja oil field.

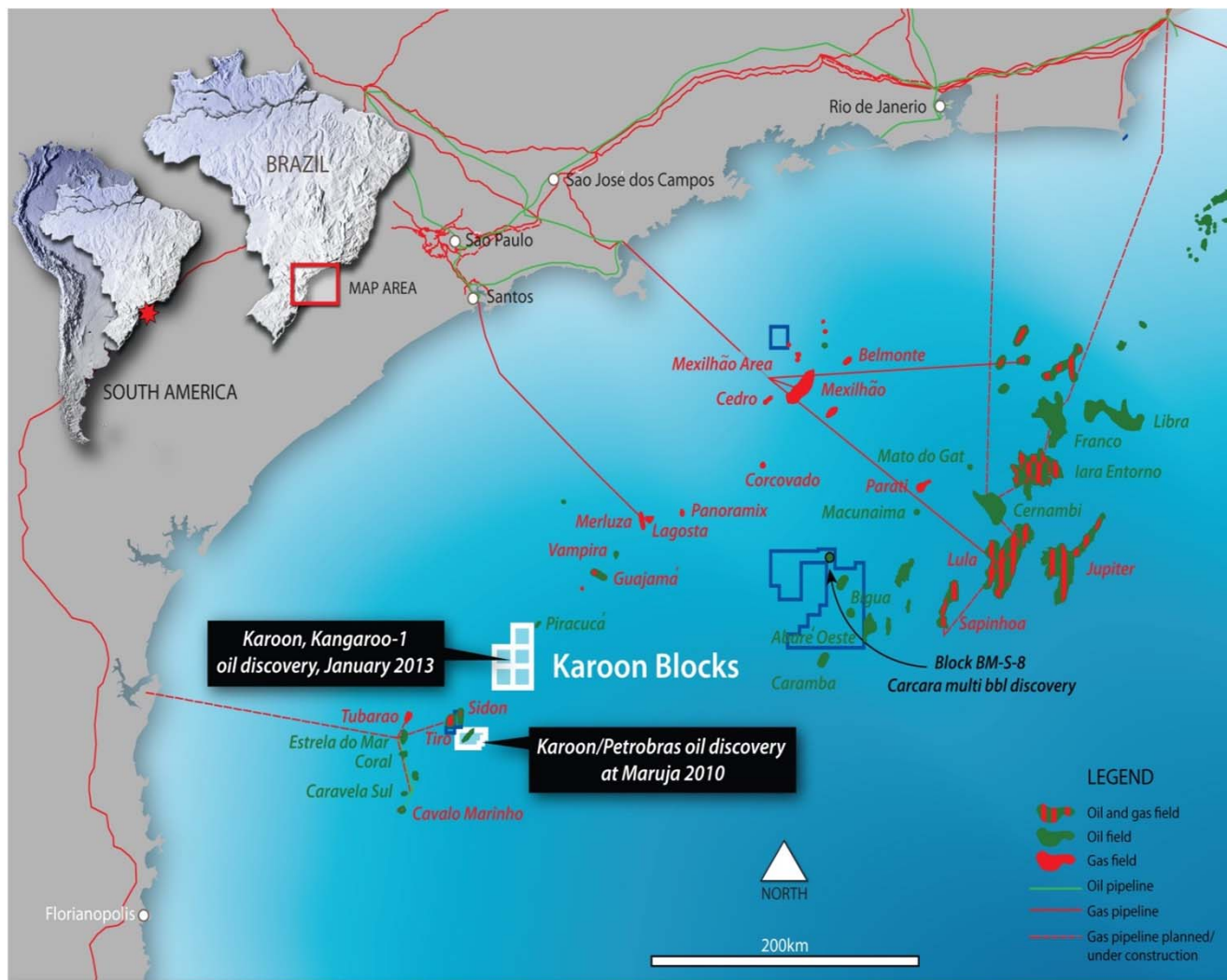
Interest:

100% interest in 5 blocks (reducing to 65% subject to regulatory approval and options in the farm-out to Pacific Rubiales Energy Corp.

20% interest in Block S-M-1352
(Subject to final regulatory approval)

Forward plans:

Complete last of 3 well, program. Bilby-1



Brazil assets – Activity Summary

Santos Basin Farm-out:

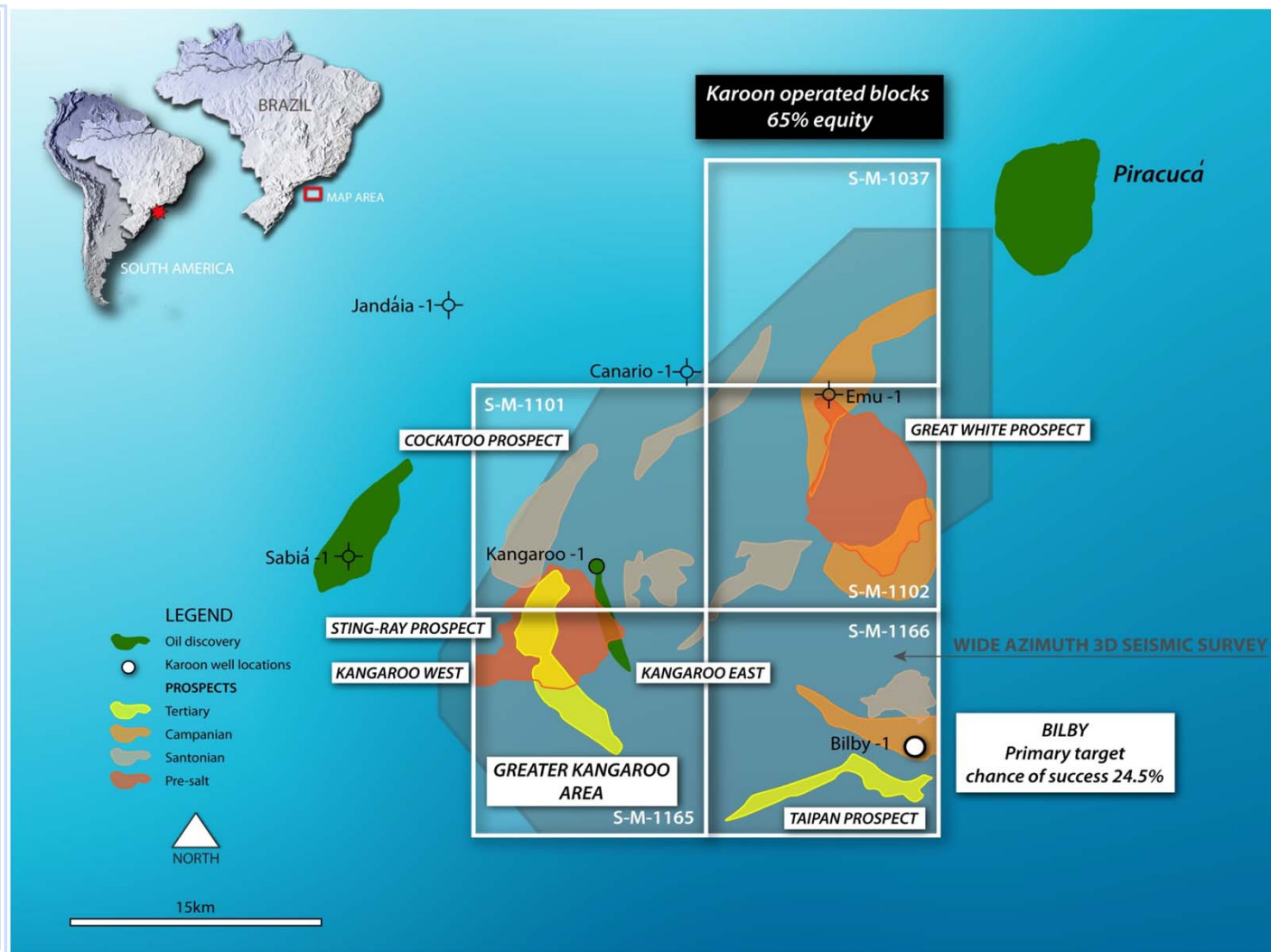
Agreement for Pacific Rubiales Energy Corp to acquire a 35% interest in Karoon's wholly owned Santos Basin Exploration Blocks, S-M-1101, S-M-1102, S-M-1037, S-M-1165.

Pacific Rubiales Energy Corp:

- Pay US\$40 million in cash consideration.
- US\$210 million in carried well costs.
- 35% of all costs over and above the well carry commitment.

Drilling order:

1. Kangaroo-1 (oil discovery)
2. Emu-1 (oil & gas shows)
3. Bilby (now drilling)



Brazil Santos Basin – Drilling results

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Kangaroo-1 Oil Discovery

Pressure data confirms a 25 metre oil column in Eocene interbedded sands.

