

1 June 2021

Company Announcements Office
ASX Limited

Dear Sir / Madam

Presentation for “Exploration Access Week” being hosted by CLSA

Attached is a presentation to be made as part of “Exploration Access Week” being hosted by CLSA later today.

This announcement was authorised by the Company Secretary.

Yours faithfully



Nick Kennedy
Company Secretary



CLSA Exploration Access Week

June 2021



Presenters:

Ian Reid – Group Exploration Coordinator

John Steel – Team Leader Asset Development

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Karoon – Corporate Transformation

Acquisition of Baúna producing field and corporate restructuring

- Acquisition from Petrobras of Concession BM-S-40, offshore Santos Basin, completed on 6 November 2020. Includes the producing Baúna oil field and undeveloped Patola discovery
- Karoon’s focus is on Santos Basin; holding 100% and operatorship of Baúna, Neon / Goiás and Clorita concessions
- New Brazil business unit created, reporting directly to CEO; executive team restructured for focus on operations and growth
- Brazil BU supported by Technical, Financial, Commercial and Corporate expertise in Melbourne corporate centre
- Baúna is a light sweet crude oil, attracts a premium to Brent blend price
- Baúna intervention campaign planned to commence late 2Q22
- Patola development FID expected in 2Q21
- Positioned for near-term growth in core basins of Brazil

Key Data	Units	YTD*
Production Rate	'000 bopd	13.5
Weighted Average Net Realised Price	US\$/bbl	52.46
Safety		
Lost Time Injury Rate	Incidents/200,000 hours	0.50
Total Recordable Incident Rate	Incidents/200,000 hours	1.00

*Reflects operations reported in last March 2021 Quarterly Report, of operations from 7 November 2020 to 31 March 2021.

