



29 February 2024

Company Announcements Office
ASX Limited

Dear Sir / Madam

Transition Year Financial Report - TY23 – ASX Release & Investor Presentation

Enclosed are the following documents in relation to Karoon Energy Ltd's transition year financial report for the financial year ended 31 December 2023:

- ASX Release; and
- Investor Presentation.

The documents referred to above have been authorised for release by the Board of Directors

Yours faithfully

A handwritten signature in black ink, appearing to read 'Daniel Murnane', with a long horizontal flourish extending to the right.

Daniel Murnane
Company Secretary

ASX RELEASE

29 February 2024 | ASX: KAR

Record underlying NPAT of US\$144.7 million for the six months to 31 December 2023 (Transition Year 2023 - TY23)

	TY23 6 months to 31-Dec-23	2HFY23 6 months to 30-Jun-23	1HFY23 6 months to 31-Dec-22	FY23 12 months to 30-Jun-23
Production volume (MMboe)	5.47	3.67	3.37	7.04
Sales volume (MMboe)	5.07	3.65	3.41	7.06
Weighted average net realised price (US\$/boe)	81.51	73.06	87.86	80.20
Sales revenue (US\$ million)	412.9	267.1	299.4	566.5
Unit production costs (US\$/boe)	11.09	14.37	17.25	15.75
Underlying EBITDA ¹ (US\$ million)	283.0	145.9	175.9	321.8
Unit depreciation and amortisation (US\$/boe) ¹	11.11	10.36	14.09	12.14
Underlying net profit after tax¹ (US\$ million)	144.7	63.1	82.8	145.9
Statutory net profit after tax (US\$ million)	122.5	85.4	77.6	163.0
Operating cash flow (US\$ million)	303.4	138.8	167.1	305.9
Lost time injury rate (incidents/200,000 hours)	0	0	0.19	0.10
Total recordable incident rate (incidents/200,000 hours)	0	0	0.77	0.41

Note: The financial information for TY23 and FY23 is from audited information. 1HFY23 is from 31 December 2022 auditor reviewed information. 2HFY23 is not audited or reviewed but derived from audited and reviewed financial information. 1HFY23 underlying NPAT has been restated from US\$82.4m to US\$82.8m, to include the cumulative translation adjustment impact on deferred tax.

- **Underlying net profit after tax (NPAT)¹ for TY23 (the six month transition year following Karoon's change in financial year end from June to December) increased 129% from US\$63.1 million in the prior six month period² to US\$144.7 million. The lift in profitability reflected higher hydrocarbon sales, improved oil price realisations and lower unit production costs.**
- **Statutory NPAT was US\$122.5 million, up 43% from US\$85.4 million in the prior six months, and includes one-off costs related to the Who Dat acquisition and hedging and foreign exchange losses.**
- **Unit production costs declined 23% to US\$11.09/boe, primarily reflecting higher production over a largely fixed cost base and improved FPSO efficiency compared to the previous period.**
- **Unit depreciation and amortisation increased 7% to US\$11.11/boe, due to a higher depreciation base.**
- **Cash and cash equivalents at 31 December 2023 were US\$170.4 million, with US\$274.1 million of debt drawn from Karoon's new US\$340 million debt facility, representing gearing of 10%.**
- **No Lost Time Injuries or Recordable Incidents occurred at Baúna during TY23.**
- **2P Reserves at 31 December 2023 were 50% higher than at 30 June 2023, reflecting the Who Dat acquisition in the US Gulf of Mexico.**
- **Guidance for key metrics in CY24 remains unchanged.**

¹ EBITDA (earnings before interest, tax, depreciation, depletion, and amortisation), underlying EBITDA and underlying net profit after tax (NPAT) are non-IFRS measures that are unaudited but are derived from financial statements, which have been subject to review by the Company's auditor. These measures are presented to provide further insight into Karoon's performance. See notes on page 26 of the TY23 Financial Report to derive underlying EBITDA and underlying NPAT. Unit depreciation and amortisation excludes depreciation on the FPSO right of use asset and non-oil and gas related depreciation.

² The six month period to 30 June 2023 was impacted by a six week shut down of Baúna operations.

Commenting on the results for the six months to 31 December 2023, Chief Executive Officer and Managing Director, Dr Julian Fowles, said:

“Karooon achieved underlying NPAT in TY23 of US\$144.7 million³, which was a record for the Company for a six month period. Baúna Project sales volumes and realised oil prices both increased, up 36% and 13% respectively when compared to the prior six months. In addition, we received the first contributions from the Who Dat acquisition in the US Gulf of Mexico (GoM), albeit for only 11 days.

We recorded no Lost Time Injuries or Recordable Incidents in our Brazilian operations during the six months, which was achieved despite ongoing maintenance activities. We will continue to work with our employees and contractors to emphasise Karoon’s safety-first culture, particularly during the Baúna FPSO planned two week annual maintenance shutdown in April, when additional people will be on site.

Baúna Project production is performing in line with revised expectations following the resolution of the recent hydrate issues. Progress is being made on sourcing an appropriate vessel to replace the Gas Lift Valve in the SPS-88 well, and discussions have commenced with the regulatory authorities on the work required. Our assumption that the well will be back onstream in the fourth quarter of 2024 is unchanged and our forecast for CY24 Baúna oil production remains at 7.2 – 9 MMbbl.

Feasibility studies on the potential Neon development are nearing completion. Next month, the Board will decide whether to progress into the next stage, Concept Select. Subject to achieving our internal hurdles, the focus during CY24 will be on selecting the optimal development concept, including consideration of a Neon hub-style development that, over time, has the capacity to produce other accumulations, such as Goiá and potentially Neon West.

The integration of the transformational US GoM Who Dat acquisition into Karoon’s corporate systems is on track. A development program that commenced in the second half of CY23 is nearly complete, with two new development wells, G2-ST2 and G4, recently brought into production. While the discovery of an additional shallower reservoir zone at G2-ST2 and subsequent negotiations to acquire rights has delayed the production ramp up by a few weeks, our Who Dat production guidance for CY24 of 4.0 – 4.5 MMboe on a net revenue interest basis is unchanged.

The US GoM asset purchase has had a material impact on Karoon’s Reserves and Resources position. 2P Reserves increased 50% between 30 June and 31 December 2023 to 77.5 MMboe, reflecting the addition of 31.0 MMboe from Who Dat, offset by total production of 5.5 MMboe. In addition, Who Dat has resulted in additions to both 2C Contingent and 2U Prospective Resources, taking these to 103.4 MMboe and 106.8 MMboe, respectively.⁴

At 31 December 2023, our gearing was 10% and, at current oil prices, we are generating strong cash flows from both the Baúna Project and Who Dat. We anticipate that the proposed activity in the GoM, which includes drilling up to three appraisal/exploration wells in the second and third quarters of CY24 at an estimated cost net to Karoon of US\$100 – 120 million, will be funded from cashflows. At the end of January 2024, we paid the second Petrobras contingent payment of US\$86 million, which was funded from existing cash. With unit production costs for CY24 expected to be US\$10.5 – 15/boe, we are in a good position to maximise the benefit of oil price strength or manage potential oil price downside risk.

The Board has decided not to pay a dividend to shareholders in respect of TY23, due to the recent Who Dat acquisition, and ongoing and expected capital commitments. The Board will continue to regularly consider capital management in the context of Karoon’s capital allocation framework, which includes ranking potential value accretive organic and inorganic growth opportunities with capital returns to shareholders.”

³ Underlying net profit after tax (NPAT) is a non-IFRS measure that is unaudited but derived from figures within the audited financial statements. This measure is presented to provide further insight into Karoon’s performance.

⁴ See page 6 of this report and pages 16 - 18 of the TY23 Annual Report for full Reserves and Resources details and disclosures.

FINANCIAL PERFORMANCE

Sales revenue for the six months to 31 December 2023 was US\$412.9 million, up from US\$267.1 million in the prior six months. The increase in revenue was driven by both higher production and higher realised oil prices.

Total production for TY23 was 5.47 MMboe, reflecting a full period of production from the Baúna Project (which was shut in for six weeks in the prior six months), plus the first contribution from the Who Dat assets. Sales volumes were 5.07 MMboe, lower than production due to a Baúna crude shipment on 31 December 2023, which was in transit at year end and therefore held as inventory.

The average realised oil price for Baúna crude was US\$82.22/bbl, compared to US\$73.06/bbl in the prior six months. Including the US GoM assets on a net revenue interest basis, the weighted average realised oil and gas price for TY23 was US\$81.51/boe.

Unit production costs of US\$11.09/boe were 23% lower than in the prior half year, primarily due to higher production over a largely fixed cost base in Brazil, as well as the impact for 11 days of the low unit production cost US GoM assets. Unit depreciation and amortisation was US\$11.11/boe for the period, compared to US\$10.36/bbl in the prior six months. The increase primarily reflected the inclusion of Patola development costs in the depreciation asset base as from May 2023. Other operating costs⁵ were US\$14.5 million, and finance fees and interest were US\$9.1 million. Business development, share based payments and other costs totalled US\$5.4 million, while acquisition costs expensed relating to the acquisition of the Who Dat assets were US\$10.8 million. Total costs for the Who Dat acquisition were US\$29.4 million, including US\$18.6 million related to the new debt facility and equity issue which were capitalised.

The effective tax rate on underlying earnings was 33%, largely in line with the Brazilian corporate tax rate of 34%.

Operating cash flow for TY23 was US\$303.4 million, more than double the cash flow in the prior six months, reflecting higher sales revenue and lower unit production costs. Cash outflows from investing activities were US\$728.2 million, compared to US\$213.8 million in the prior six month period. This period included US\$719.7 million for the Who Dat acquisition and US\$8.2 million spent on capital items primarily in Brazil. The Brazilian capital expenditure was materially lower than in the prior six months, reflecting the completion of the Baúna interventions, Patola development and Neon drilling programs.

The Who Dat acquisition, completed on 21 December 2023, was funded by a fully underwritten equity issue, which raised US\$312.3 million through the issue of 234.34 million new shares at A\$2.05 per share, the draw down of US\$274.0 million from Karoon's new US\$340 million debt facility and from existing cash on hand.

The cash and cash equivalents balance at the end of December 2023 was US\$170.4 million, more than sufficient to fund the Petrobras contingent consideration of US\$86 million, which was paid in January 2024.

No further hedging was put in place during TY23. Following the drawdown on the debt facility for the Who Dat acquisition and in line with the facility minimum hedge volume obligations, Karoon entered into Brent oil commodity hedges during February 2024 over 4.26 million barrels from March 2024 to December 2025. Hedging was undertaken through a collar structure, consisting of bought put options at strike prices between US\$62-58/bbl and sold call options at strike prices of US\$92/bbl, for a total premium of US\$5 million. The total hedged CY24 volumes (assuming puts only) equate to approximately 25-30% of CY24 production guidance.