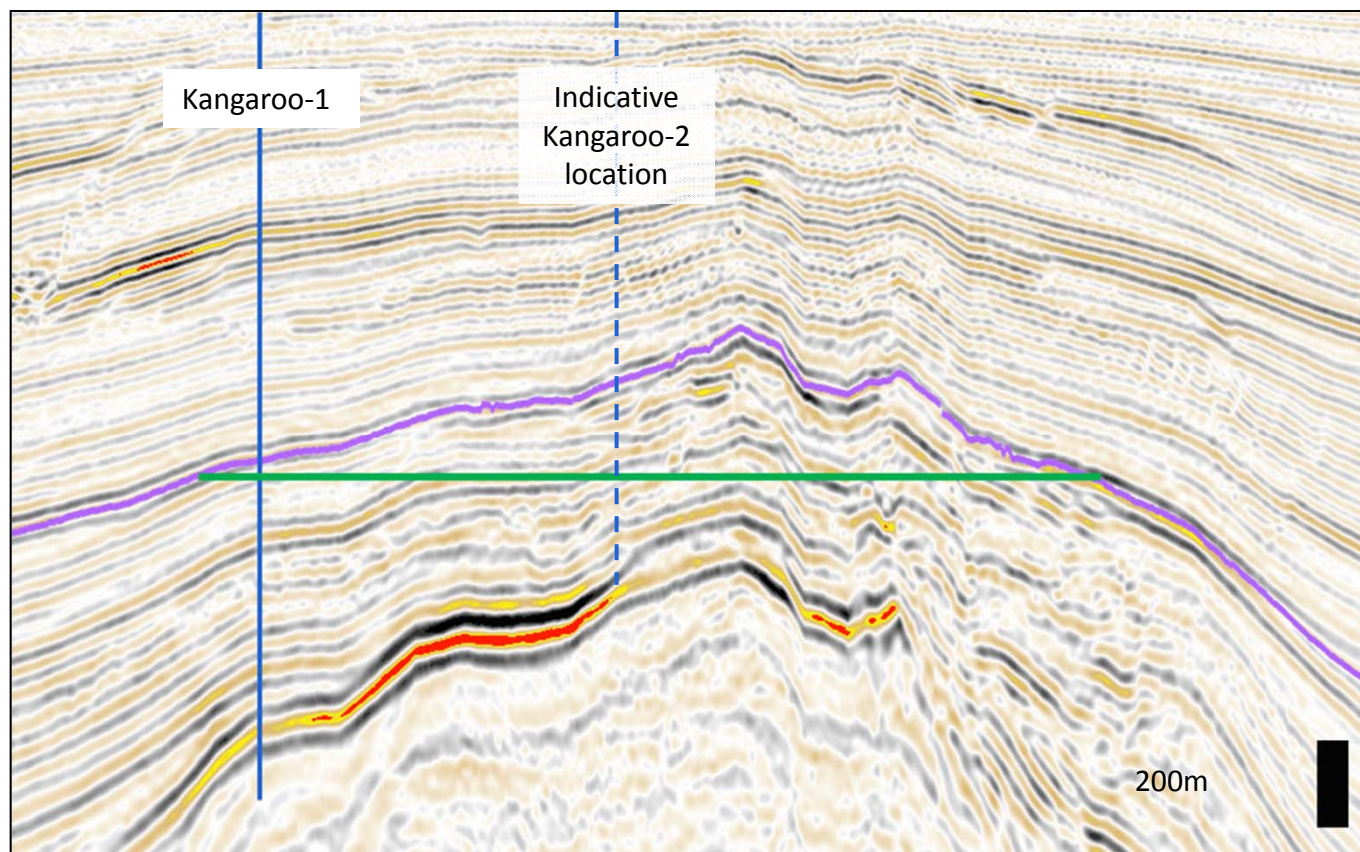
Oil measured at 42 degrees API.

Petrophysical analysis estimates reservoir porosities in the range 25 to 32% with permeabilities tested in two sands at 100 to 300md.

Post drill Seismic interpretation indicates additional updip hydrocarbon potential with a gross column in the structure of approximately 600 metres.

Deeper Eocene to Maastrichtian interbedded sands are expected to be within the hydrocarbon column higher in the structure.

Negotiations are underway to secure a rig to drill an updip appraisal well as soon as possible.



Seismic strike section AA over the crest of the Kangaroo field. Purple horizon is Near Top Eocene reservoir. Green line shows Oil Water Contact extrapolated over the field.

Brazil assets - Contingent & Prospective Resources

Kangaroo contingent resources:

Assessed in accordance according to PRMS standards.

1C value is low as the well intersected the column near the OWC and no updip oil can be included in this category.

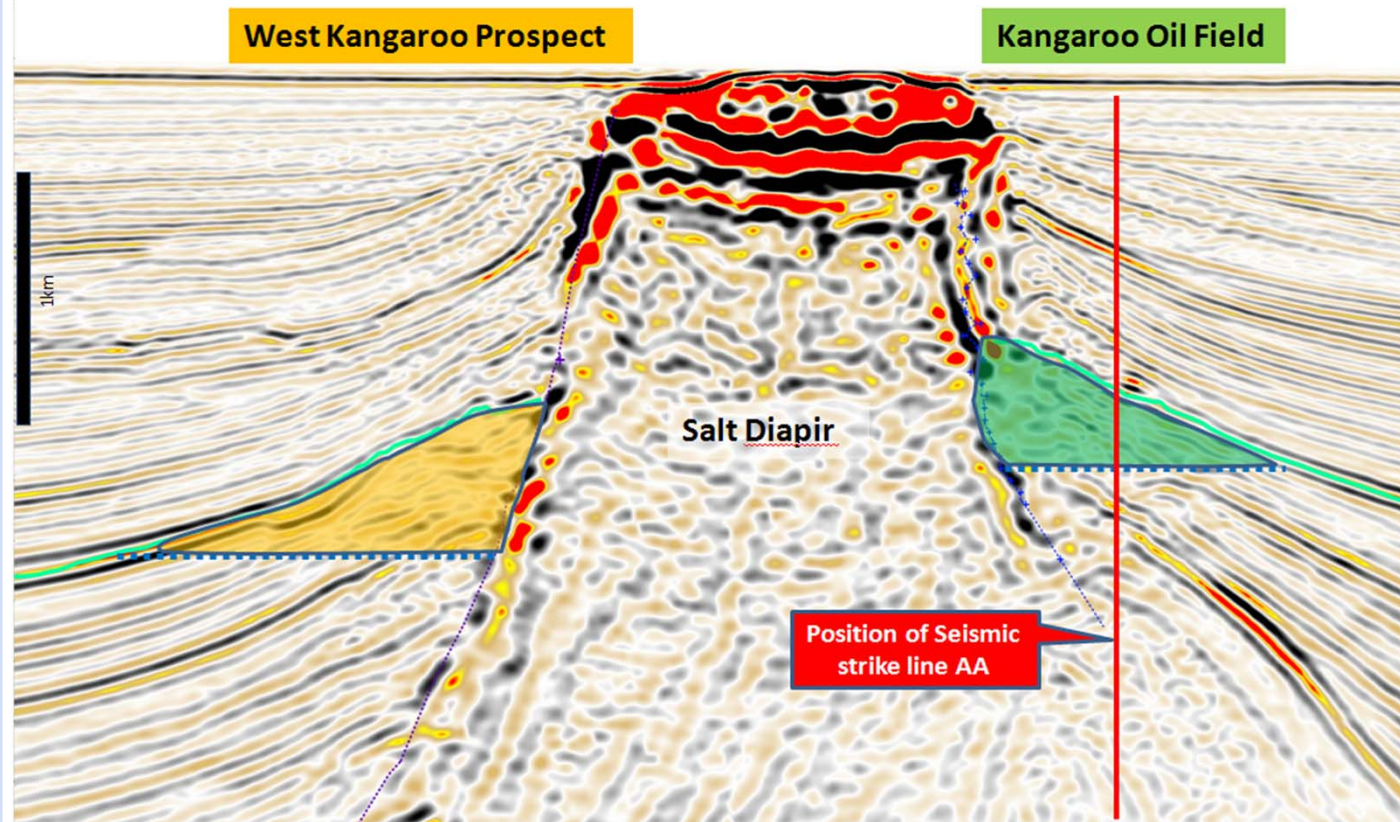
Additional Eocene level Prospective Resources:

The following table provides an arithmetic summation of the Eocene level total prospective resources range for the prospects, Bliby Wallaby and Taipan.

Prospective resource:

Karoon predrill Net Unrisked Mean Prospective Resource in the Post salt, total 942 million barrels.

Pre-salt values subject to additional work.



Prospective Resource Category	Prospective Resource, (million standard barrels)*#
Low Estimate (P90)	79
Best (Median) Estimate (P50)	223
High Estimate (P10)	535

Contingent Resource Category	Contingent Resource (millions standard barrels)*#
1C	2
2C	73
3C	337