Brazil – A Great Place to do Business

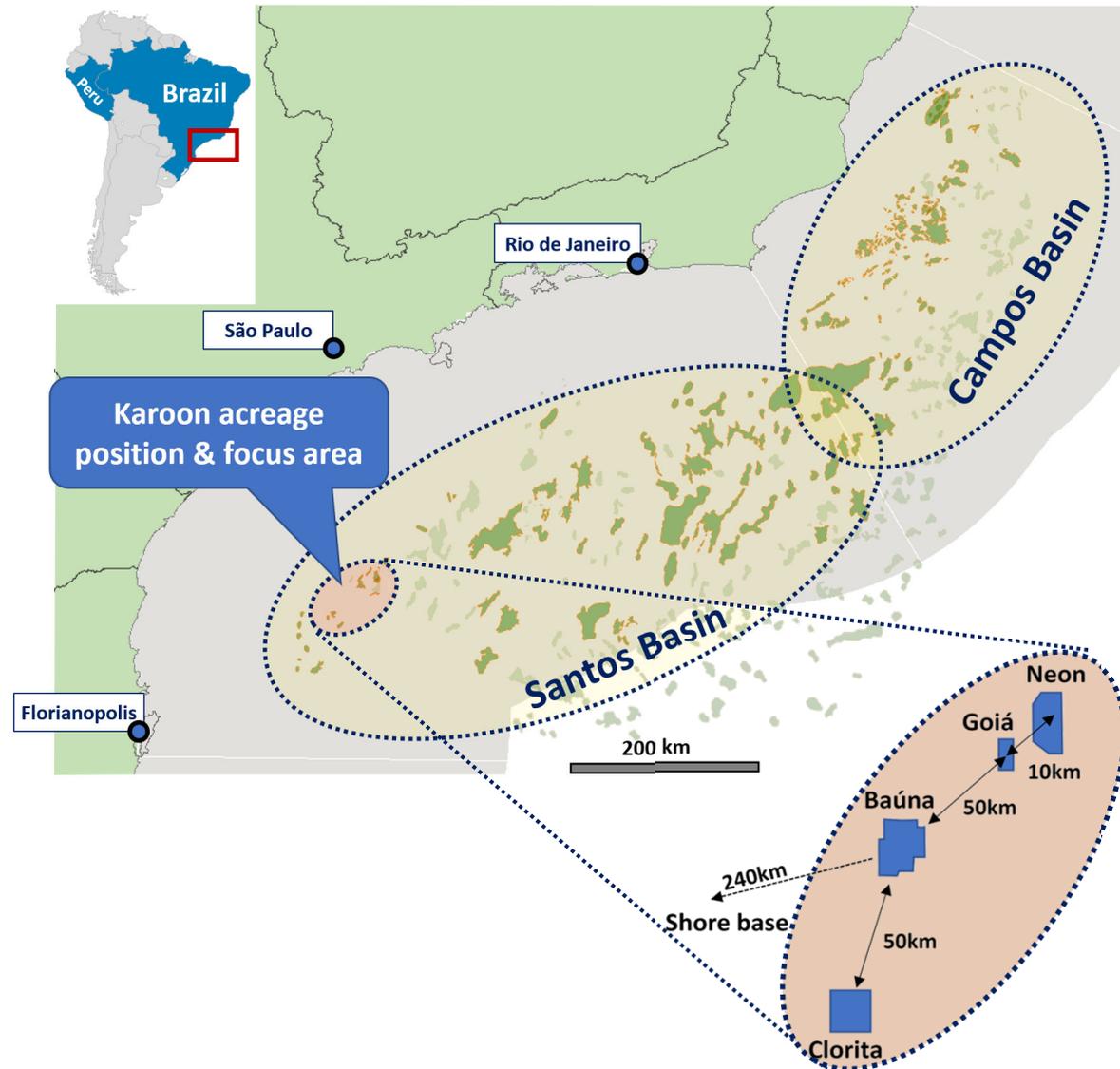
Fiscal Terms are attractive

- Royalty 5-10%
- Income tax 34% effective rate
- No State participation in concession agreement
- Royalty tax terms are comparable to UK and between Australia and USA GoM terms, in top third of global fiscal attractiveness
- Well established and stable Regulatory Bodies and Government Agencies in a sophisticated, well supplied operating environment both onshore and offshore

Brazil – A World Class Petroleum Province

Santos & Campos Super-Basins

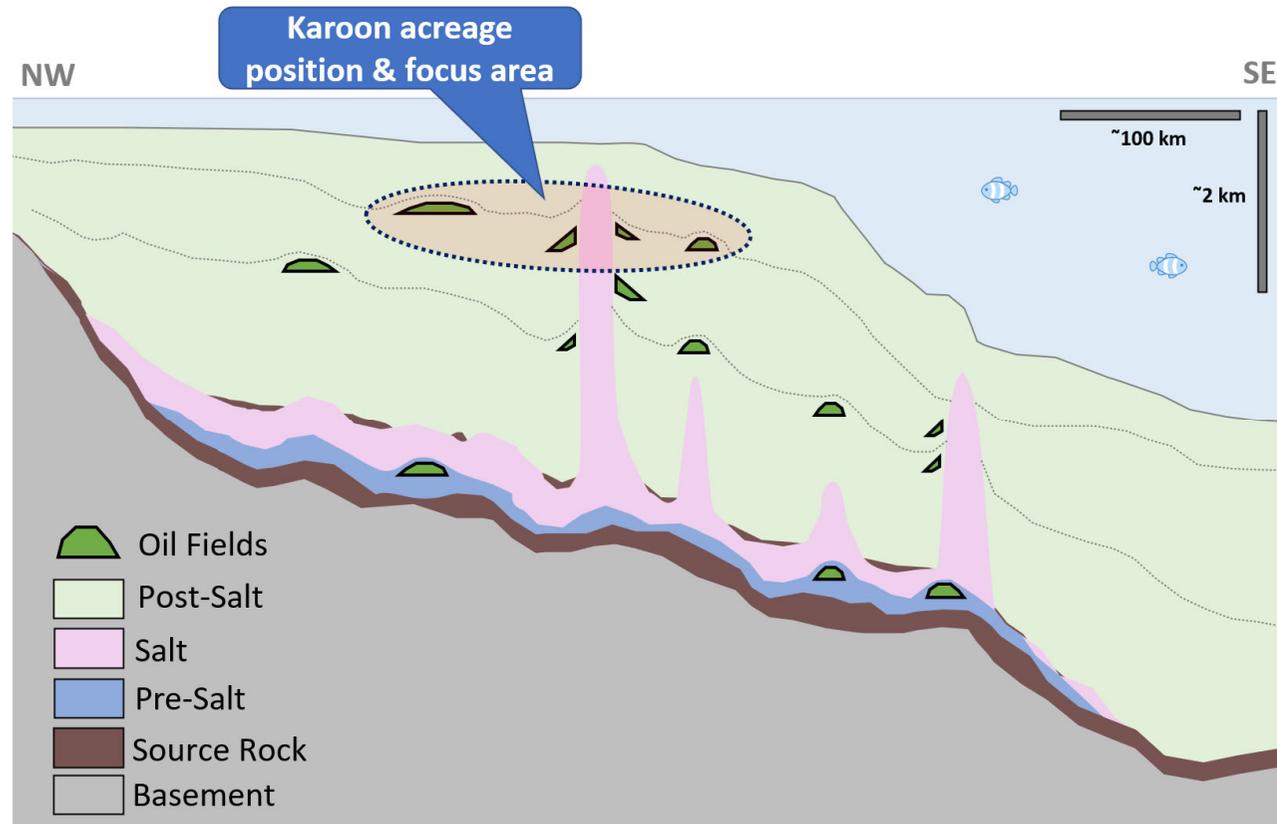
- Brazilian continental shelf area contains two world class super basins
- Well-established offshore oil industry dating back to the 1960s and has attracted significant participation from all major IOCs, as well as building its own vibrant small to mid-cap community
- Estimated that approximately 44% (~56 billion barrels) of conventional undiscovered oil in Latin America is in the Santos, Campos and Espirito Santo Basins
- 2020 **1P proven reserves** estimated at approximately 12 billion barrels of oil across all Brazilian basins
- Karoon entered Brazil in 2008 by taking exploration licences and now has over a decade of experience. Operated two exploration drilling campaigns through 2012 to 2015 resulting in Neon & Goiá oil discoveries



