

4 May 2022

Company Announcements Office
ASX Limited

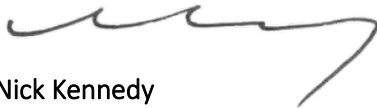
Dear Sir / Madam

Presentation for Macquarie Securities Conference 2022

Attached is a presentation to be made by the CEO and Managing Director later today.

This announcement was authorised by the CEO and Managing Director.

Yours faithfully



Nick Kennedy
Company Secretary

Karooon Energy Ltd Macquarie Securities Conference 2022

May 2022



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Petroleum exploration and 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 operations are inherently uncertain and involve significant risk of failure. All information regarding reserves and resource estimates and other information in relation to Karoon's assets is given in the light of this caution.

This presentation may contain certain 'forward-looking statements' with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this presentation. Indications of, and guidance on, future exchange rates, capital expenditure, earnings and financial position and performance are also forward-looking statements.

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Definitions

1H	Financial period from 1 July to 31 December	FY22	Financial year ending 30 June 2022
2H	Financial period from 1 January to 30 June	Karoon	Karoon Energy Ltd and its subsidiaries
API	American Petroleum Institute's Inverted scale for denoting the "lightness" or "heaviness" of crude oils and other liquid hydrocarbons	LTI	Lost time incident
bbl or barrel	Barrel of oil = 42 United States gallons; equivalent to approximately 159 litres	MMbbl	Million barrels of oil
bn	billion	m/million	Million
bopd	Barrels of oil per day	NPAT	Net profit after tax
CY	Calendar year	3Q	Third quarter
FPSO	Floating, production, storage and offloading vessel	4Q	Fourth quarter
FY	Financial year ending 30 June		

Overview of Karoon Energy

Focus on oil in Santos Basin, Brazil



Oil producer with exposure to exciting Brazilian oil industry

- One of the few ASX listed companies with pure oil exposure
- Brazil focused, 100% owner/operator of a high-quality producing asset

Building reputation as safe and reliable operator

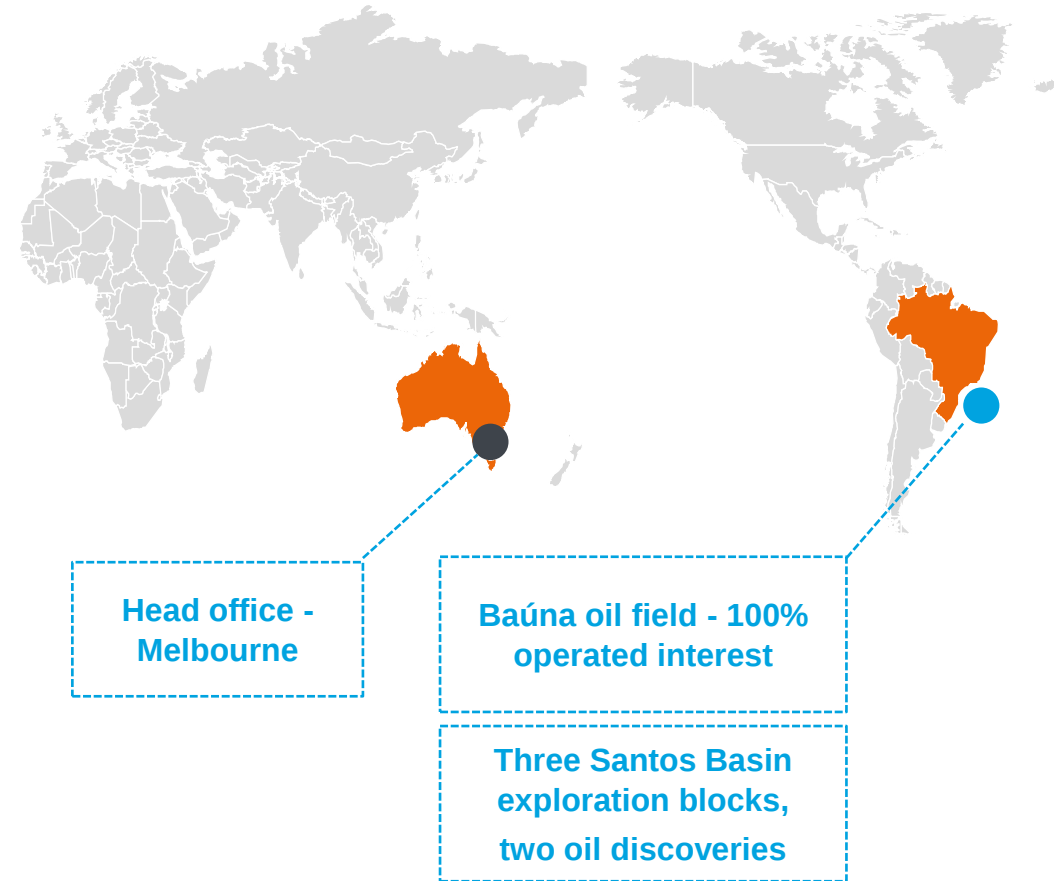
- Experienced Board and management, knowledgeable and experienced operations and development teams
- Integrating sustainability, including carbon neutrality and, longer term, net zero into strategic decision framework