⁵ Other operating costs include staff costs, IT, corporate costs and non-oil and gas related depreciation, but exclude government royalties and levies, social investments in lieu of tax and foreign exchange gains/losses.

RESERVES AND RESOURCES

An assessment of Reserves and Resources as at 31 December 2023 has been completed, based on production performance, new data and field studies completed during the second half of CY23, and the Who Dat acquisition in the US GoM. 2P Reserves have increased by 50% to 77.5 MMboe compared to 30 June 2023. This reflects the addition of 31.1 MMboe relating to Karoon's net revenue interest in the Who Dat assets, less production over the period and other minor revisions. Karoon's 2P Reserves as at 31 December 2023 comprised 85% oil and condensate and 15% natural gas and natural gas liquids. The 2P Reserves life (Reserves divided by annual production) is 8.5 years, while the 2P Reserves replacement ratio (additions and increases to Reserves divided by annual production) for TY23 was 563%, primarily the result of the US asset acquisition.

The Who Dat acquisition added 5.4 MMboe to 2C Contingent Resources and 92.0 MMboe to 2U Prospective Resources, taking 2C Contingent and 2U Prospective Resources to 103.4 MMboe and 106.8 MMboe respectively. (See page 6 of this report and pages 16 – 18 of the TY23 Annual Report for full Reserves and Resources details and disclosures).

OUTLOOK FOR CY24

Guidance for CY24 remains unchanged from that presented in the December 2023 quarterly report.

Guidance for Calendar Year 2024¹		CY24 12 months to 31 Dec 24
Production²		
Brazil	MMbbl	7.2-9
Who Dat (NRI)	MMboe	4-4.5
Total Production	MMboe	11.2-13.5
Costs		
Unit Production Costs ³	US\$/boe	10.5-15
Business Development, share-based payments & Neon studies	US\$m	11-12
Finance costs and interest ⁴	US\$m	27-31
Other Operating Costs ⁵	US\$m	31-35
Investment Expenditure		
Neon	US\$m	13-14
Other capex ⁶	US\$m	17-18
Who Dat ⁷	US\$m	20-25
Total Capex	US\$m	50-57
Petrobras consideration ⁸	US\$m	86

- Guidance is subject to various risks (including those "Key Risks" set out in Karoon's TY23 Annual Report and Appendix C in the ASX release dated 16.11.23 "Acquisition of interest in the US Gulf of Mexico").
- Production assumes drilling results and expected future development and appraisal projects being delivered in accordance with their currently expected schedules.
- Unit Production Costs: based on daily operating costs associated with Baúna and Who Dat Production, and Baúna FPSO lease costs (pre AASB 16).
- Finance costs and interest include fees and debt interest.
- Other Operating costs include 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.
- Includes Signature Bonuses expected to be paid to ANP.
- Excludes exploration capex that is yet to be approved by the JV, which is expected to be approximately US\$100-120 million (net to Karoon).
- Relates to contingent consideration paid to Petrobras in January 2024.

All guidance is subject to the statement on page 6 regarding “Forward-looking statements.

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

CONFERENCE CALL

Karoon’s Chief Executive Officer and Managing Director, Dr Julian Fowles, and Chief Financial Officer, Mr Ray Church, will hold a conference call for analysts and investors to discuss the TY23 Half Year Results on Thursday, 29 February 2024 at 11.00am (Melbourne time). The conference call will be streamed live and can be accessed via the following link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=LJyCjjoe>

A recording of the call will be available on Karoon’s website.

FOR FURTHER INFORMATION ON THIS RELEASE, PLEASE CONTACT:

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NOTES ON CALCULATION OF RESERVES AND RESOURCES

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), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE).

All statements are net to Karoon's interests as of 31 December 2023 and use a combination of deterministic and probabilistic methods. For Reserves and Resources associated with assets in Brazil, Karoon's reported net share is based on the Working Interest for each license. For Reserves and Resources associated with assets in the USA, Karoon's reported net share is based on the Net Revenue Interest for each license, well or reservoir.

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.

The reference point for Reserves calculation is at the fiscal meter situated on the respective production facility.

Undeveloped Reserves are expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

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.

ABOUT KAROON ENERGY LTD

Karooon Energy Ltd. is an international oil and gas exploration and production company with assets in Brazil, the United States of America 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. Karooon's purpose is to provide energy safely, reliably and responsibly, creating lasting benefits for all its stakeholders.

Karoon Energy TY2023 Results

29 February 2024



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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 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 Board of Karoon Energy Ltd.



Julian Fowles

CEO and Managing Director

TY2023 Highlights and Achievements

TY23 Highlights

Building on success through a focused strategy



Material growth in safe and reliable production

- ▶ No LTIs or Recordable Incidents in TY23
- ▶ Production 5.47 MMboe (+49% on prior six months)
- ▶ Sales revenue US\$412.9 million (+55% on prior six months)
- ▶ Unit production costs US\$11.09/boe (-23% on prior six months)
- ▶ Underlying NPAT¹ US\$144.7 million (+129% on prior six months)



Delivering strategic objectives

- ▶ Decision to be taken in late 1QCY24 for entry to Neon Concept Select phase
- ▶ Who Dat infill drilling program complete and G2 and G4 wells being commissioned/optimised
- ▶ Current production from Who Dat still ramping up, currently ~38,500 boepd (gross), ~9,250 boepd net to KAR on Net Revenue Interest basis
- ▶ JV discussions advancing for exploration / appraisal drilling campaign in Who Dat East, Who Dat South and Who Dat West



Sustainability targets unchanged

- ▶ Executed binding agreement to purchase 340,000 VCUs from REDD+ Hiwi Project
- ▶ Carbon Neutral in FY22 and anticipate being Carbon Neutral for Scope 1 & 2 in FY23, Net Zero target by 2035 unchanged²
- ▶ Contributed ~US\$82 million to Brazil, Australia and US economies in TY23 through employee benefits, government take and social/ community projects in Brazil



Robust balance sheet

- ▶ As at 31 December 2023:
 - ▶ Cash and cash equivalents of US\$170.4 million
 - ▶ Debt of US\$274m drawn from US\$340m facility
 - ▶ Gearing⁴ of 10%
- ▶ Strong cash flows being generated from operations at current oil prices

1. Underlying NPAT reflects the Company's assessment of financial performance. Refer to slide 25 for reconciliation of the adjustments. This measure is presented to provide further insight into Karoon's performance.

2. 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.

3. Relates to wages, royalties, levies and tax paid in Brazil, Australia and the US as well as social/community and environmental programs.

4. Gearing is defined as net debt / (net debt + book value of equity)

Acquisition of interest in Who Dat completed

Integration of Karoon's second asset progressing well



Second asset diversifies operational risk

✔ Second asset in stable and well understood regulatory and fiscal regime diversifies risk

Successful development program recently completed

✔ Gross production at Who Dat ramping up, with the connection of G2 & G4 in Feb-24 lifting gross production to ~38,500 boepd, equivalent to ~9,250 boepd (Net Revenue Interest basis).
Production guidance unchanged for CY24

Further development opportunities and exploration upside

✔ Work to evaluate and mature additional resource opportunities underway

Building operational capabilities

✔ Experienced personnel recruited in Houston office, has bolstered Karoon's technical, commercial, financial and trading capabilities

Health, Safety, Security and Environment

Safety performance improving



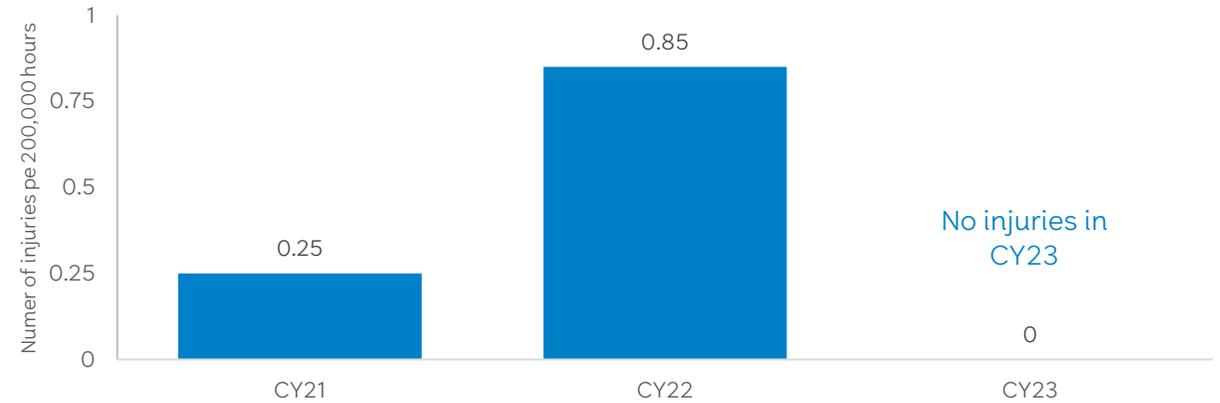
Safety Performance

- › Safety continues to be our highest priority
- › No recordable safety incidents in 2023
- › TRIR of 0.0 in operated assets

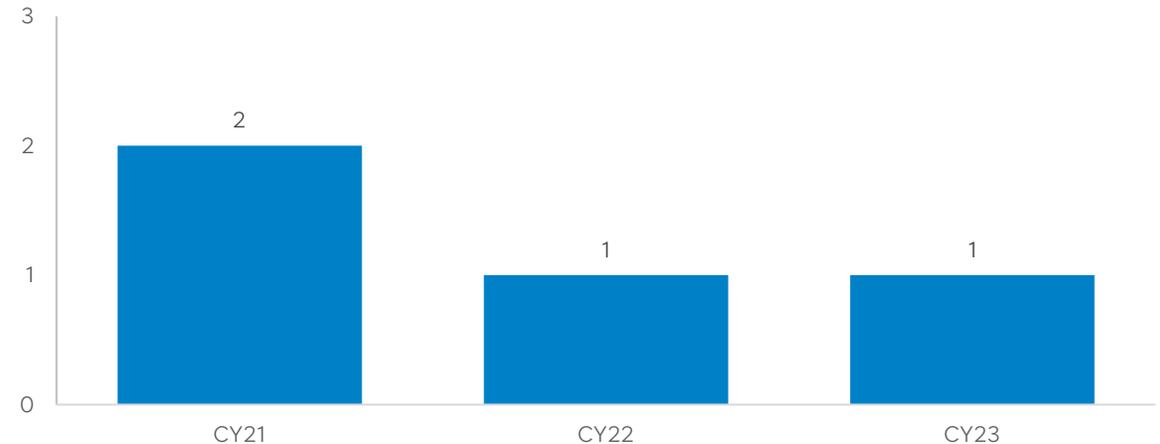
Environmental Performance

- › No significant spills or environment incidents recorded
- › 12 environmental programs underway, as required for Karoon's operation license in Brazil
 - › Research projects, biodiversity control and protection, pollution control and waste management, oil spill response plan, as well as education, with several projects leading to positive social impact