Brazil – Excellent Petroleum Geology

Santos & Campos Super-Basins

- Brazilian offshore basins are considered among the most prolific and prospective in the world
- Presence of extensive, high quality oil prone source rocks and large variety of reservoir levels and trap formation mechanisms proven to be effective throughout
- Karoon is focused on areas of shallow to moderate water depth, high deliverability reservoirs and high quality hydrocarbon types which promote strong project economics
- Karoon has leveraged world class technical expertise in advanced seismic analysis to de-risk exploration and appraisal targets

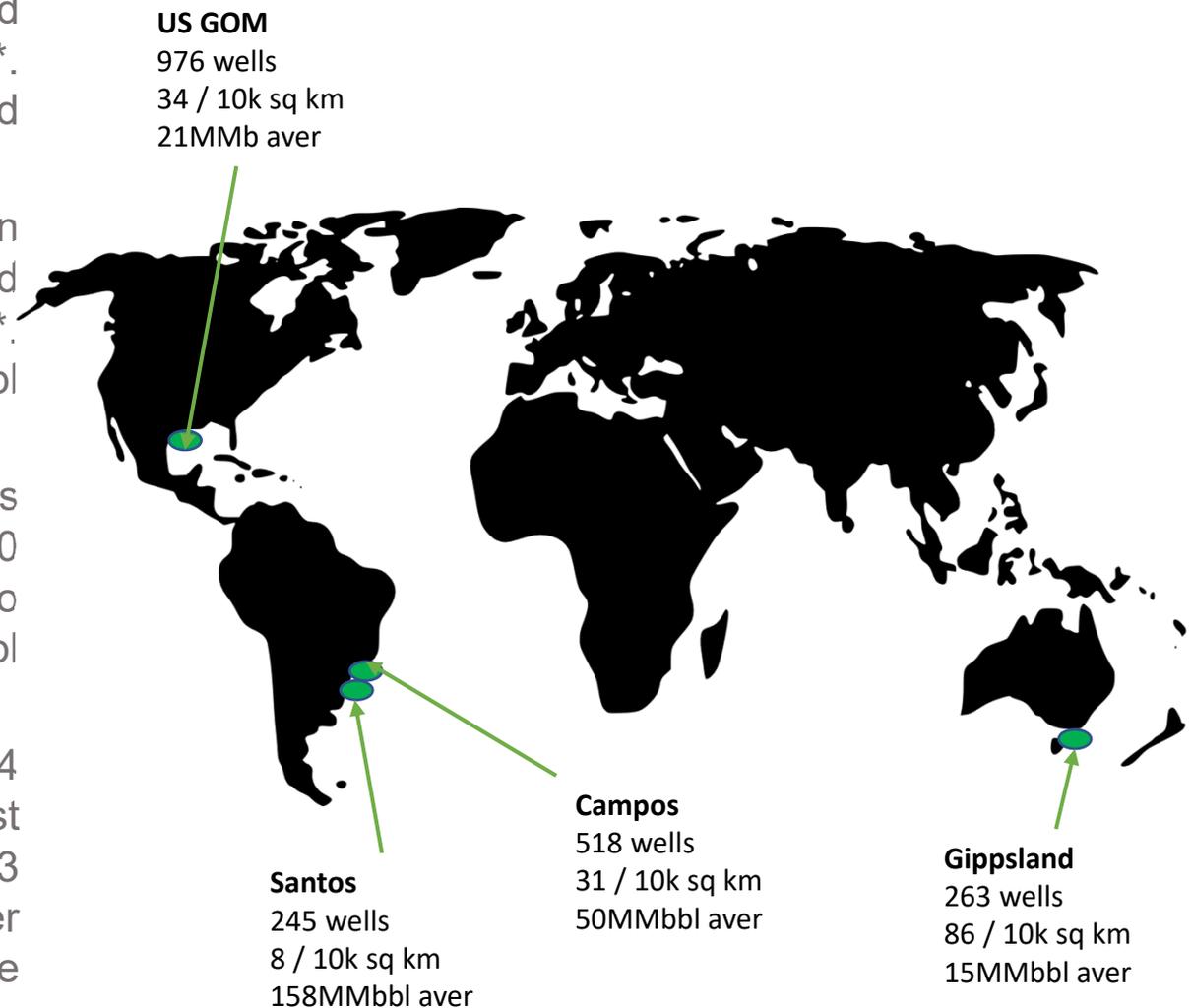


Brazilian offshore oil basin schematic cross-section

Brazil – Relatively unexplored compared to other global offshore basins

Santos & Campos basins less well explored, and higher success volumes, than other well-known provinces

- 245 exploration wells drilled in Santos Basin resulting in 86 fields discovered, estimated 38.7 billion barrels ultimate recoverable oil*. Equates to 8 wells per 10,000sq km and 158MMbbl average discoveries
- 518 exploration wells in Campos Basin resulting in 209 fields discovered, estimated 25.9 billion barrels ultimate recoverable oil*. 31 wells per 10,000sq km and 50MMbbl average discoveries
- USA Gulf of Mexico province - 976 wildcats drilled, with production from 1947 to 2020 totalling 20.1 billion barrels of oil, equating to 34 wells per 10,000sq km and 21MMbbl average discoveries.
- Gippsland Basin in Australia has produced >4 billion barrels of oil and 8Tcf of gas since first discoveries were made in 1960s from 263 exploration wells, equating to 86 wells per 10,000sq km and 15MMbbl average discoveries