Brazil Santos Basin – Bilby-1 Drilling

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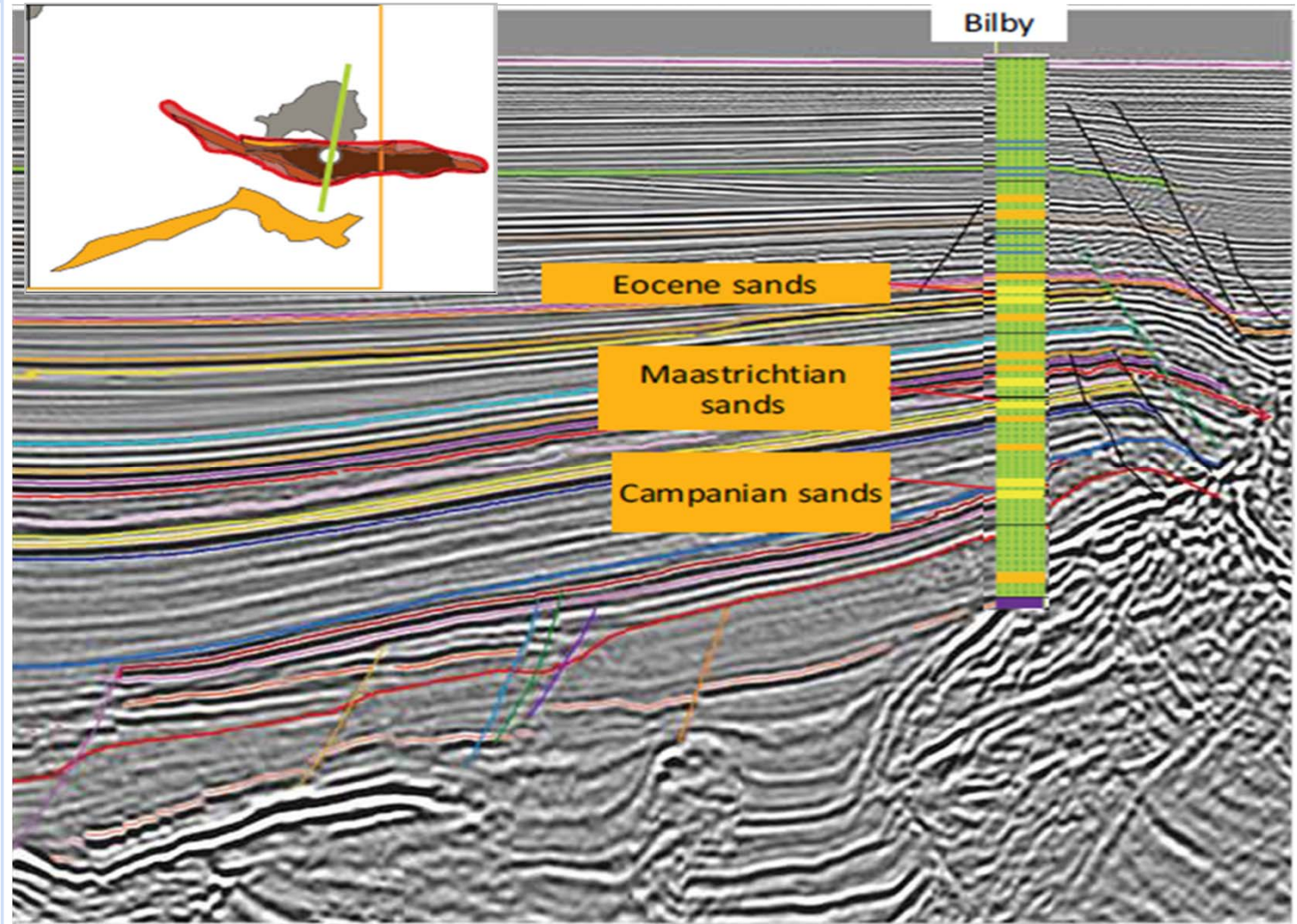
Bilby Prospect:

Target intervals indicated in yellow (sandstones).

Targets are the Eocene Campanian and Santonian sand intervals which show a good seismic DHI (Direct Hydrocarbon Indicator).

Gross Prospective resource total for all levels – mean 110 mmbbls to high case 170 mmbbls.

Primary target mean 50 mmbbls to high case 110 mmbbls.



Brazil Santos Basin – Presalt potential

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Stingray & Great White Prospects:

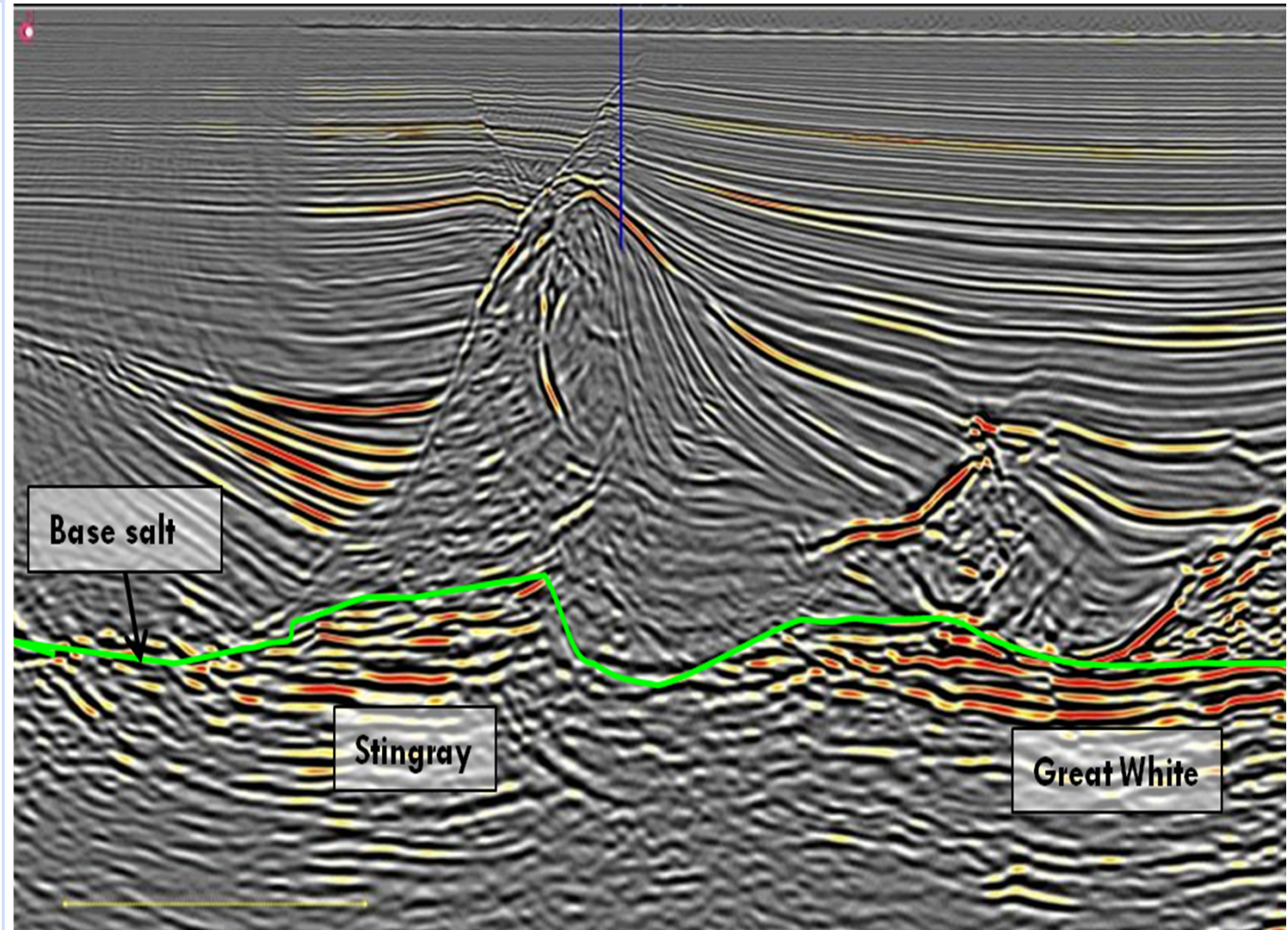
Additional large pre-salt prospects can now be explored with acreage retention assured with the Kangaroo success and oil shows in the Emu well.

3D seismic (MAZ) prestack depth migration, allows the identification of large closed pre-salt tilted fault blocks.

Presalt seismic expression matches reservoir sequence characteristics in proven fields to the east.

Multi-billion barrel potential with 400m of relief in the Stingray and Great White prospects.

Karoo is planning new targeted 3D to improve resolution.