Total Recordable Injury Rate



Number of minor spills (to sea)





Ray Church
EVP and CFO

Financial Results

TY23 Financial Highlights

Strong financial outcomes in revenue, costs and robust balance sheet¹



REVENUE

US\$412.9m

Up 55% from US\$267.1m



UNIT PRODUCTION COSTS

US\$11.09/boe

Down 23% from US\$14.37/boe



UNDERLYING EBITDA

US\$283.0m

Up 94% from US\$145.9m



CASHFLOW GENERATED²

US\$284.2m

Up 128% from US\$124.4m



INVESTING CASHFLOW (ex M&A)

US\$8.4m

Down 94% from US\$129.3m



GEARING

10%

NA for prior period



1. Comparison is against the prior six month period (1 January 2023 to 30 June 2023).

2. Cashflow generated reflects net cashflow from operations and includes principal elements of lease payments.

Underlying results

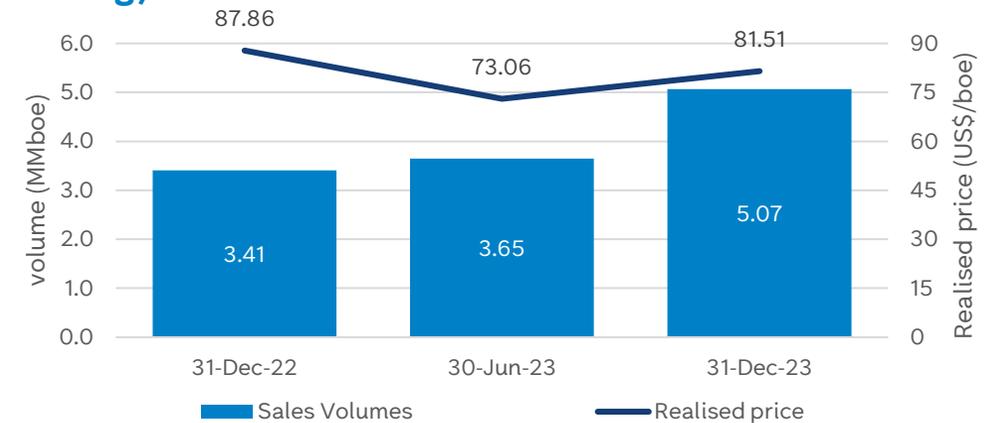
Production growth driving earnings



US\$ million	TY23 (6 months to 31 Dec 23)	2HFY23 (6 months to 30 Jun 23)	1HFY23 (6 months to 31 Dec 22)	FY23 (12 months to 30 June 23)
Revenue	412.9	267.1	299.4	566.5
Other income	2.6	3.0	1.1	4.1
Production Costs (incl FPSO depn & finance)	(78.2)	(62.5)	(72.5)	(135.0)
Royalties and other government take	(45.0)	(36.4)	(30.3)	(66.7)
DD&A (excl FPSO D&A)	(61.2)	(38.4)	(48.0)	(86.4)
Impact of Inventory Movements	12.7	(5.5)	(6.0)	(11.5)
Corporate, Exploration & Other	(19.5)	(16.9)	(14.6)	(31.5)
Finance & Interest	(9.1)	(6.3)	(3.7)	(10.0)
Underlying Pre-Tax Profit	215.2	104.1	125.4	229.5
Income Tax Expense	(70.5)	(41.0)	(42.6)	(83.6)
Underlying NPAT	144.7	63.1	82.8	145.9

Note: The financial information for TY23 and FY23 is from audited information. 1HFY23 is from 31 December 2022 auditor reviewed information. 2HFY23 is not audited or reviewed but derived from auditor reviewed financial information. 1HFY23 underlying NPAT has been restated from US\$82.4m to US\$82.8m, to include the cumulative translation adjustment impact on deferred tax.

Sales volume and realised price (6 months ending)



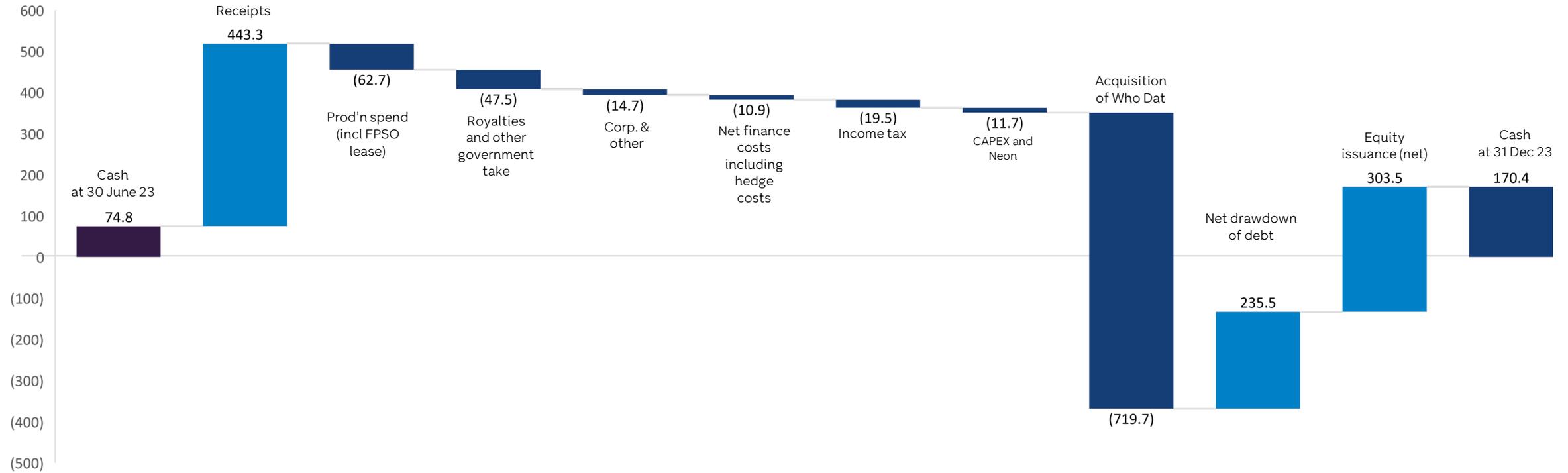
- Underlying NPAT growth +129% against 2HFY23, largely due to higher sales volumes and higher realised price
- Royalties & other government take and DD&A increases driven by higher crude price and production, offset by discontinued temporary export tax
- Excluding non-cash IFRS 16 FPSO operating lease items, production cost growth includes US\$7.8m ship to ship transportation costs, US\$0.6m Who Dat opex and US\$7.2m impacts of shut-down in 2HFY23. Largely fixed cost base

TY23 Cash flow

Cash used to fund value accretive acquisition



US\$m



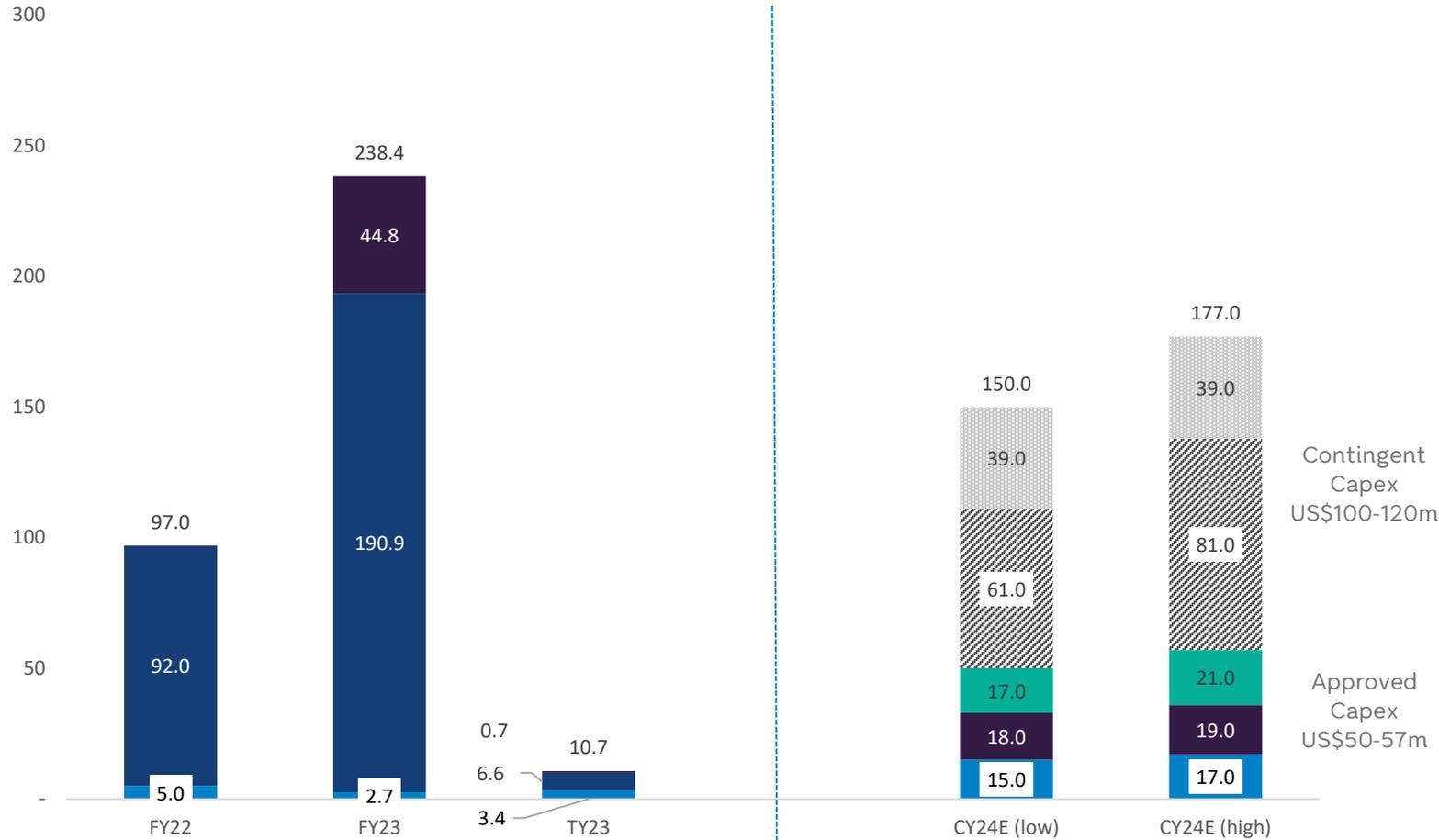
- ▶ Increasing Baúna production and much reduced capex (<US\$10 million, primarily related to remaining invoices for Baúna intervention, Patola development and Neon drilling) supports material build up in cash reserves to support acquisition of Who Dat
- ▶ Gearing at 31 December was 10%, reflecting closing net debt of US\$103.7 million
- ▶ Petrobras contingent consideration of US\$86m paid in January 2024 from cash