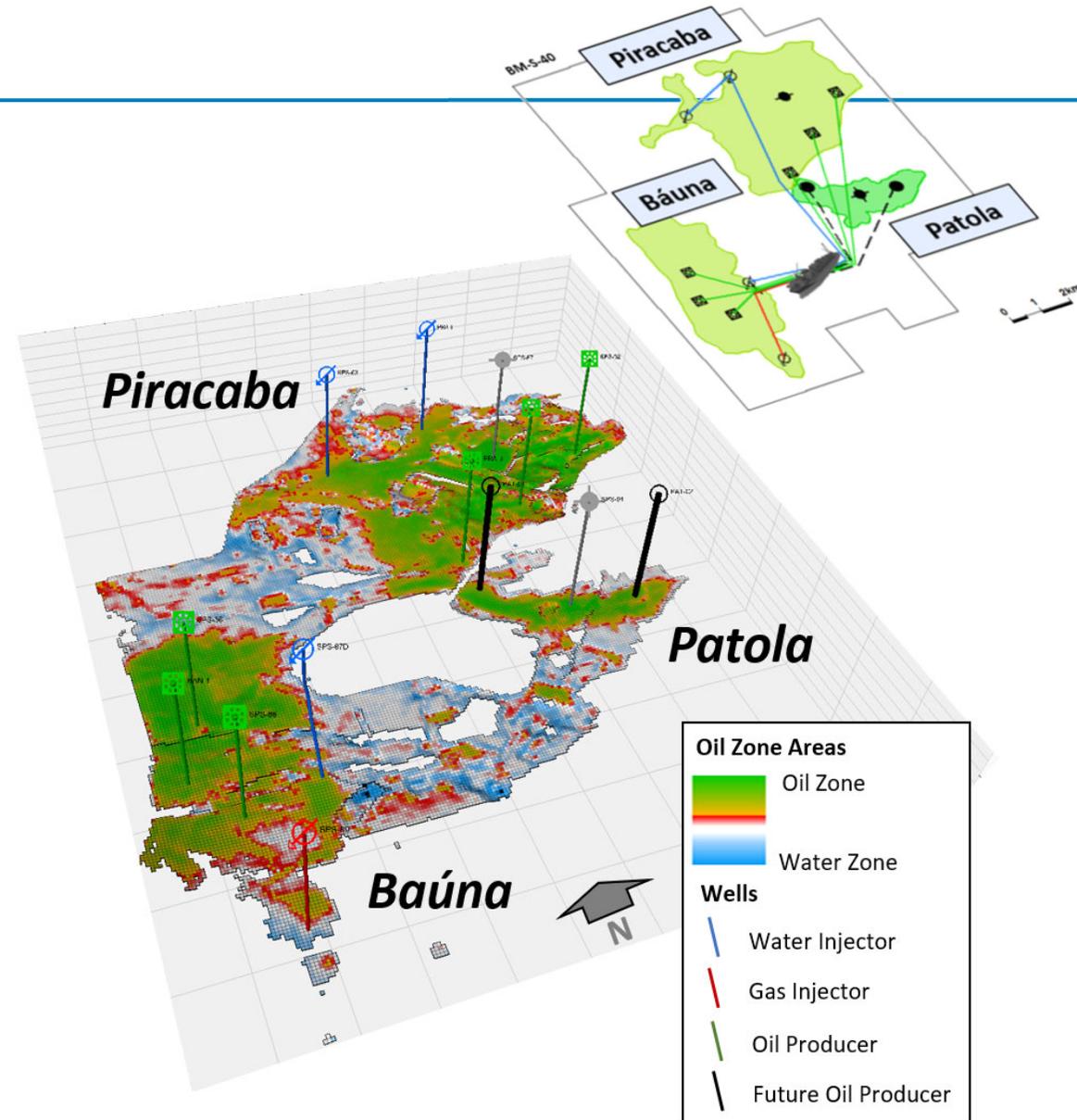


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Baúna Field Area

Excellent Sub-surface Characteristics

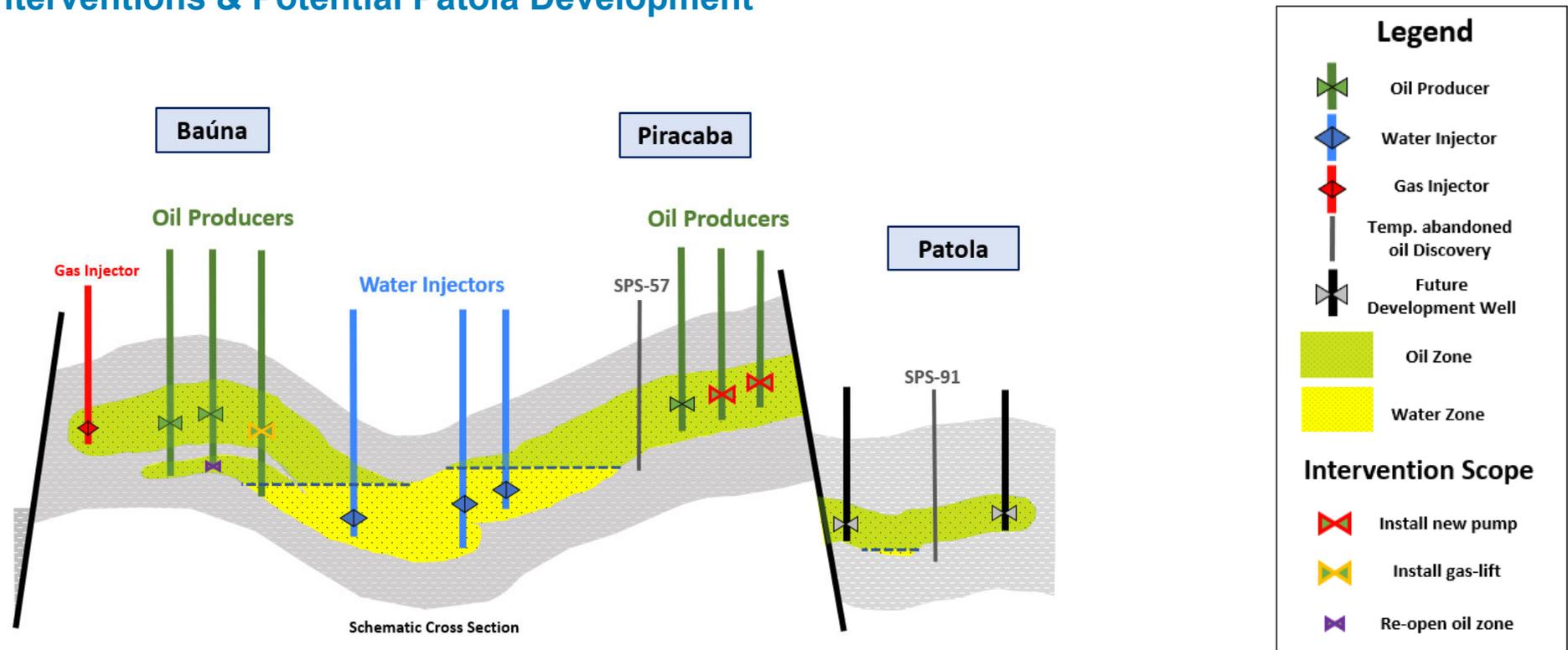
- Combined structural/stratigraphic traps at subsurface depths of around 2,000m
- High quality Oligocene turbidite reservoirs providing for high production and recovery rates
- High quality 3D seismic with strong amplitude response delineating field extent and features