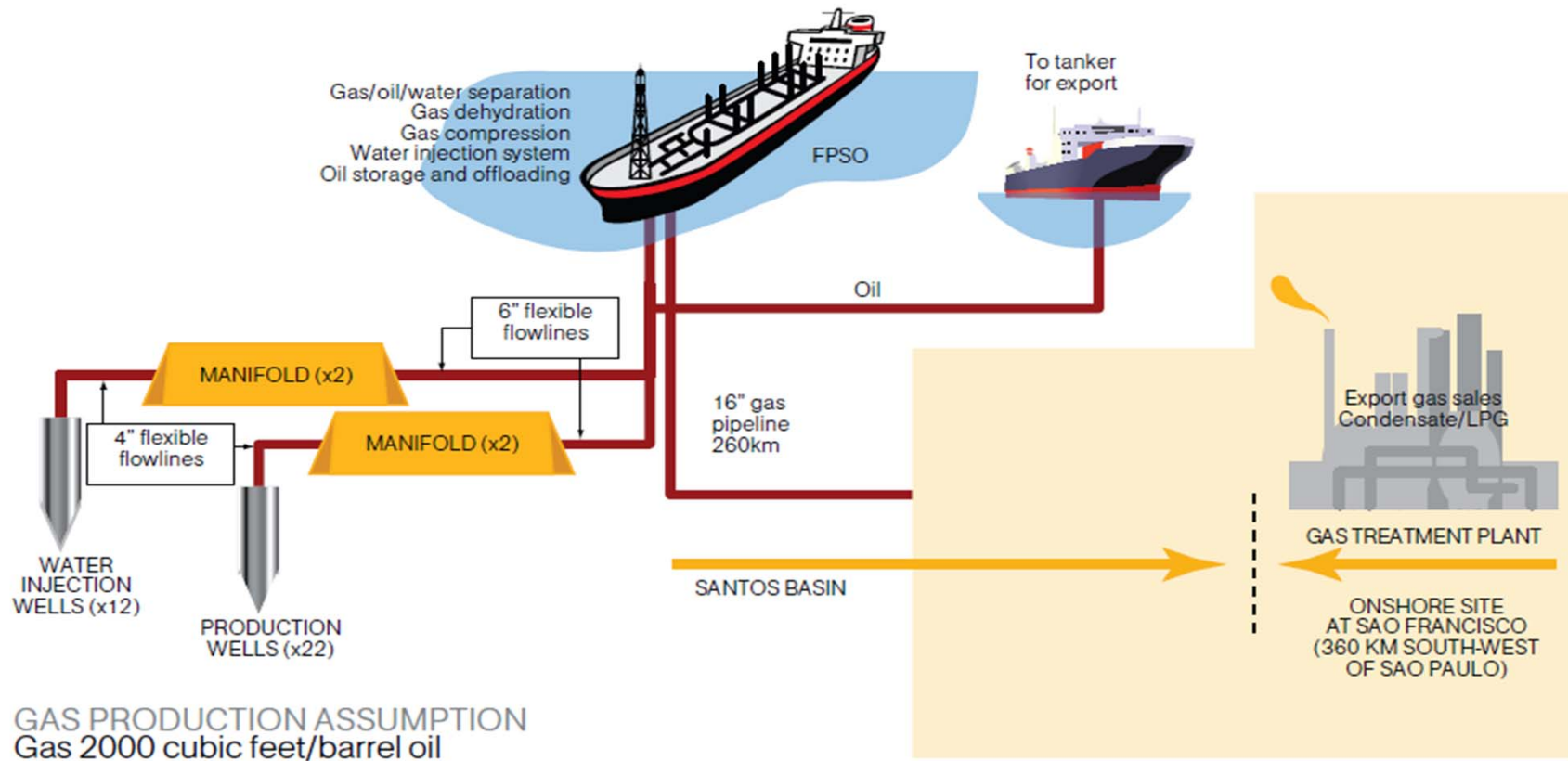
Santos Basin

Indicative development model and economics

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Karoon oil and gas indicative development model economics
(assuming a discovery of 250 million barrels and based on independent
third party design concepts).

Field development, pipeline and gas plant facilities schematic (80,000 b/d oil, 160 mil scf/d gas).



Santos Basin

Indicative development model and economics

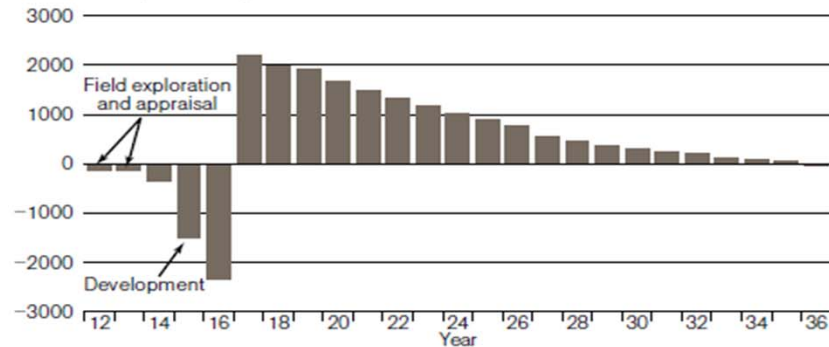


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Net cash flow

Karoon oil and gas production indicative development model economics. 100% share.

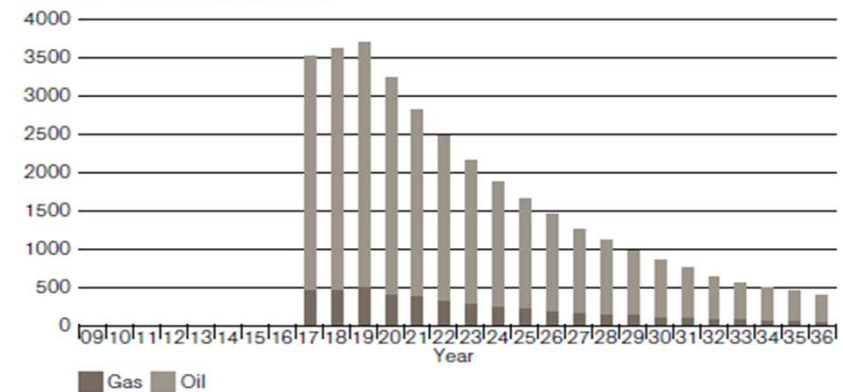
Net cash flow (US\$million)



Product revenues

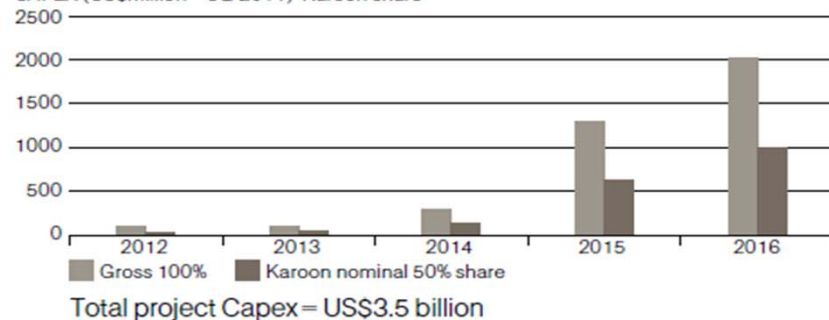
Oil and Gas Revenues- 100% share.

Oil and Gas Revenues (US\$million)



Capex profile

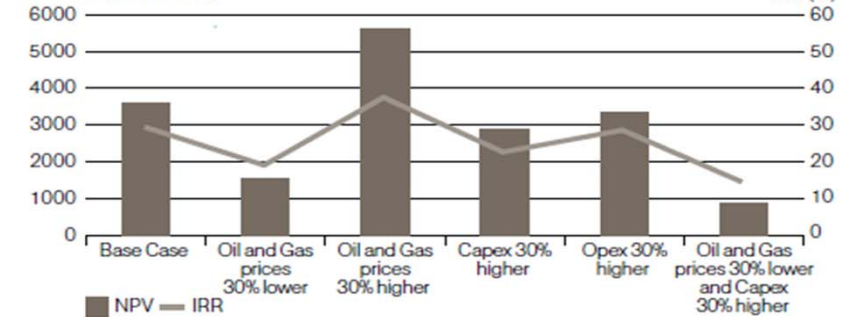
CAPEX (US\$million - 3Q 2011) Karoon share



Economic sensitivity analysis

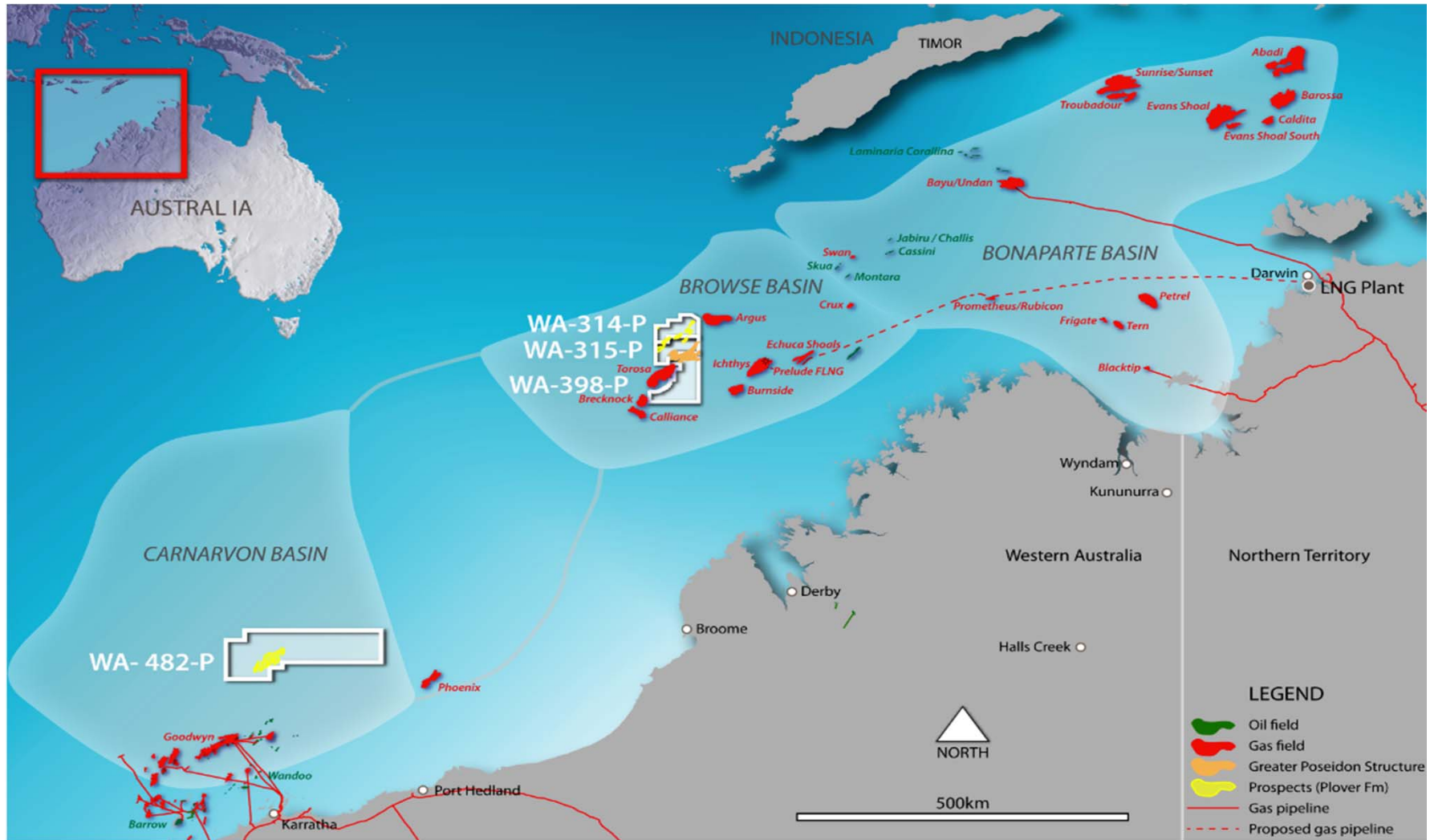
NPV-10% (US\$million)

IRR (%)



Project NPV US\$3.6 billion, IRR 29%
Assumptions: Oil US\$90/bbl, Gas US\$7/mmbtu

Australian Assets



Australian assets – Browse Basin

Location:

Browse Basin, Australia. 450-600m water depth. On trend with Torosa, Brecknock and Calliance gas condensate fields. Other fields: Ichthys, Argus, Prelude and Burnside.