CAPEX

Capital expenditure to de-risk opportunities



US\$m



- ▶ Modest sustaining capex (US\$15-17m total for Brazil and US GoM)
- ▶ Remaining firm capex for CY24 of US\$35-40m comprises development capex for Who Dat and planned expenditure on Neon
- ▶ Brazil capex in CY24 largely related to Neon
- ▶ Contingent capex (not yet JV approved) to de-risk and mature prospective resource opportunities in offshore Gulf of Mexico

■ Sustaining ■ Baúna intervention & Patola ■ Exploration and evaluation ■ Development ■ Contingent exploration ■ Carry related to exploration

Overview of new debt package

Debt package provides capacity to fund growth opportunities

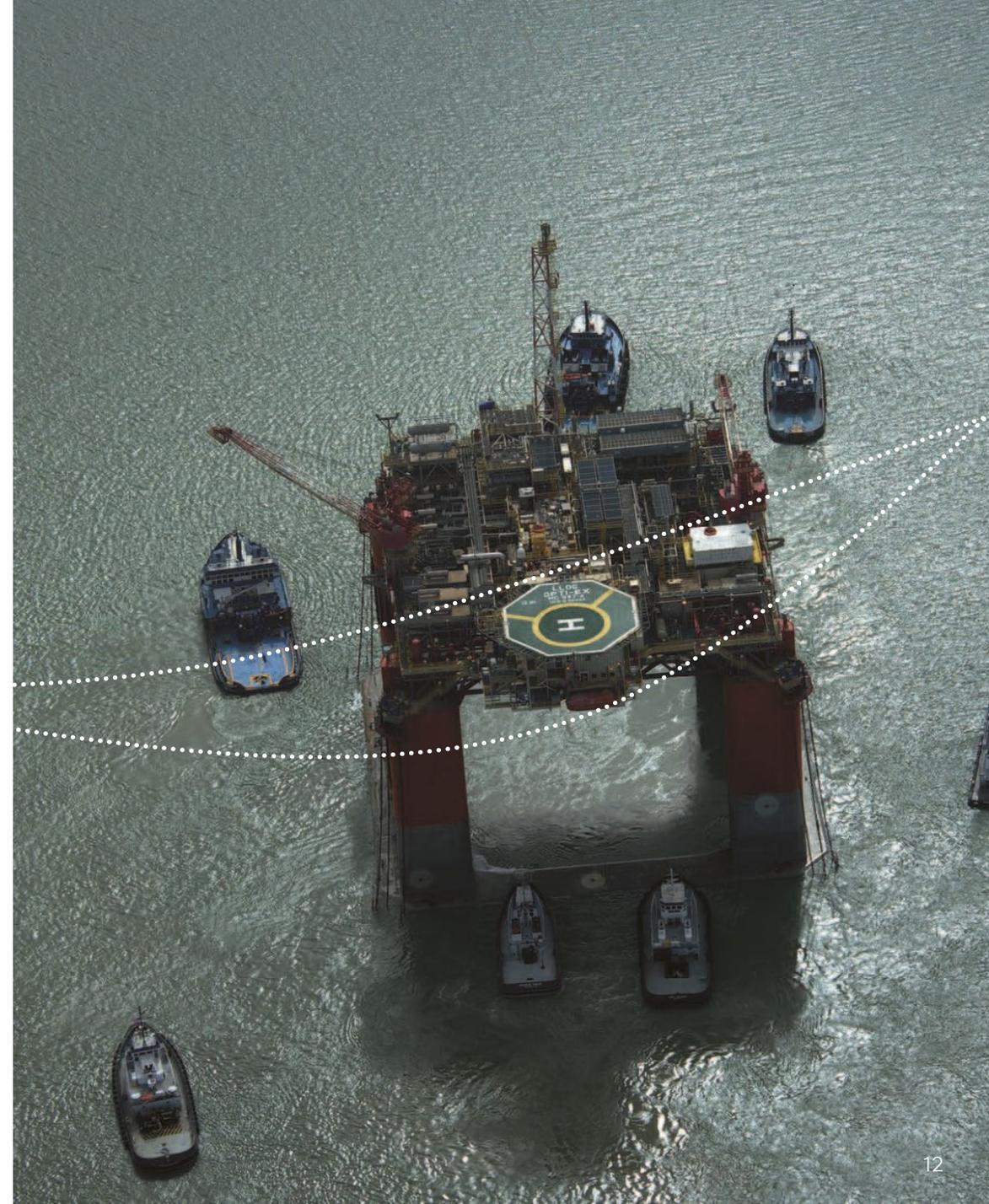
- ▶ New flexible US\$340 million reserves based lending facility implemented on commercially attractive terms
- ▶ Facility available to fund growth and future acquisitions
- ▶ Intend to incorporate Who Dat into borrowing base, providing incremental debt availability under the facility
- ▶ Exploring opportunities to access debt capital markets to diversify and broaden funding mix

Key terms of new debt facility

Facility	- Revolving reserve-based lending facility
Term	- 5 years (from 30 September 2023), subject to reserve tail
Facility Limit	- US\$340 million (US\$274 million drawn ¹)
Security	- Priority security over borrowing base assets - Corporate security over 90% EBITDA and 90% total assets
Repayment	- Facility can be redrawn subject to semi-annual straight line amortisation post two year holiday
Covenants	- Customary covenants including a leverage ratio
Hedging obligations	- Level of hedging is on laddering approach based on level of collateral coverage ²

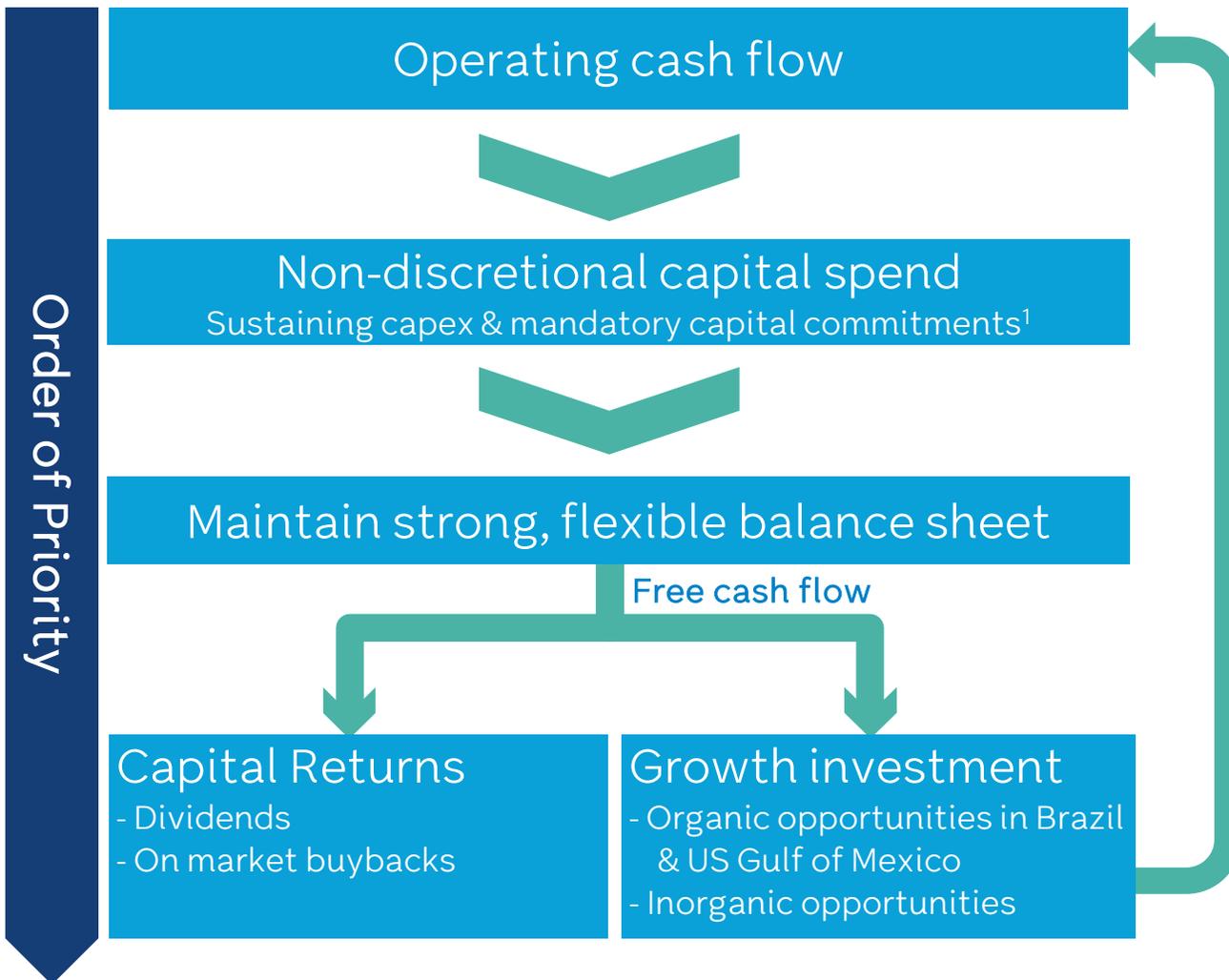
1. As at 31 December 2023.

2. Collateral coverage according to the new debt facility is determined as the value of the borrowing base divided by borrowings.