- Patola oil discovery well (SPS-91) confirmed the same high quality geological reservoir interval as Baúna, with 38 API oil
- Analogous seismic response of Patola area de-risks hydrocarbon pool extent and allows for optimised development planning
- Potential for incremental resource addition through 4D seismic acquisition as the field matures



Seismic derived 3D models used for field management and development planning

Baúna Field Area Activities

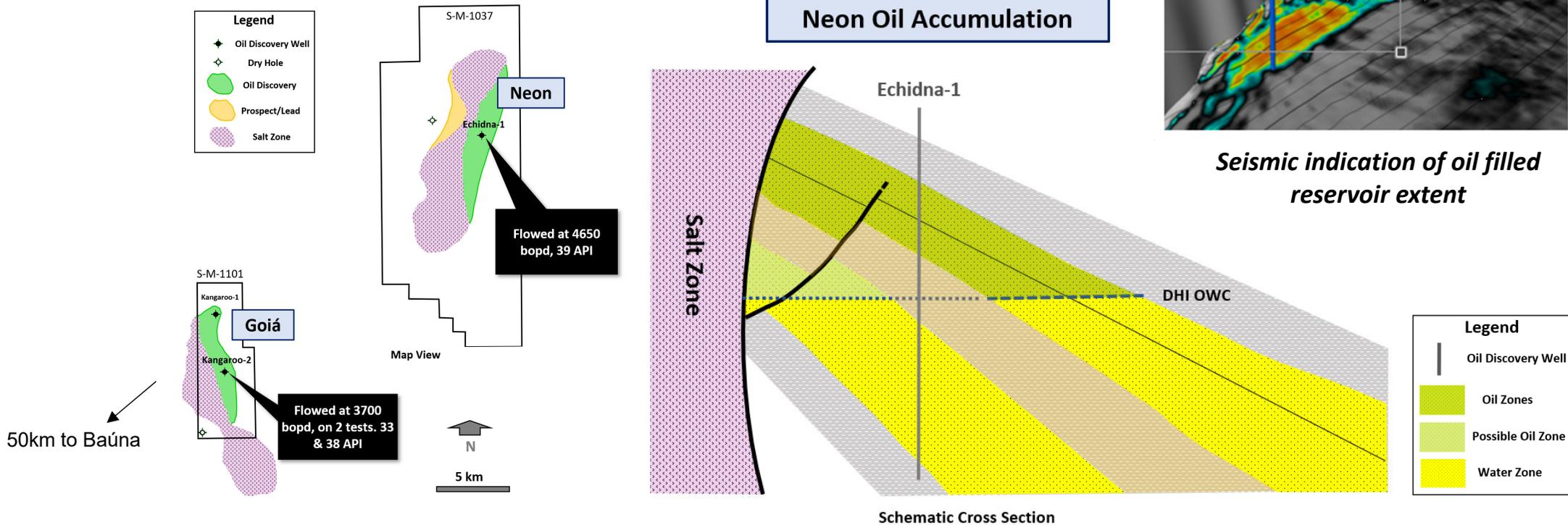
Well Interventions & Potential Patola Development