Karoon discovered resource:

Updated third party reviewed Contingent Resource assessments are expected to be available towards the end of the drilling programme.

Prospective resource:

Outside greater Poseidon trend 8 prospects identified with Total Mean Unrisked Prospective Resource of 15 tcf.

Interest:

40% in WA-315-P and WA-398-P
90% in WA-314-P

Forward Plans:

Drilling order:

1. Proteus
2. Grace

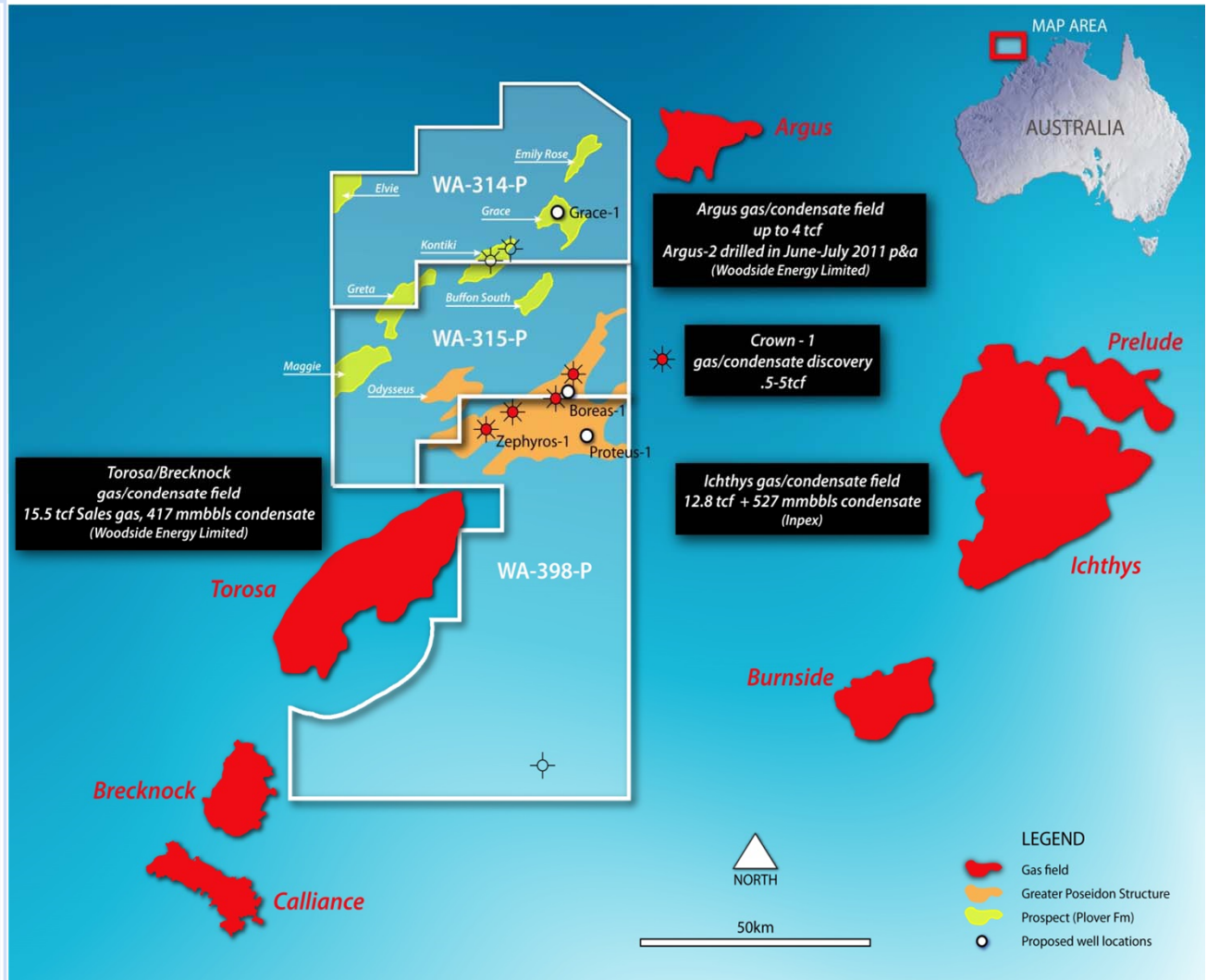
*Additional wells to be determined

Program to continue into 2014.

Farm-out an interest in WA-314-P.

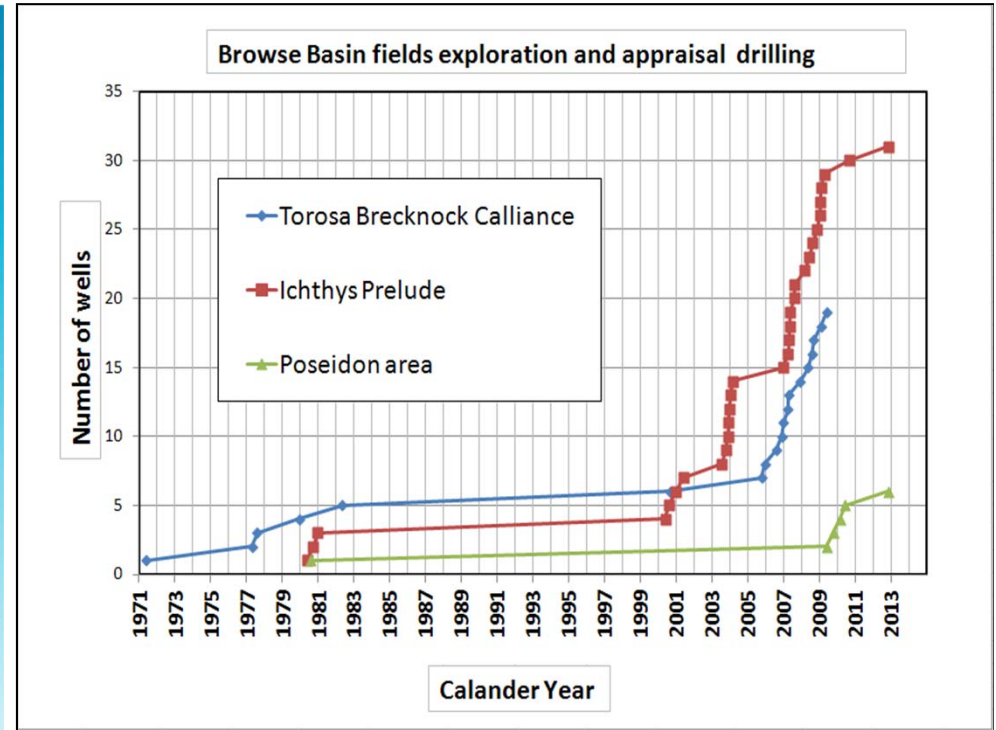
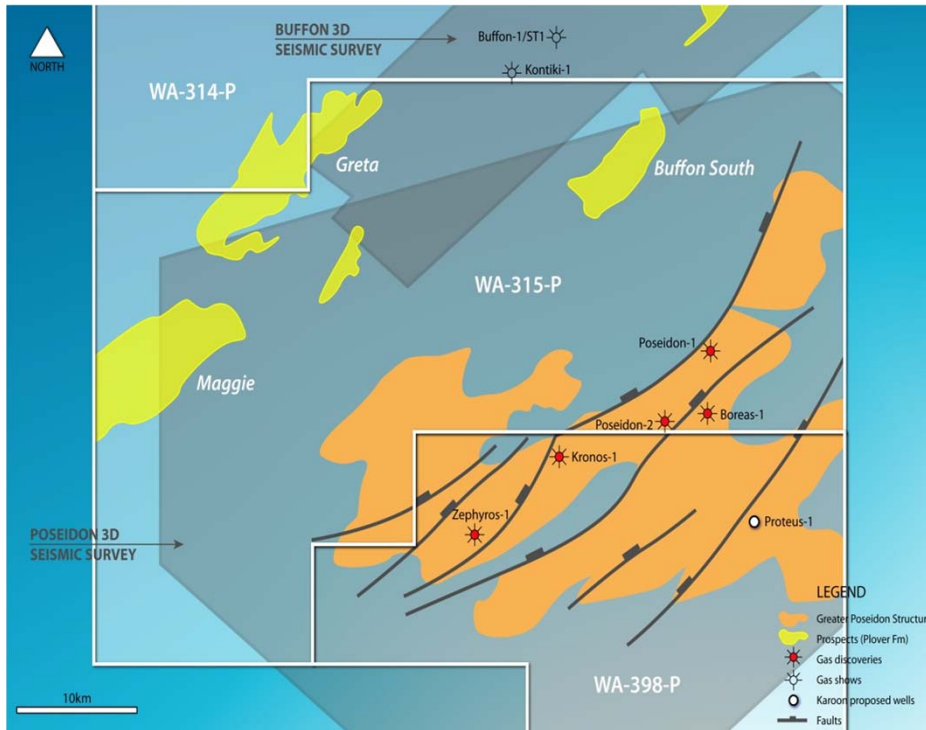
Objective:

Define resource and progress to LNG development FEED stage.