Capital Allocation Framework

Building scale to achieve long term sustainable cashflow and shareholder returns



- › Priority is to support safe and reliable operations and to meet capital commitments, including debt repayments
- › Capital allocation framework ranks growth opportunities with shareholder returns
- › Growth opportunities can support Karoon unlocking value by:
 - › Improving access to capital
 - › Extending asset life from current asset base to enhance overall free cash flow generation
 - › Diversifying asset base and operating cashflows

1. Capital commitments include Contingent Payments to Petrobras



Julian Fowles

CEO and Managing Director

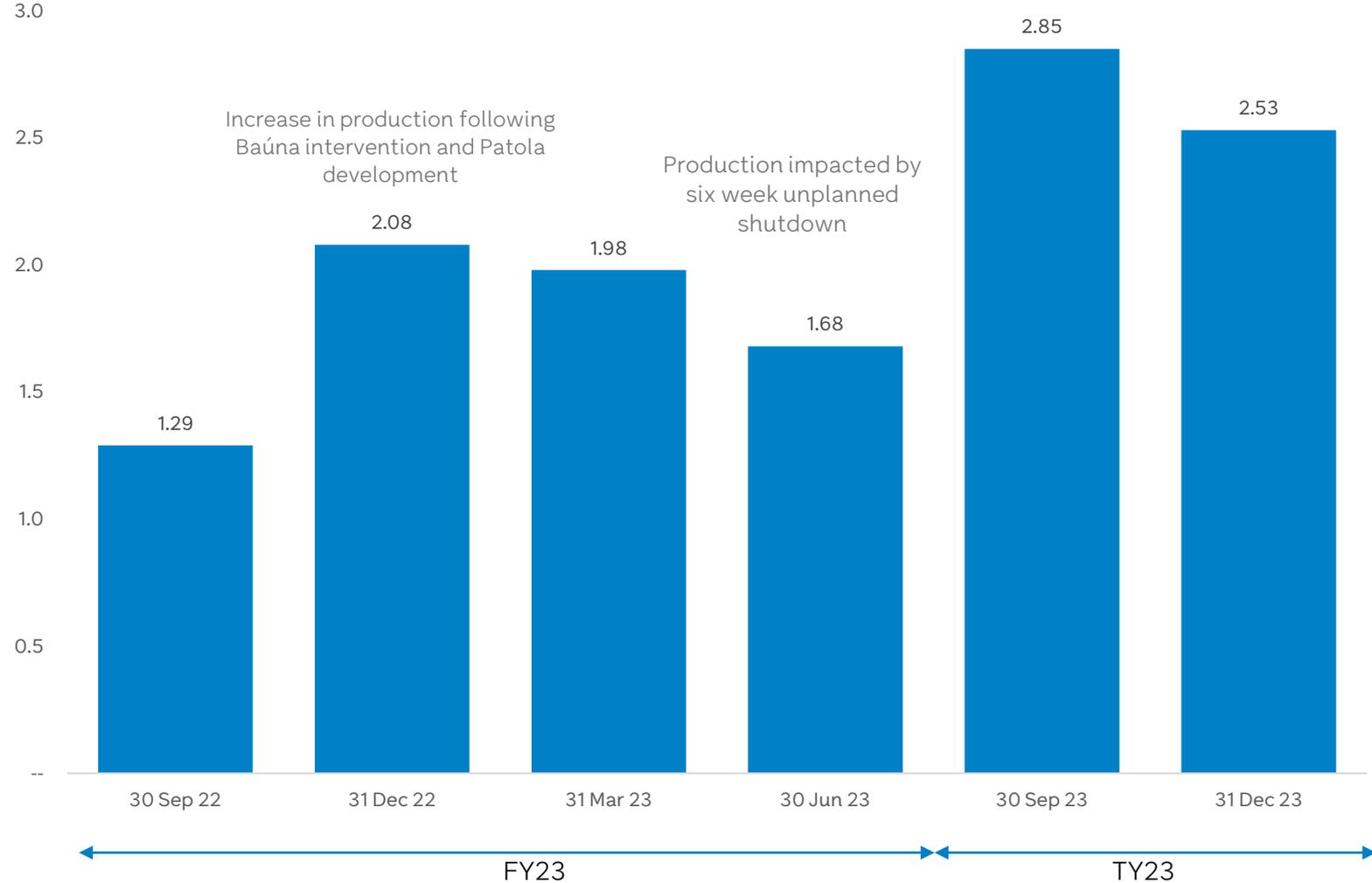
Operational Update

BRAZIL: Baúna operating performance



Focus on maintaining facilities uptime and active well management

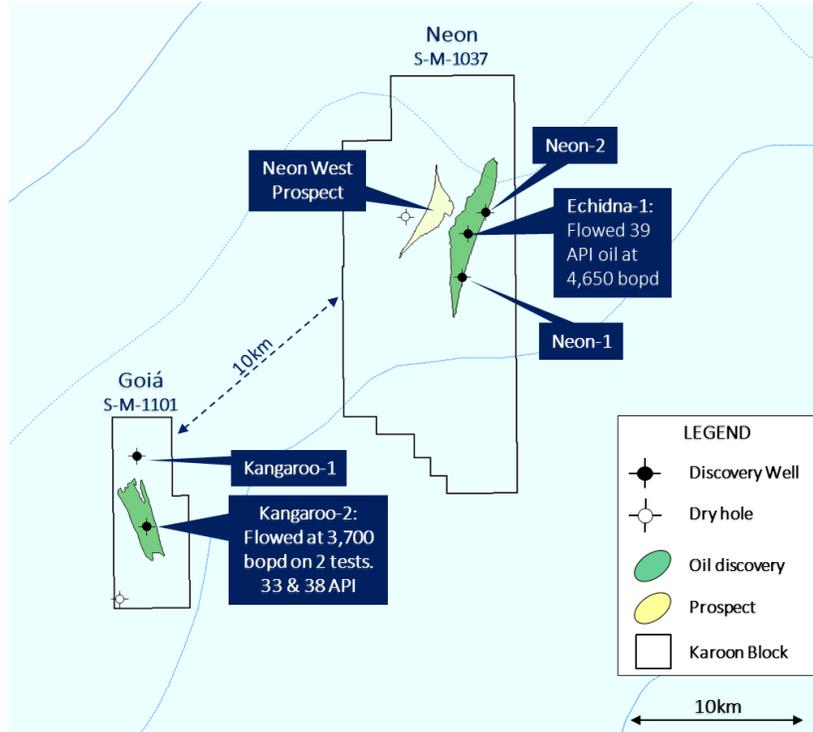
Baúna Project Quarterly Production (MMboe)



- ▶ Baúna Project production impacted by above surface issues in December quarter 2023, primarily caused by outage of dehydration unit, leading to hydrates in two wells
- ▶ Hydrate issues now resolved
- ▶ SPS-88 expected to remain offline until gas valve is replaced – expected back online in 4QCY24
- ▶ Reservoir performance in line with expectations

BRAZIL: Potential Neon development

Decision on entering Concept Select phase targeted for late 1QCY24



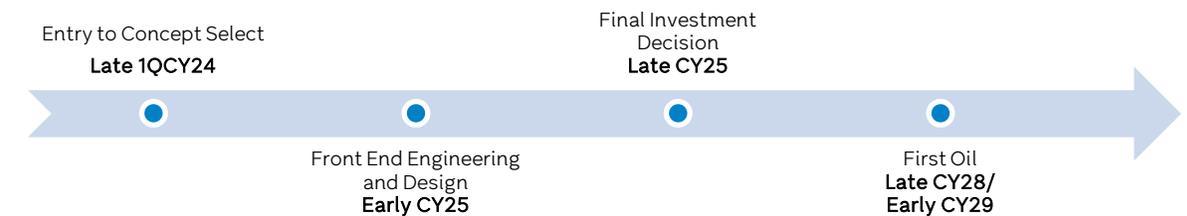
Contingent Resources¹

	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	38	60	90
Goiá	16	27	46

Prospective Resources¹

Neon West	6	15	33
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- ▶ Technical and commercial studies, including detailed subsurface modelling, integrating seismic reprocessing, core and fluid sample analyses, being finalised
- ▶ Review of whether any potential Neon development concepts are feasible nearly complete
- ▶ Decision on potential entry into Neon Project Concept Select (DG-1 decision gate) to be taken in late March 2024
- ▶ Focus in Concept Select would be to select and fine tune optimal development concept
- ▶ Subject to potential development continuing to meet internal commercial/technical hurdles and supportive market conditions, next decision gates and potential timing as below:



Timeline subject to successive positive stage gate decisions

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.

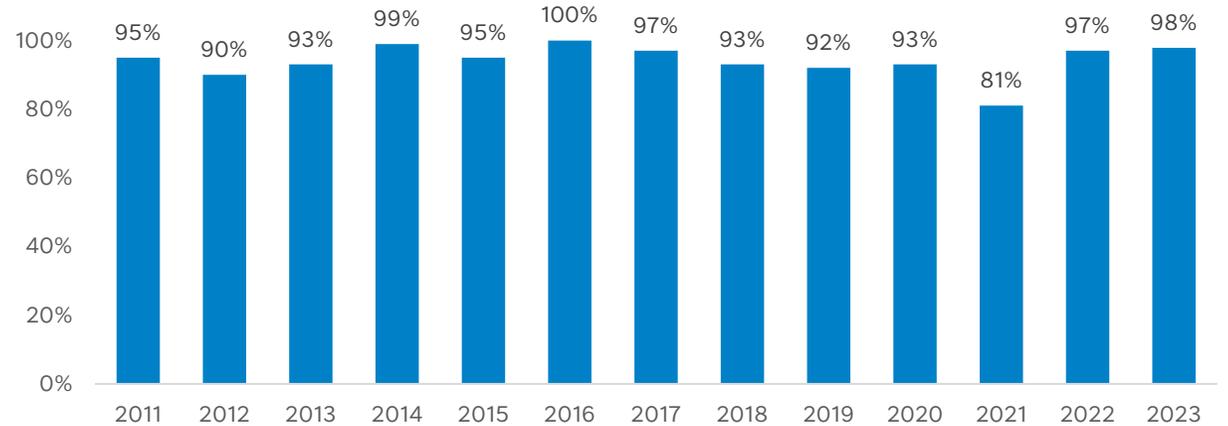
US: Who Dat operating performance

Facilities uptime and active well management

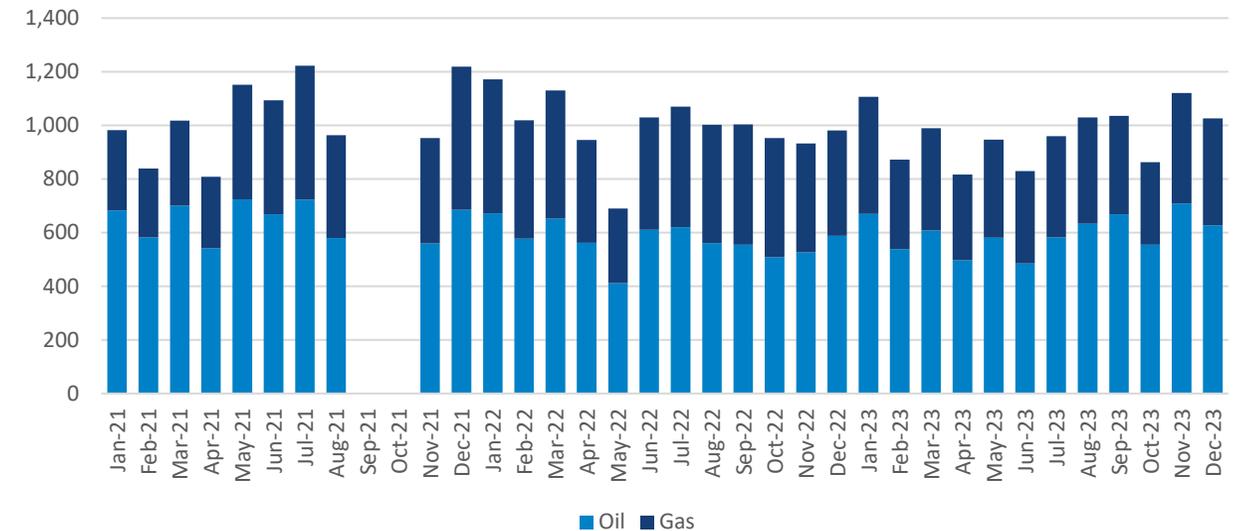


- › Who Dat development campaign recently completed
 - › E2 and E7 wells brought onstream in 3QCY23
 - › Subsea pump commenced production in 4QCY23
 - › G2 sidetrack encountered shallower reservoir (4200 sand) as well as original 4600 target. Ownership rights negotiated; approval received to comingle production from both intervals
 - › G2 and G4 both came online in February 2024; deeper G2 zone yet to come onstream
- › Production during December 2023 impacted by facility modifications required for G4 well
- › Discussions underway to identify opportunities to improve reliability and debottleneck FPS