- Maersk Developer rig, operated by Maersk Drilling, has been contracted for Baúna workover campaign
- Four interventions planned – two downhole pump replacements, 1x gas lift and 1x oil zone re-opening
- Patola development plan (subject to FID) comprises two new vertical wells tied back via subsea flowlines to the existing FPSO
- FPSO requires no significant modification to accommodate new production and has plenty of ullage

Neon & Goiá Discoveries

Near-offset Development Potential

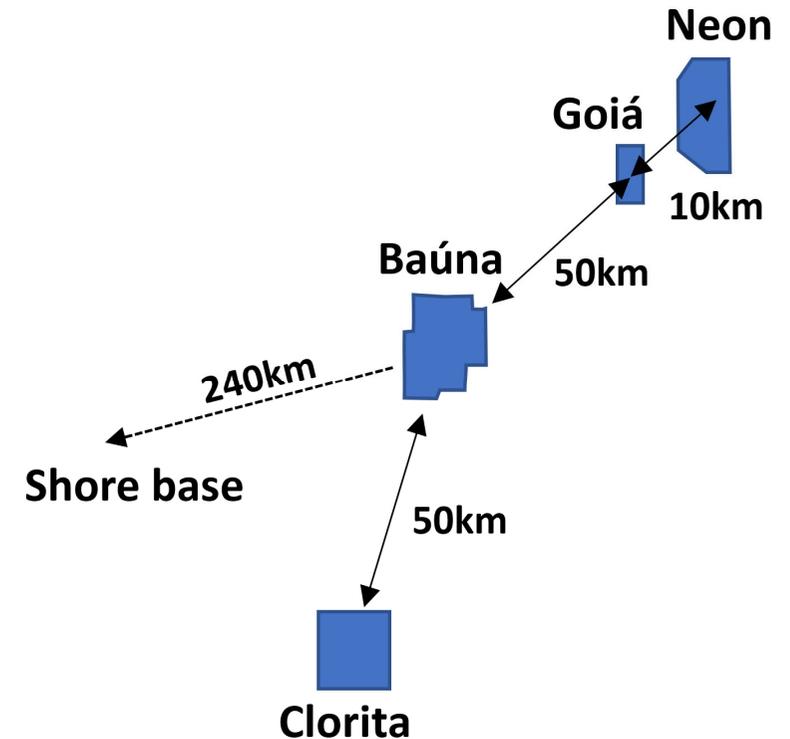


- Neon and Goiá oil discoveries 50-60km from Baúna
- Both fields contain Paleocene and Maastrichtian reservoirs in salt controlled structural traps
- Both flowed high quality light oils at strong rates on test from reservoirs at approx. 2km burial depth
- High-quality seismic dataset allows direct delineation of hydrocarbon pool extent at Paleocene levels
- Remaining uncertainty related to structural and stratigraphic complexities being addressed through detailed integrated subsurface modelling studies