Australian assets – Browse Basin

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Zephyros-1 results:

Zephyros-1, located to the south west of other Greater Poseidon wells successfully tested a large tilted fault block. The well penetrated a gas bearing reservoir sequence very similar to that evaluated in Kronos-1. Extensive coring and wireline evaluation was carried out to gather all necessary data from the well. MDT pressure measurements indicate a deep gas water contact hundreds of metres below the TD of the well, very similar to that seen in Kronos-1.

Note: This data represents the views of Karoon Gas and do not necessarily represent the view of ConocoPhillips.

Australian assets – North Carnarvon Basin

WA-482-P

Location:

North Carnarvon Basin, Australia. 400-2000m water depth. On trend with North Carnarvon Basin Mungaroo plays and Phoenix gas discovery.

Prospective resource:

10 prospects and leads with billion barrel of oil equivalent potential.

Interest:

Earning 100%

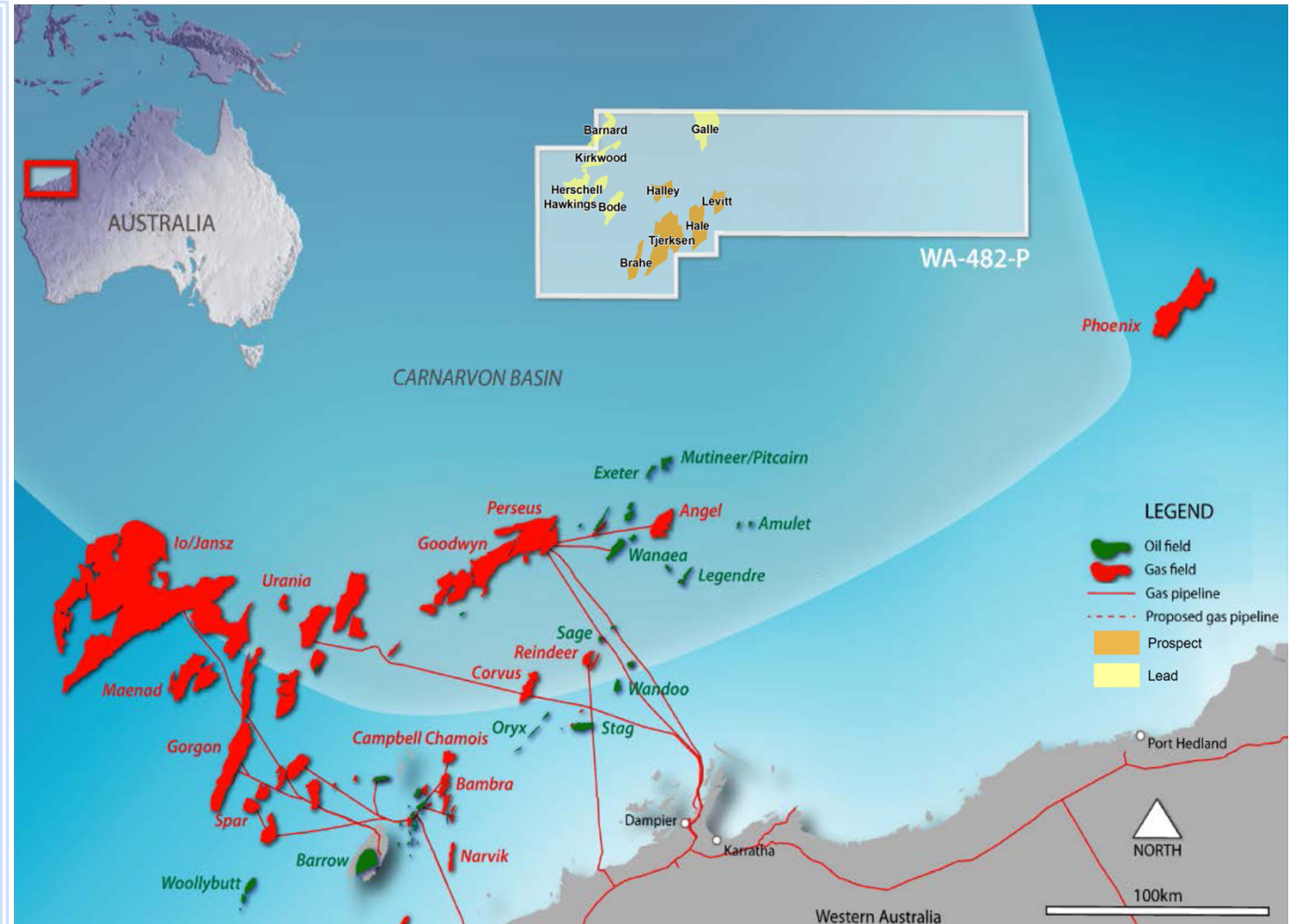
Terms:

Farm-in from Liberty Petroleum Corp.

Earn 100% by completing years 1 and 2 work program of geological and geophysical studies and acquisition of 2010 sq km 3D seismic.

Forward Plan:

Acquire seismic
Farm Out



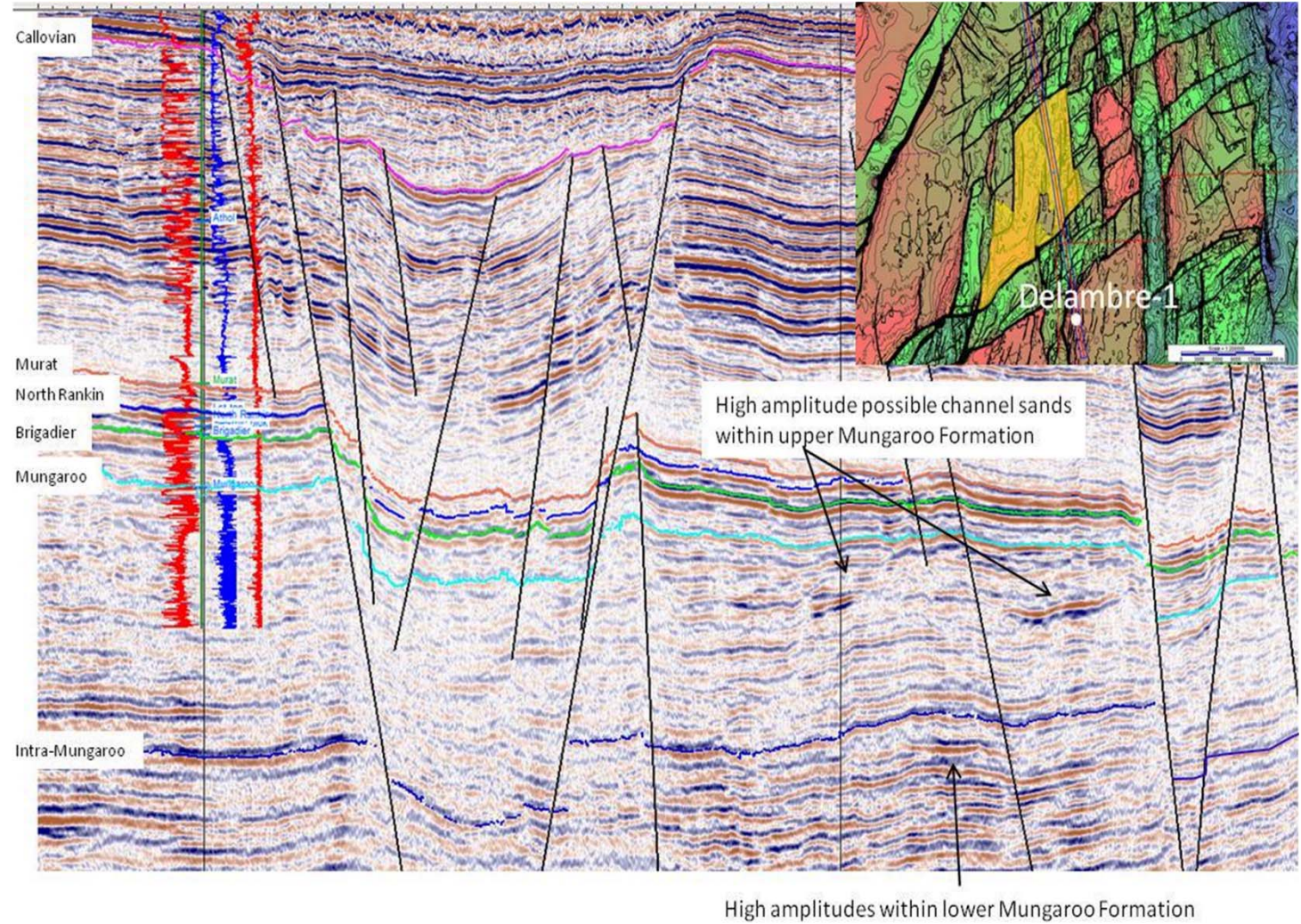
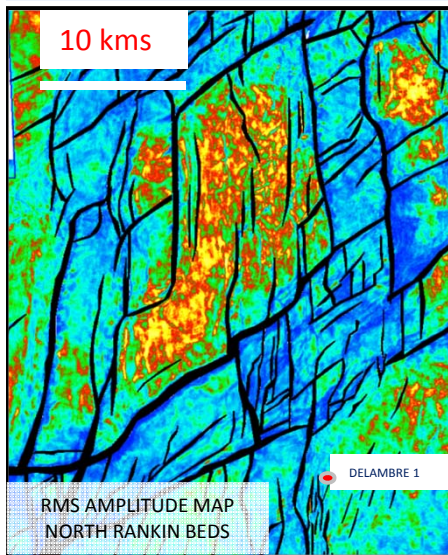
Australian assets – North Carnarvon Basin

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WA-482-P

Prospect example:

Prospective at a number of levels from Lower Jurassic Nth Rankin beds to Triassic, Top and Intra-Mungaroo Formation levels.