Who Dat facility uptime (%)¹



Who Dat gross monthly production ('000 boe)



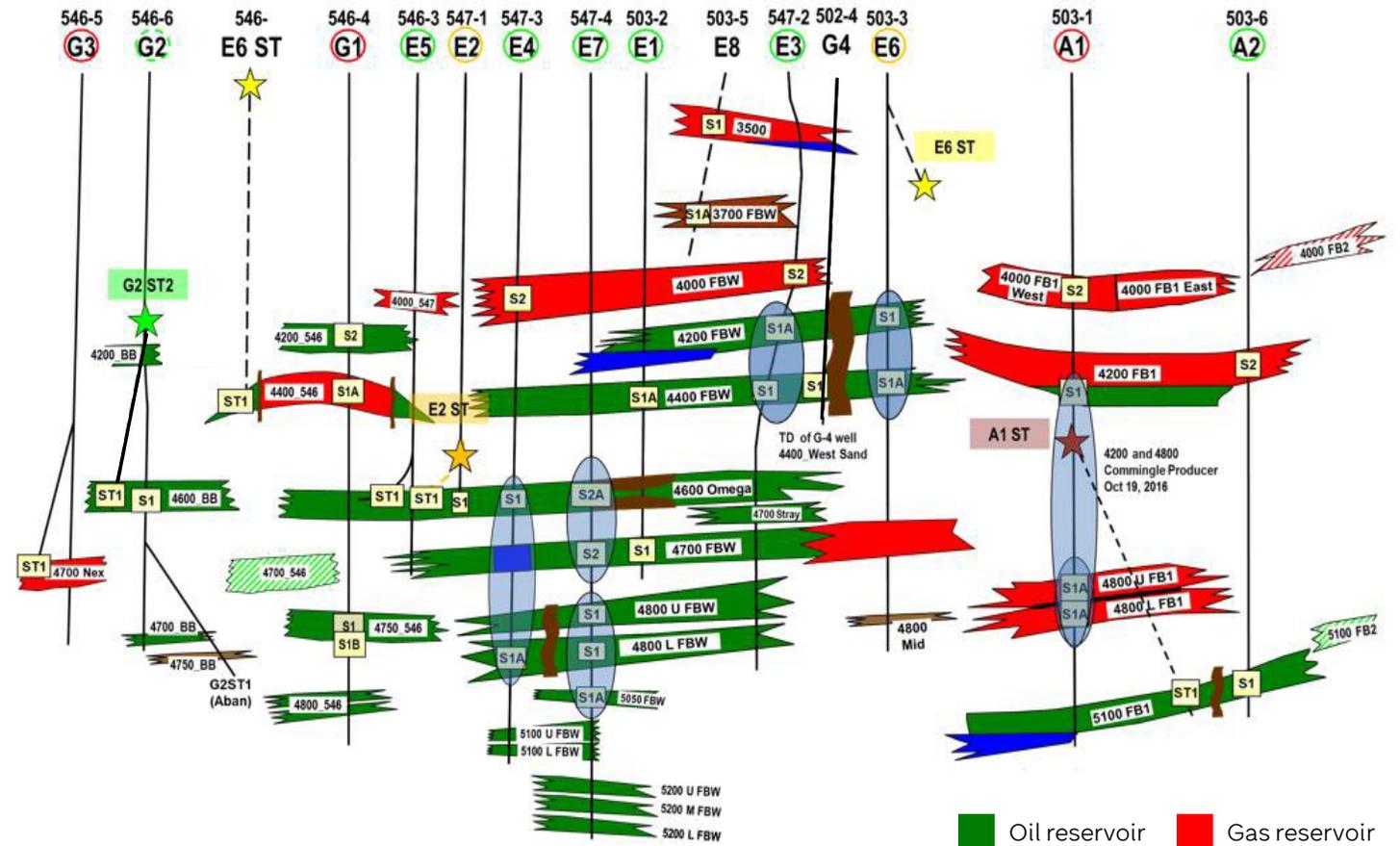
1. Uptime is defined as % of days the Who Dat facility is producing (excluding all scheduled downtime)

US: Who Dat - Development Activities

Data from infill development campaign to help optimise future plans

- Well data from E4, E7, G2 and G4 wells is being incorporated into dynamic model to:
 - Optimise production plan to drain reservoirs
 - Identify further new opportunities
- Results of recent wells will help refine potential future infill development plans

Reservoir cross section

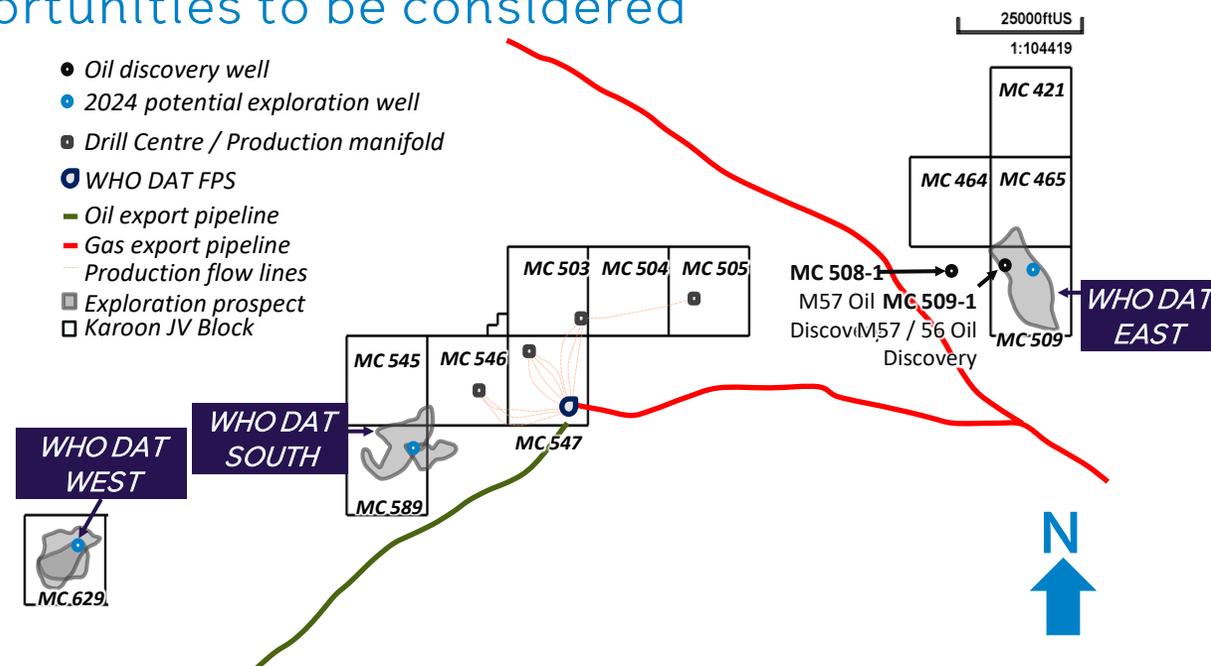


US: Additional growth potential at Who Dat

Attractive near-field exploration/appraisal opportunities to be considered



- Consideration of up to three exploration/appraisal wells in CY24, subject to JV approval
- If approved:
 - Who Dat East appraisal well and Who Dat South targeted to spud in 2Q/3Q 2024
 - Who Dat West targeting 3Q/4Q 2024
- All three prospects located within tie-back distance of Who Dat manifolds/FPS
- Additional prospect (Who Dat East Deep) to be matured



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 West	35%	-	77	36%	Upper Miocene
Who Dat South	30%	-	31	25%	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).

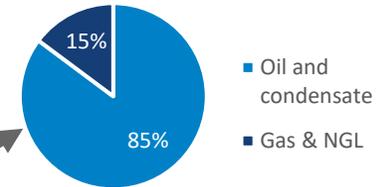
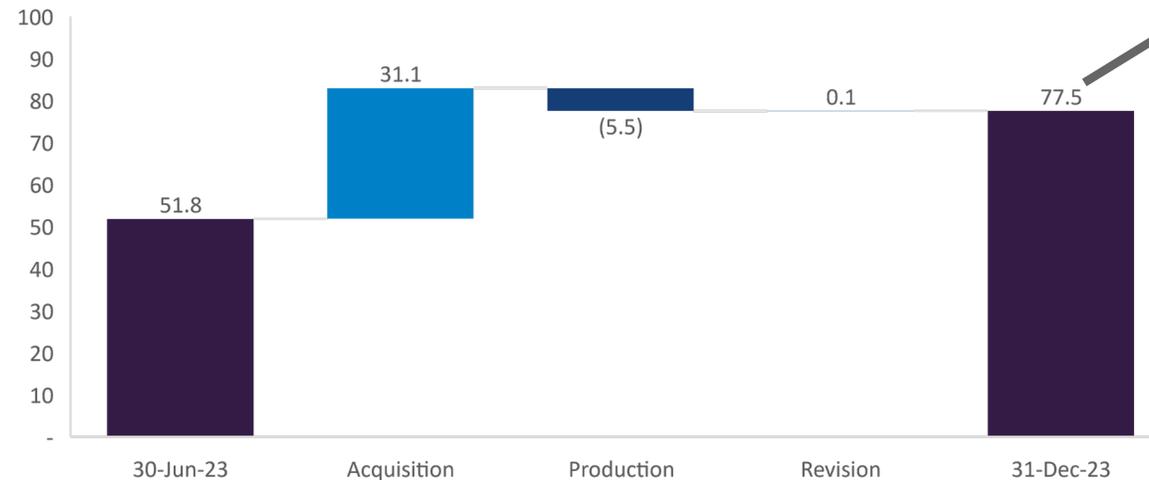
Reserves and Resources at 31 Dec 2023¹ (net to KAR)