Neon & Goiá Discoveries

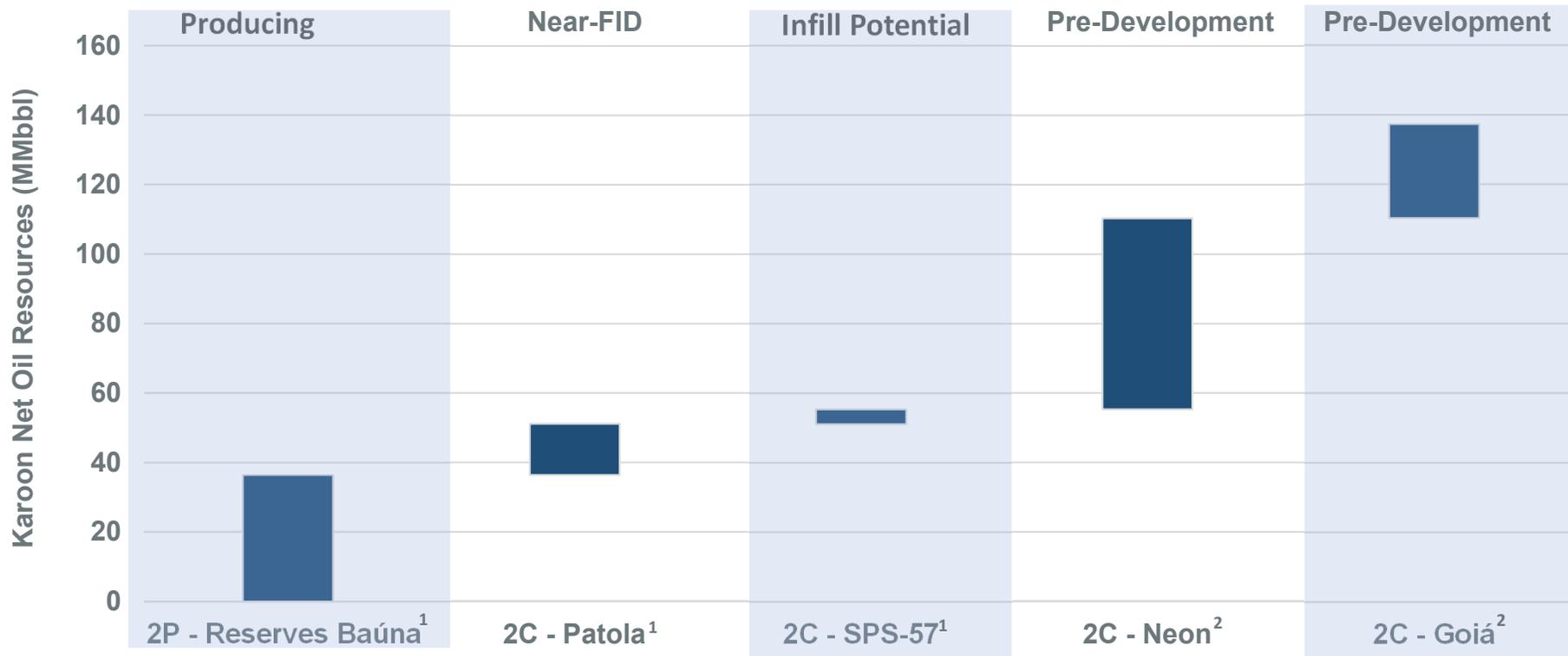
Near-offset Development Potential

- Karoon's 100% Baúna ownership expected to bring operational synergies and improved economics to all Karoon Santos basin assets
- Subsurface assessment and development plan being re-evaluated in light of reset economic environment
- Neon field identified as having largest resource potential and likely target of control well drilling operations
- Option to drill a control well following Patola (subject to FID), utilising Maersk rig, commencing in late CY2022/early CY2023
- Control well objectives include:
 - De-risking upside volumes in proven oil reservoirs
 - Providing data to calibrate predictions for production performance
 - Testing potential extension of oil pool into other reservoir levels to increase recoverable resource base
 - Allow for more accurate identification of additional offset oil pools through improved seismic characterisation
- Engineering studies ongoing to optimise surface facilities to most cost effectively maximise recovery of all discovered resources



Portfolio running room in Santos Basin focus area

Significant discovered resources providing production growth opportunities

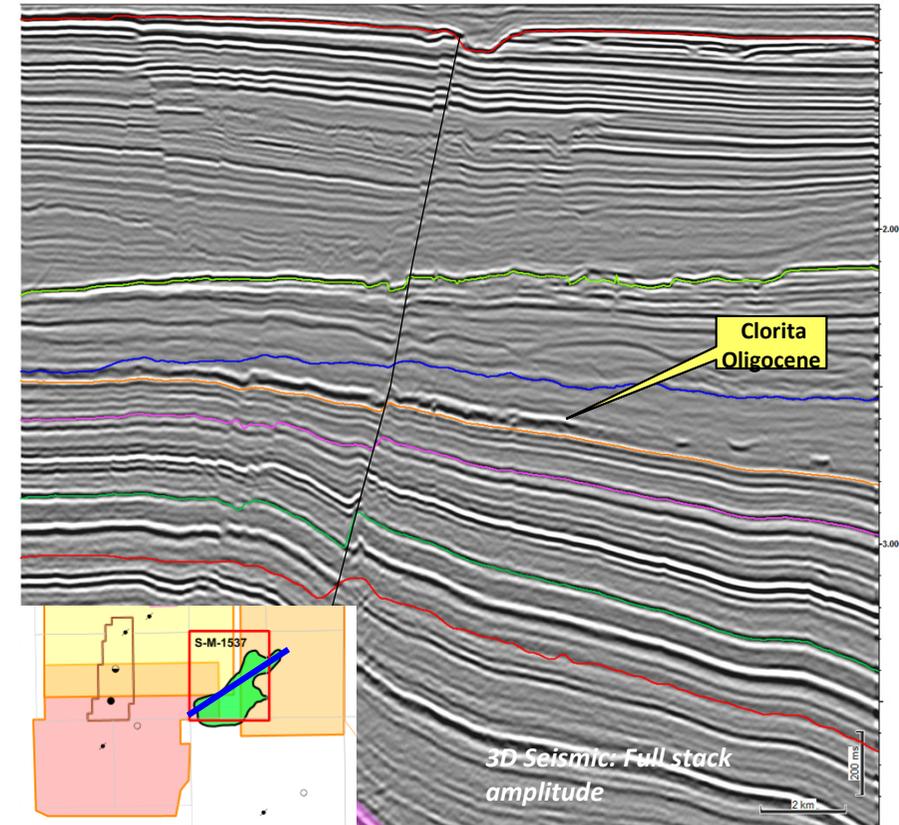


- Significant discovered resource base within operational footprint brings material incremental production opportunities in the medium term