Peru assets – Block Z-38 – Tumbes Basin

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Location:

Tumbes basin water depths 300-1000m. Close to fields that have produced over 1.6 billion barrels of oil.

Prospective resource range:

16 prospects and leads identified with current Net Unrisked Mean Prospective Resources totalling 1.92 billion barrels.

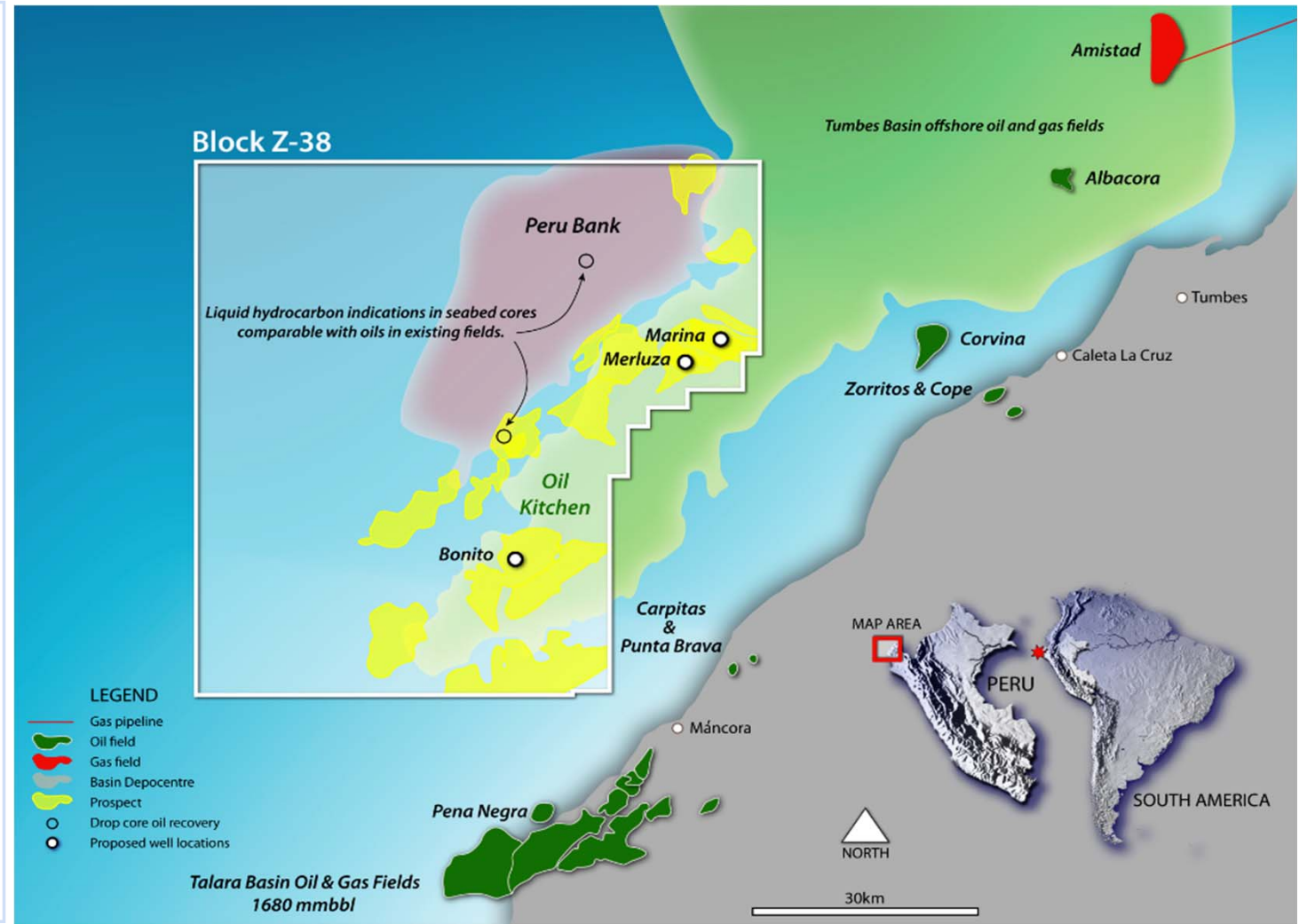
Interest:

75% equity in Z-38 subject to completion of farm-in terms with Pitkin Petroleum Plc (formally Vamex).

Forward Plans:

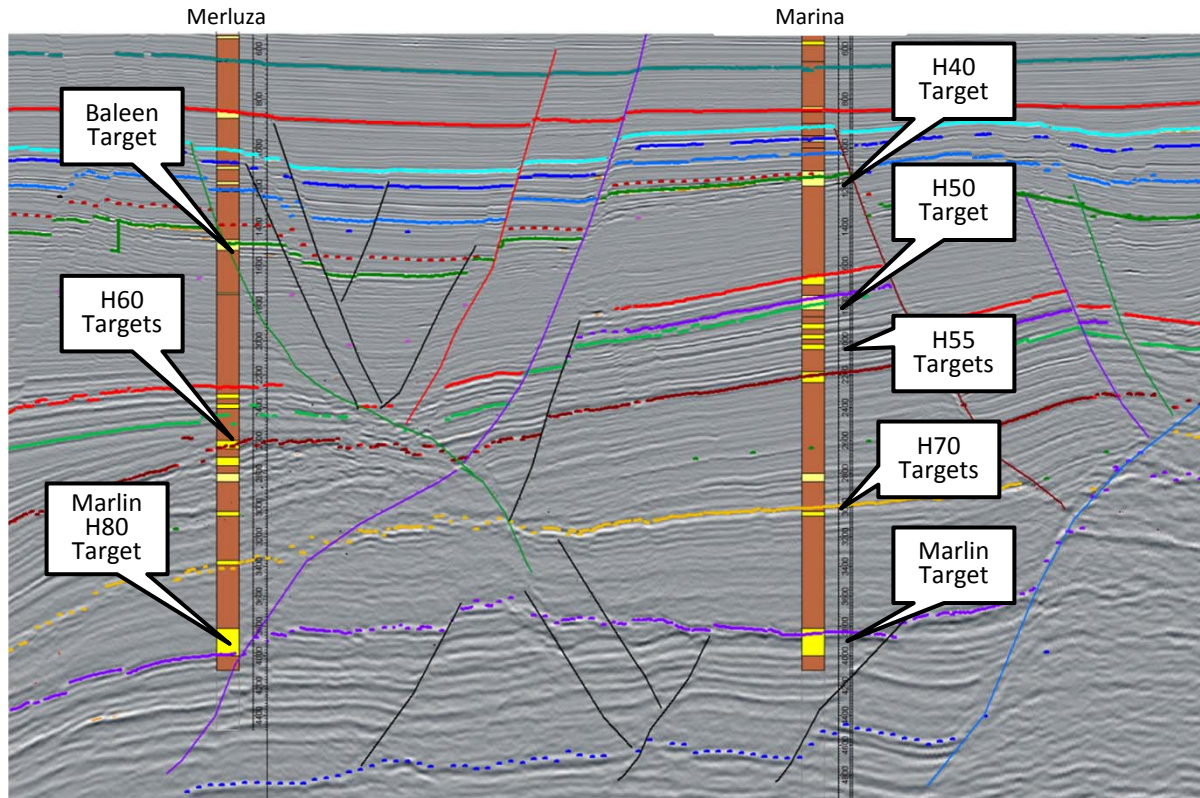
Farm-out to begin 2nd quarter 2013.

Drill a minimum of 2 wells expected to start early 2014. Rig currently being sourced.



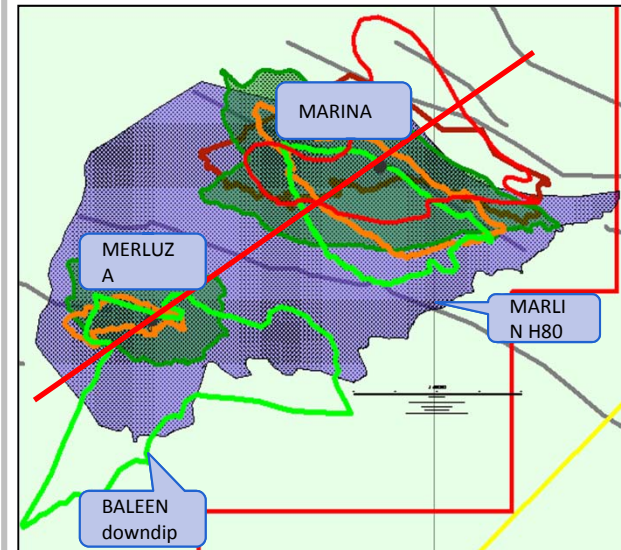
Perspective resource estimates represent current interpretations by Karoon of available exploration data and are subject to material change and reinterpretation as exploration and appraisal proceeds

Peru assets – Tumbes Basin Drilling candidates



Merluza, Marina and Marlin Prospects

Target sand intervals indicated in yellow



Merluza-1 will test three overlying prospects, Balenn, Merluza H60 Mean Prospective Resource 51 mmbls

Baleen (all) – Mean Prospective Resource 189 mmbls

Marina-1 will test five overlying prospect levels, H40, H50, H55, H70.