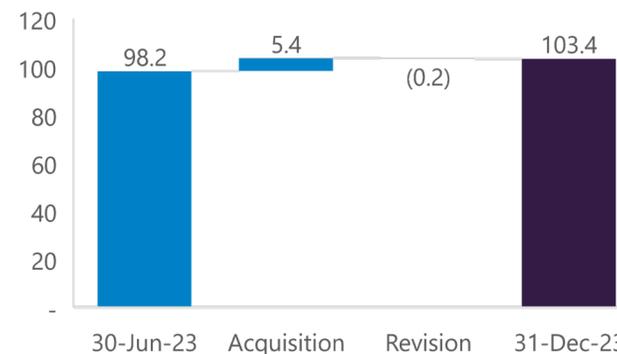
Material growth in Reserves and Resources reflecting Who Dat acquisition

- › 2P Reserves at 31 December 2023 increased by 50% (compared to 30 June 2023), to 77.5 MMboe
 - › 85% oil and condensate and 15% natural gas and natural gas liquids (NGLs)
 - › 2P Reserves replacement (organic plus inorganic) of 563% for six months to 31 December 2023
 - › 2P Reserves life of 8.5 years²
- › 2C Contingent Resources increased 5% to 103.4 MMboe
- › Who Dat added 92.0 MMboe to 2U Prospective Resources, taking total to 106.8 MMboe

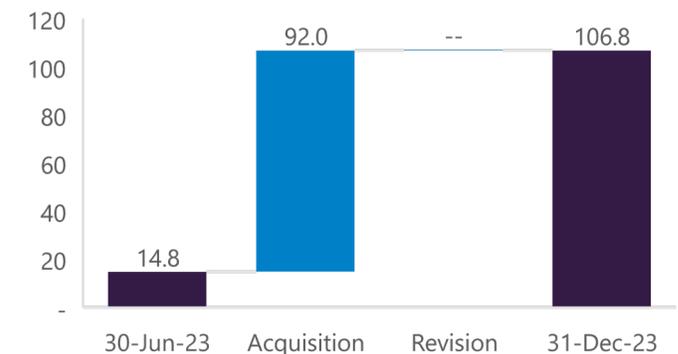
2P Reserves (MMboe)



2C Contingent Resources (MMboe)



2U Prospective Resources (MMboe)



1. See pages 16 – 19 of TY23 Annual Report for full details, including the basis of calculation of Reserves and Resources and Governance and Competent Persons Statement. 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

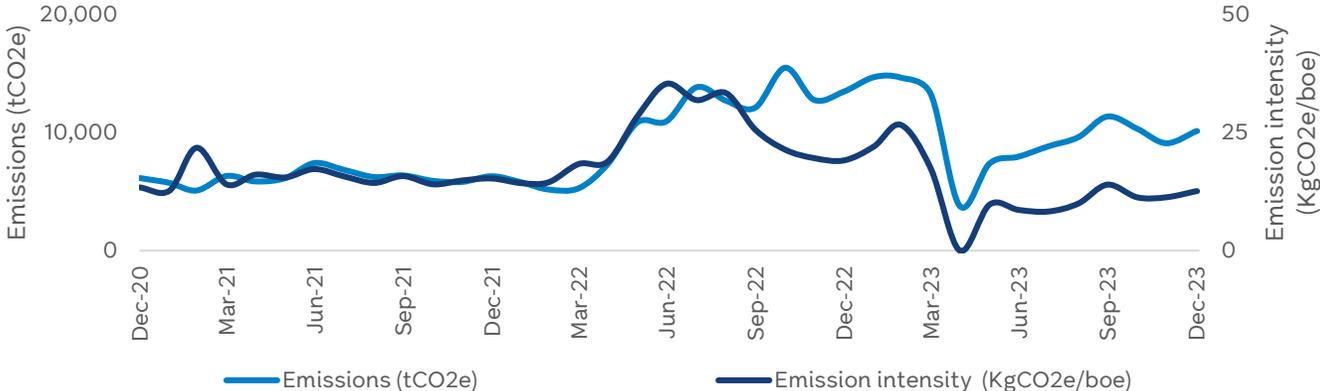
2. Based on total production for CY23 of 9.13 MMboe

Sustainability

Responsible operations

- ▶ Reducing emissions from operations remains a priority for Karoon’s Carbon Management Plan
- ▶ Reviewing potential investment in projects, preferably with social benefits, to offset residual emissions in addition to investigating equity and/or development opportunities in Nature Based Solution offset projects
- ▶ Executed binding agreement with CarbonNext to acquire 340,000 VCUs from Hiwi project over CY23 - 27
- ▶ 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\$82.4 million to Brazilian, Australian and US economies in TY23. Includes US\$2.2 million spent on social and environmental projects in Brazil, focused on education and employment
- ▶ See FY23 Sustainability Report for full details on climate, social and other key ESG priorities. TY23 Sustainability report contains latest climate and HSSE data

Scope 1 and 2 emissions for Baúna Project



Guidance¹



Period		12 months to 31 Dec 24	
		Low	High
Production²			
Brazil	MMboe	7.2	9.0
Who Dat (NRI)	MMboe	4.0	4.5
Total Production	MMboe	11.2	13.5
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 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	17.0	18.0
Who Dat ⁶	US\$m	20.0	25.0
Total Capex	US\$m	50.0	57.0
Petrobras consideration ⁷	US\$m	86	86

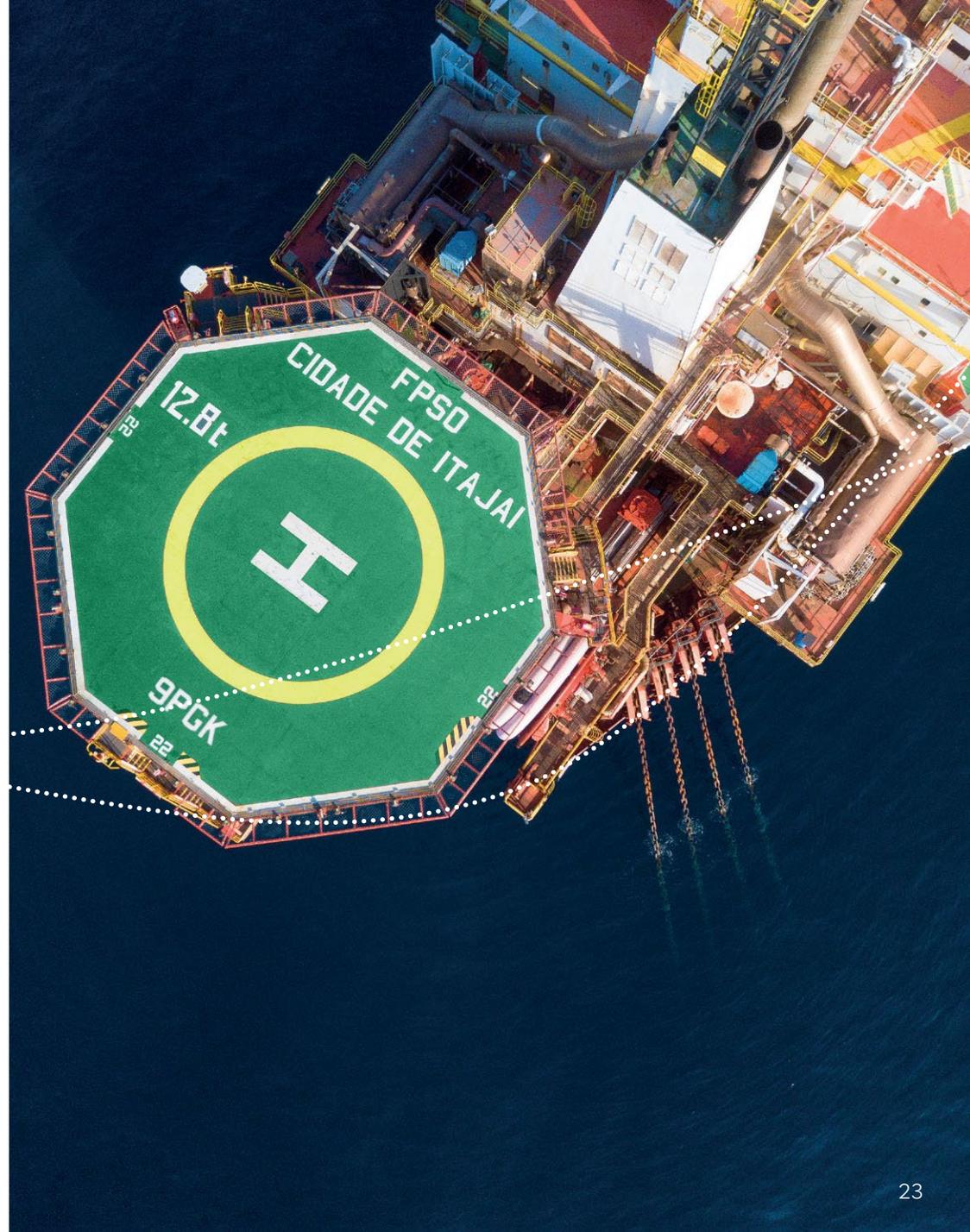
BASIS OF GUIDANCE

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 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, expected to be ~US\$US100-120 million (net to Karoon) in CY24
7. Contingent consideration paid to Petrobras in January 2024