Exploration in Proven Play Fairway

Clorita Prospect

- Clorita Prospect is located 50 km from Baúna, within operational footprint
- Targeting good quality Oligocene turbidite reservoir as seen in producing Baúna and Piracaba fields
- Karoon 100% interest, with low capital commitment work program of seismic evaluation and geological studies
- Studies program designed to exploit key learning from Baúna field studies, leveraging advanced seismic analysis and detailed understanding of the play to efficiently de-risk prospectivity

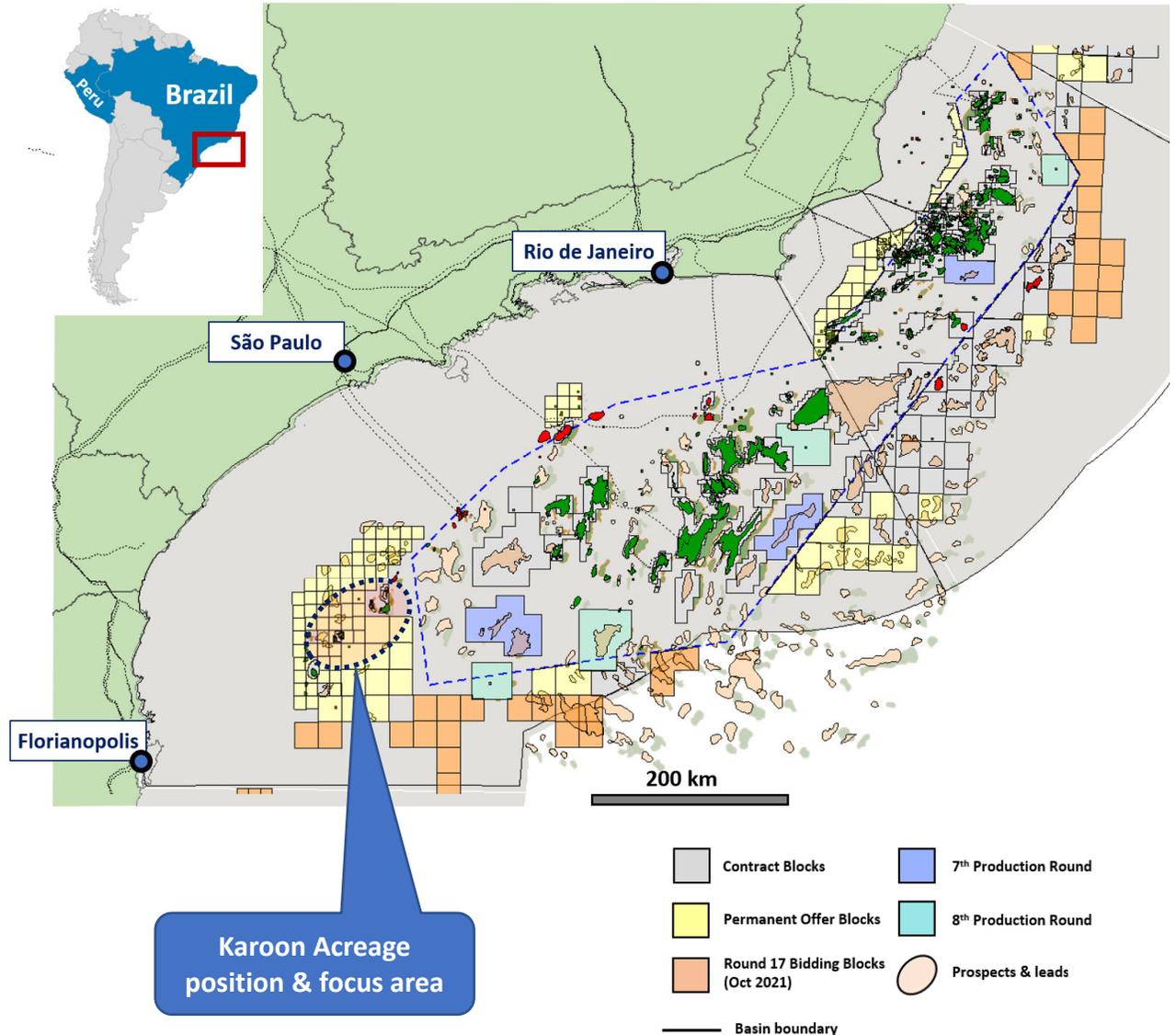


Seismic data courtesy of PGS

Global Activity & Investment Hotspot

Further Growth Opportunities

- Extensive acreage areas adjacent to Karoon operational footprint potentially available through Permanent Offer system
- Regular bid round cycles since recommencing in 2017. >US\$2 billion in signature bonus in 2019
- Divestments from Petrobras (and others) expected to bring high quality growth opportunities to the market
- Karoon is an accredited Class A operator with extensive experience and established presence in the Brazilian E & P sector. Well positioned to evaluate and participate in value accretive new opportunities
- All Karoon investment decisions subject to strict risk and capital management considerations



Summary

Corporate transformation with potential upside

- High value production and development at Baúna
- Bauna intervention proceeding, Patola FID expected 2Q21
- Favourable fiscal regime
- Oil sold at premium to Brent
- High value follow up potential at Neon / Goia and other nearfield targets
- Basin expertise expected to result in value-adds through field optimisation and the identification of new opportunities
- Disciplined capital management