Mean Prospective Resource 392 mmbls

Marlin Prospect Zoritos level

Mean Prospective Resource 124 mmbls

Bonito Prospect

Mean Prospective Resource 360 mmbls

Peru Marañon Basin – Block 144

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Location:

Marañon Basin, Peru. On trend with Situiche Central oil field. Close to under-capacity oil export pipeline and major navigable rivers.

Prospective resource range:

3 prospects being evaluated.

Interest:

100% equity.

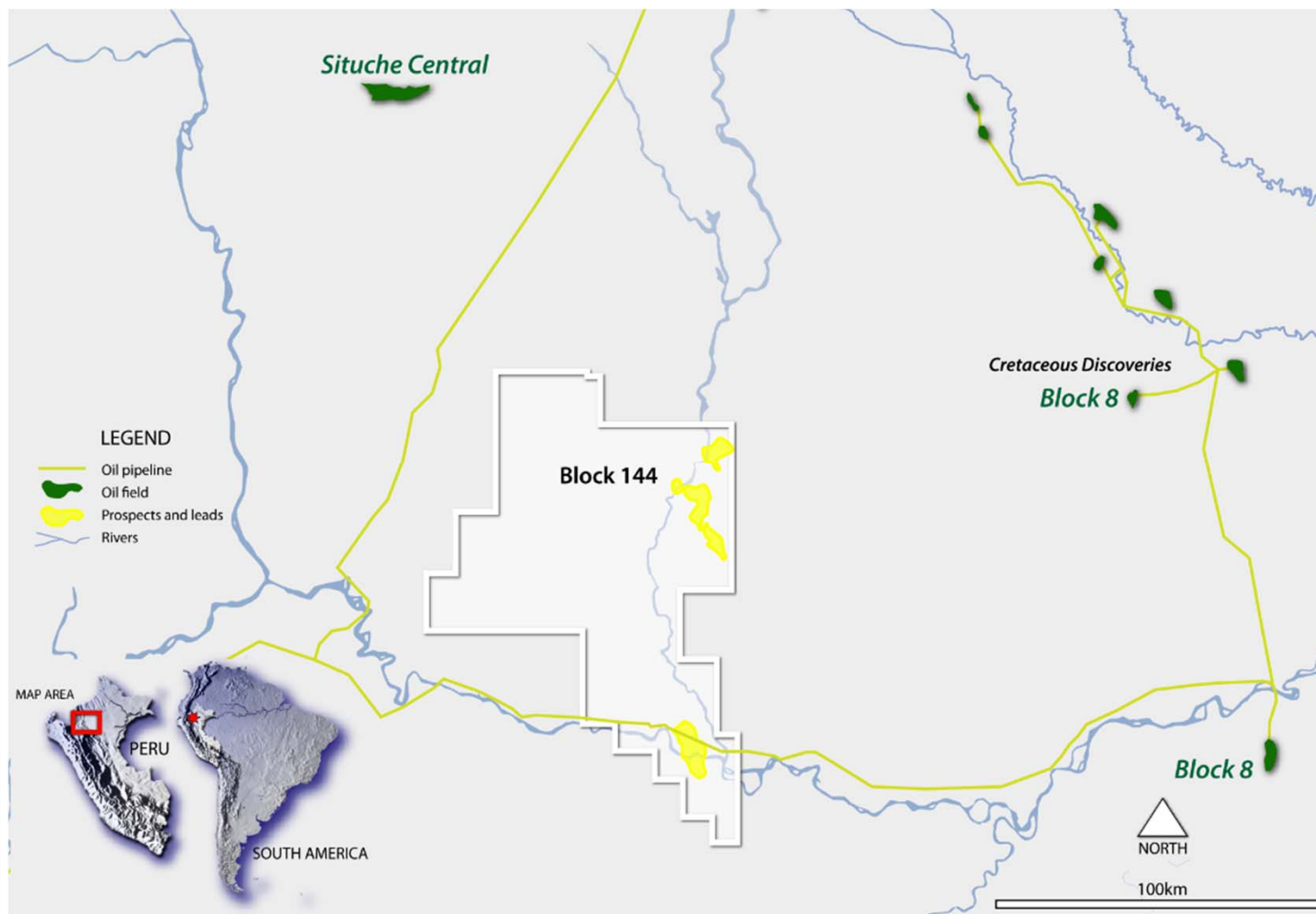
Forward Plans:

Acquire 2D seismic in the south and east to better define structure.

Objective:

Define prospective resource size prior to drilling.

Block currently in force majeure, pending environmental approval.

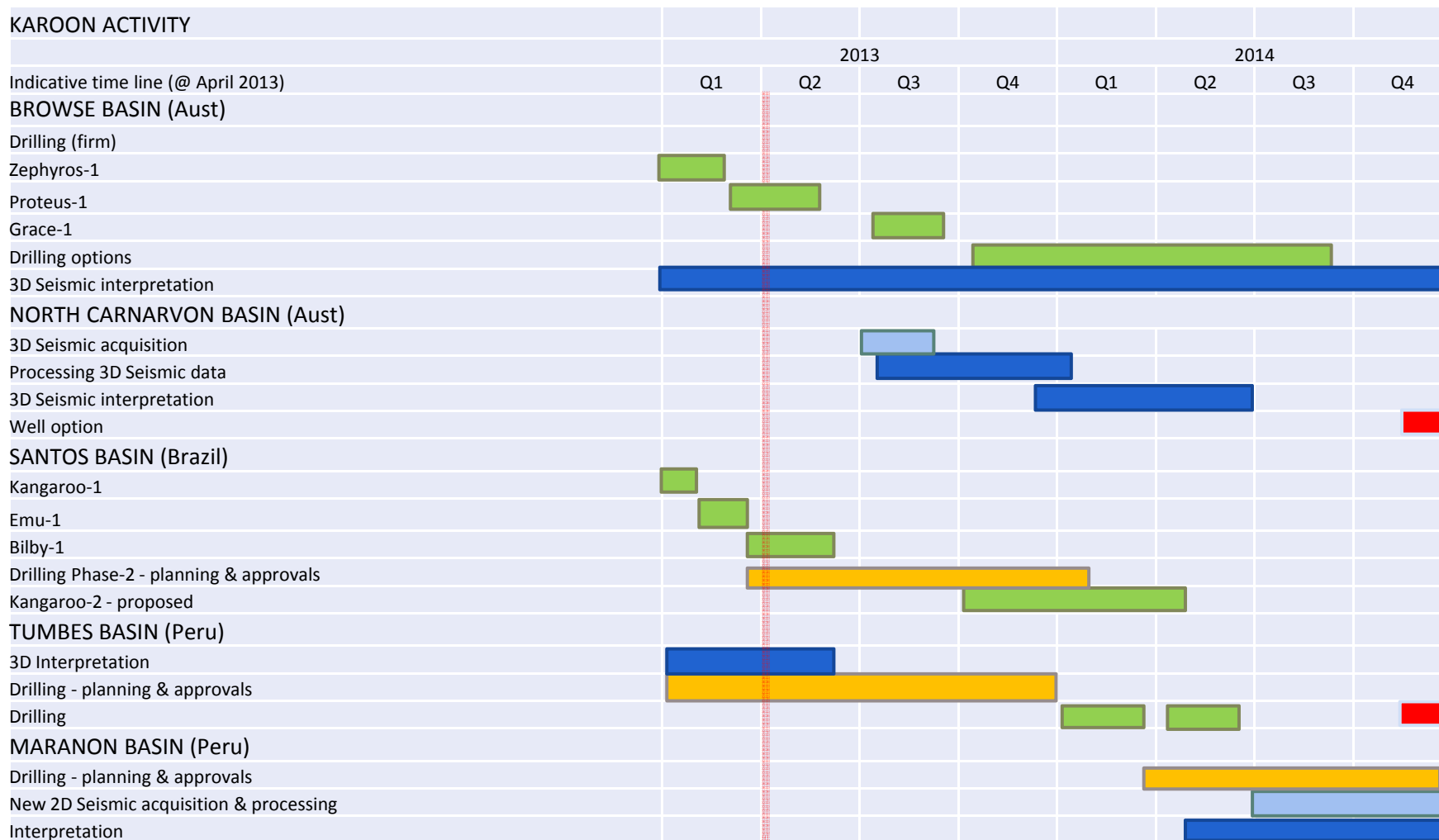


Perspective resource estimates represent current interpretations by Karoon of available exploration data and are subject to material change and re-interpretation as exploration and appraisal proceeds

Activity summary



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DeGolyer & MacNaughton Assessment



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Summary of DeGolyer and MacNaughton assessments of Karoon's Prospective and Contingent Resource Base as of 30th September 2009 and September 2012		Low Estimate	Best Estimate	High Estimate	Mean Estimate	Risked Mean Estimate	Number of Prospects and Leads			
GAS	Net Contingent Gas Resource									
	Assessment date									
	September 2009			Poseidon Wet Gas (Tcf)	7.60		1			
	Net Prospective Oil Resources									
	September 2009			Total Net Australia Browse Basin Wet Gas (Tcf)	1.80	4.50	11.20	5.80	1.60	7
OIL	Net Prospective Oil Resource									
	September 2012			Brazil, South America Oil (billion barrels)	0.46	0.86	1.54	0.94	0.25	12
	September 2012			Peru, South America Oil (billion barrels)	0.59	1.59	3.71	1.92	0.32	19
				Total Net Prospective Oil Resource (billion barrels)	1.04	2.45	5.25	2.86	0.56	31

Note: Excludes North Carnarvon Basin Permit WA-482-P, Maruja and Pre-Salt Prospects in Brazil, and takes into account current interest in Z-38 and the Pacific Rubiales Energy Corp farm-out deal.

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