Summary

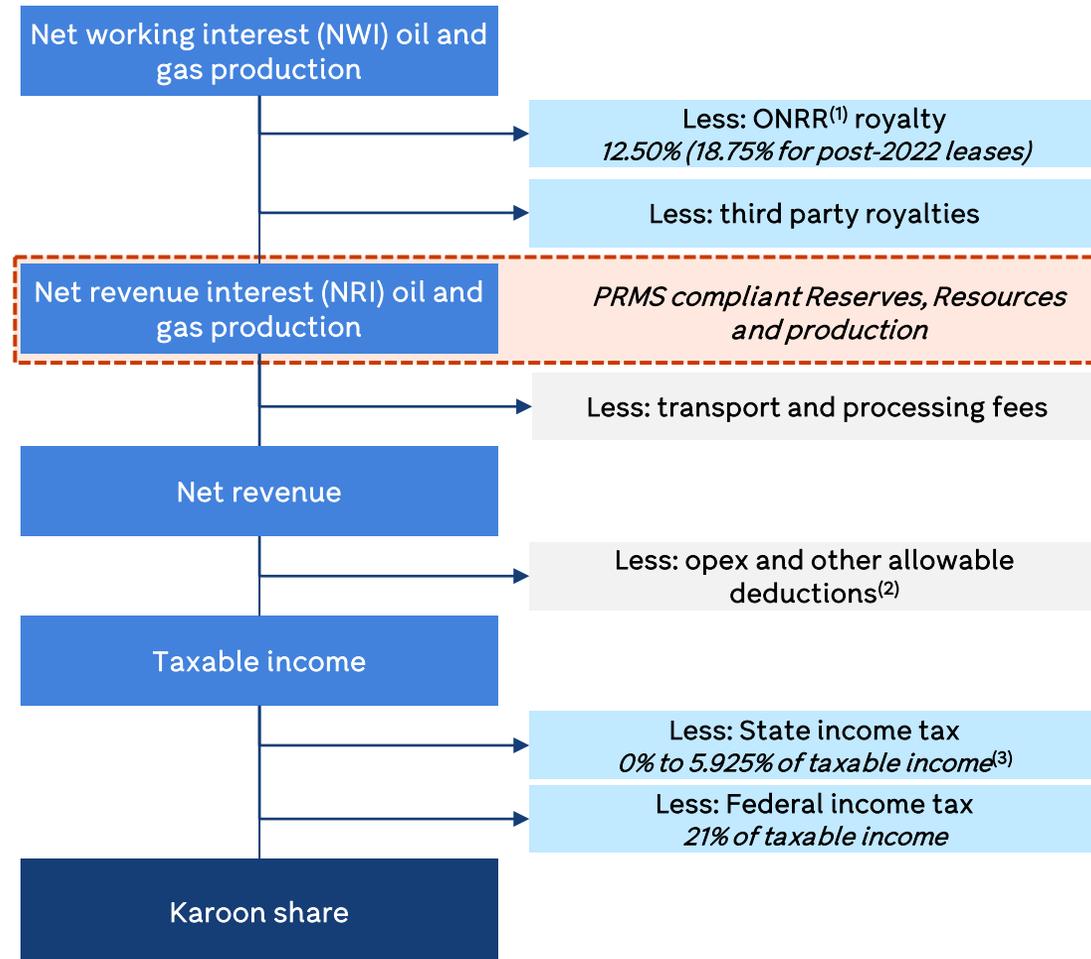
Focus on creating shareholder value

- › Karoon now has interests in two high quality, low operating cost assets in prolific hydrocarbon basins, with organic growth opportunities
 - › Our first priority remains safe and reliable operations
- › Near term catalysts include:
 - › Neon entry to Concept Select phase decision in late March CY24
 - › Approval of potential exploration/appraisal drilling program in US GoM, with up to three wells commencing 2Q-3QCY24
 - › Baúna SPS-88 well return to production
- › Solid financial position with robust balance sheet
 - › Gearing of 10% as at 31 December 2023
- › Strong cash flows at current oil prices should provide additional balance sheet flexibility to fund organic growth, potential acquisitions and returns to shareholders
- › Board continues to consider capital management in line with capital allocation framework

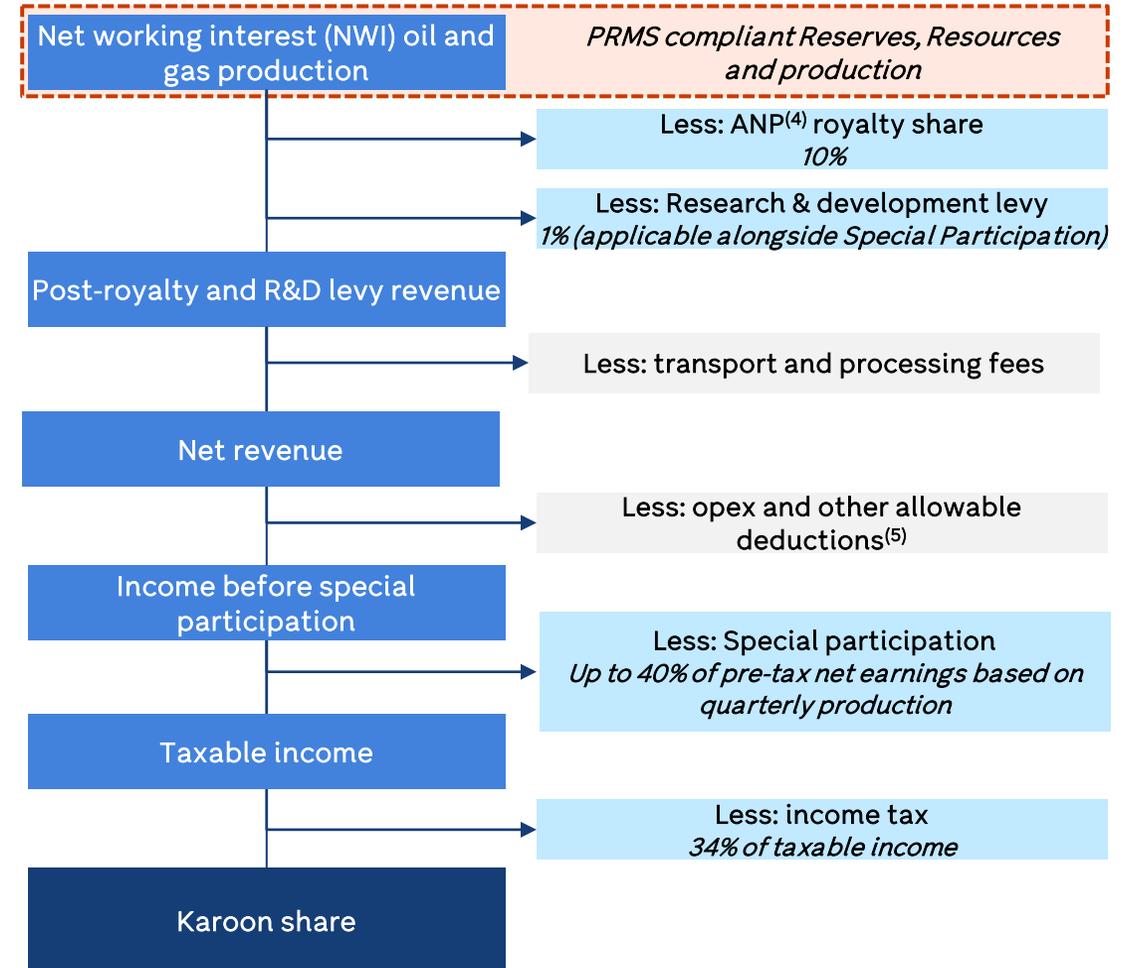


Appendix 1: Fiscal regime comparison

US Deepwater Gulf of Mexico



Brazil



Notes: 1. Office of Natural Resources Revenue, being a unit of the United States Department of the Interior. 2. Intangible drilling can be immediately deducted whilst other costs are subject to either the modified accelerated cost recovery system or units of production method. 3. Prospective liability depends upon detailed assumptions regarding the destination of marketed goods and the way production is marketed. 4. The Brazilian National Agency for Petroleum, Natural Gas and Biofuels. 5. Depreciation is typically recorded using the straight-line method.

Appendix 2: Reconciliation of Underlying Result to Statutory Result



	TY23 (6 months to 31 Dec 23)		2HFY23 (6 months to 30 Jun 23)		1HFY23 (6 months to 31 Dec 22)		FY23 (12 months to 30 Jun 23)	
	NPAT	EBITDA	NPAT	EBITDA	NPAT	EBITDA	NPAT	EBITDA
Statutory results	122.5	249.9	85.4	141.7	77.6	166.8	163.0	308.5
Change in fair value of contingent consideration	2.3	3.5	3.1	4.8	0.3	0.4	3.4	5.2
Realised losses/(gains) on cash flow hedges	5.6	8.5	0.0	(0.1)	4.8	7.2	4.8	7.1
Foreign exchange losses/(gains)	5.8	8.1	0.6	1.1	(0.2)	(0.3)	0.4	0.8
Employee restructure cost	-	-	-	-	-	-	-	-
Social investments/sponsorships	-	2.2	-	0.1	-	1.8	-	1.9
Write-back of inventory impairment	-	-	(1.1)	(1.6)	-	-	(1.1)	(1.6)
Advisory and transaction costs	10.8	10.8	-	-	-	-	-	-
Intra-group funding impact on current tax expense (INE)	(8.0)	-	-	-	-	-	-	-
Cumulative translation adjustment impact on deferred tax	5.7	-	(25.0)	-	0.4	-	(24.6)	-
Total adjustments	22.2	33.1	(22.3)	4.3	5.2	9.1	(17.1)	13.4
Underlying results	144.7	283.0	63.1	145.9	82.8	175.9	145.9	321.8

The financial information for TY23 and FY23 is from audited information. 1HFY23 is from 31 December 2022 auditor reviewed information. 2HFY23 is derived from auditor reviewed financial information. 1HFY23 underlying NPAT has been restated from US\$82.4m to US\$82.8m, to include the cumulative translation adjustment impact on deferred tax.

- Change in fair value of contingent consideration recognises movement each year due to revaluation of Petrobras contingent consideration
- Hedges required by syndicated loan facility were entered into for the period December 2021 to March 2024
- Social investments/sponsorships are payments in lieu of corporate income tax allowable under Brazilian tax law (additional spend to Government related payments shown in earlier slides)
- Non-cash FX movements in deferred tax due to temporary differences between tax base of Brazilian business, denominated in REAL (R\$), and reporting currency, which is US\$. This movement will occur each reporting period in line with variation in conversion rates between R\$ and US\$
- Advisory and transaction costs relate to the due diligence and advisory expenditure on the acquisition of the Who Dat assets. These costs are non-deductible in TY23
- Intra-group funding credit in current tax expense relates to a cross border Australia/Brazil tax initiative (interest on net equity) applied in TY23

Glossary



Term	Definition
1QCY	Quarter ended 31 March
4QCY	Quarter ended 31 December
AASB	Australian Accounting Standards Board.
ANP	Agência Nacional do Petróleo, Gás Natural e Biocombustíveis.
Baúna	Concession BM-S-40 containing the producing Baúna, Piracaba and Patola light oil fields in Brazil.
bbl or barrel	Barrel of oil = 42 United States gallons; equivalent to approximately 159 litres
Boepd	Barrels of oil equivalent per day
Bopd	Barrels of oil per day
CY	Calendar year
D&A	Depreciation and amortisation
EBITDA	Earnings before interest, tax, depreciation and amortisation
ESG	Environmental, Social and Governance
FPS	Floating, production and storage vessel
FPSO	Floating, production, storage and offloading vessel
FY	Financial year ending 30 June
Gearing	Gearing is defined as net debt / (net debt + book value of equity)
JV	Joint Venture
Karoon	Karoon Energy Ltd and its subsidiaries
LTI	Lost time injury
m3	Cubic metres. 1M3 = 6.290 bbl
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
NRI	Net Revenue Interest
Net Debt	Total borrowings less cash and cash equivalents (excluding transaction costs)
NPAT	Net profit after tax
O&G	Oil and Gas
p.a.	per annum
R\$	Brazilian Real
R&D	Research and Development
Recordable incident	Any incident required to be reported to parties external to Karoon, including Medical Treatment Injuries, Alternative Duties Injuries, Lost Time Injuries and Fatalities
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
TY23	Transitional Financial year beginning 1 July 2023 and ending on 31 December 2023.
VCU	Verified Carbon Units