Clear growth path

- Sanctioned Bauna intervention campaign and Patola projects targeted to more than double production and almost halve unit production costs from early CY2023
- Potential for further growth through organic and inorganic opportunities

Strong financial position with a robust balance sheet

- Strong operating cash flows
- Recently expanded debt financing facility from US\$160m to US\$210m, US\$30 million drawn. Increased liquidity from US\$330m at 31 March 2022 to US\$380m by establishing US\$50M accordion facility
- Current strong oil price outlook



Karoon interests in the Santos Basin, Brazil



Karoon's key strategic objectives

Deliver safe and reliable operations and sanctioned projects to create foundation for growth



Delivering our transformation

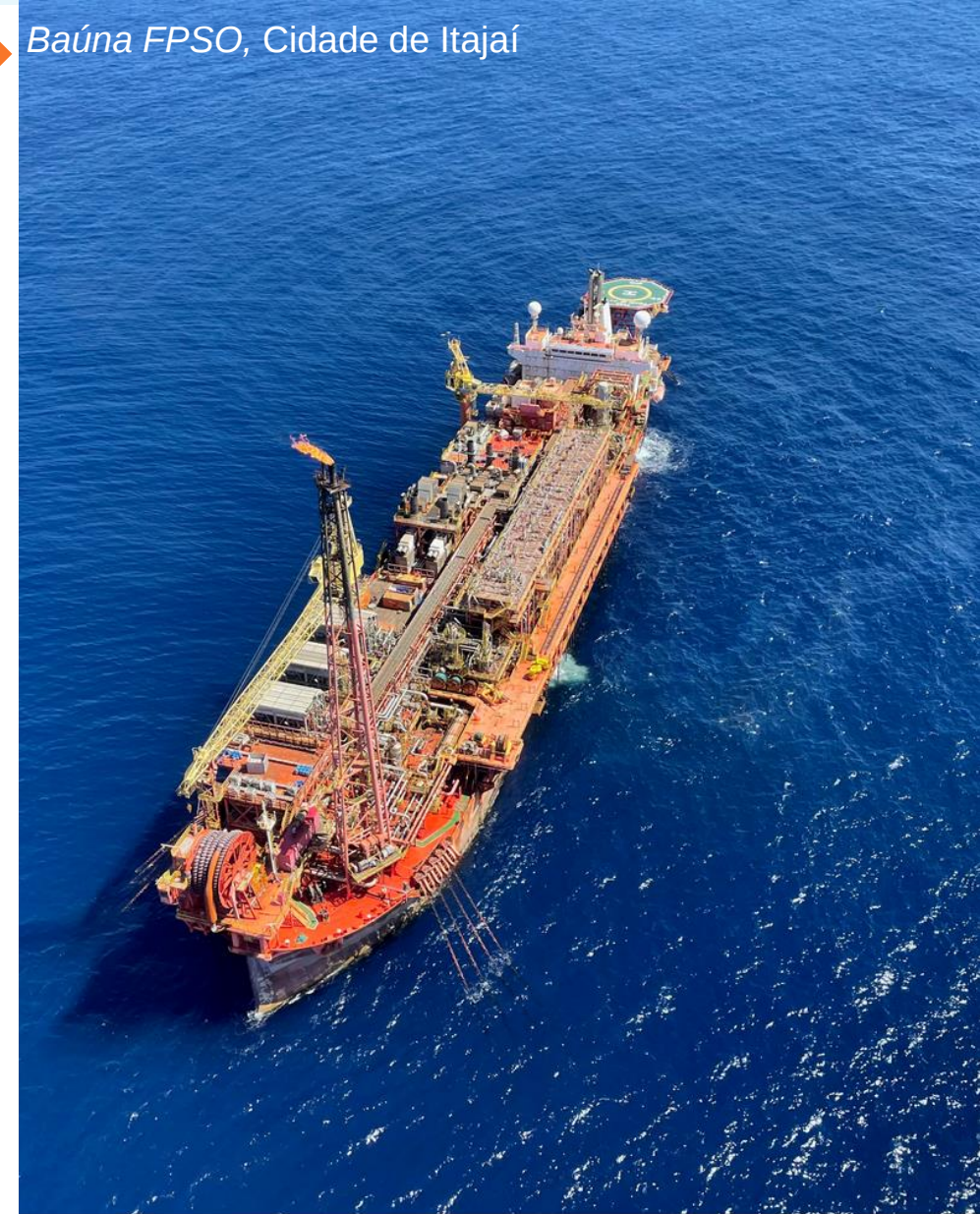
Key objectives

- Safely execute Baúna base business
- Deliver sanctioned development projects (Baúna interventions & Patola development)
- Re-evaluate and de-risk Neon-Goiá with new perspectives
- Develop and/or acquire second producing asset
- Balance capital allocation between high value growth and returns to shareholders

Supported by:

- Refreshed organisation with strong capabilities
- Proven ability to access debt funding
- Targeting carbon neutrality now and net zero by 2035

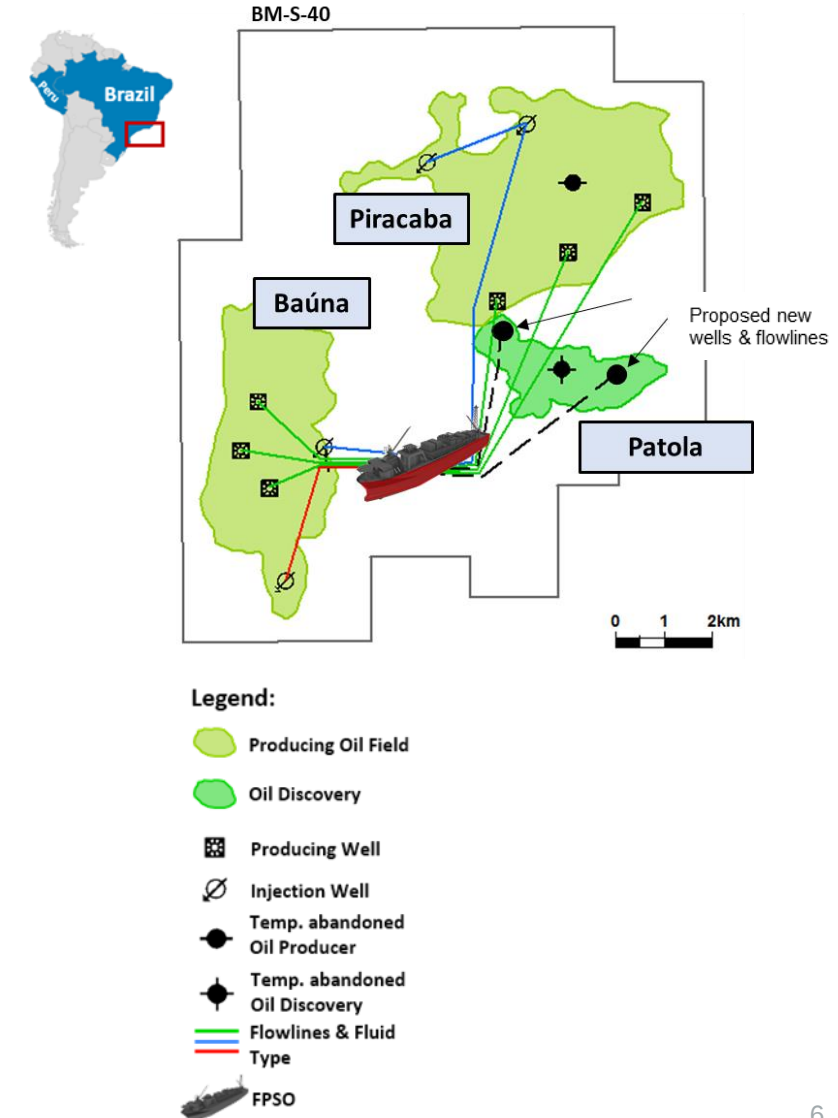
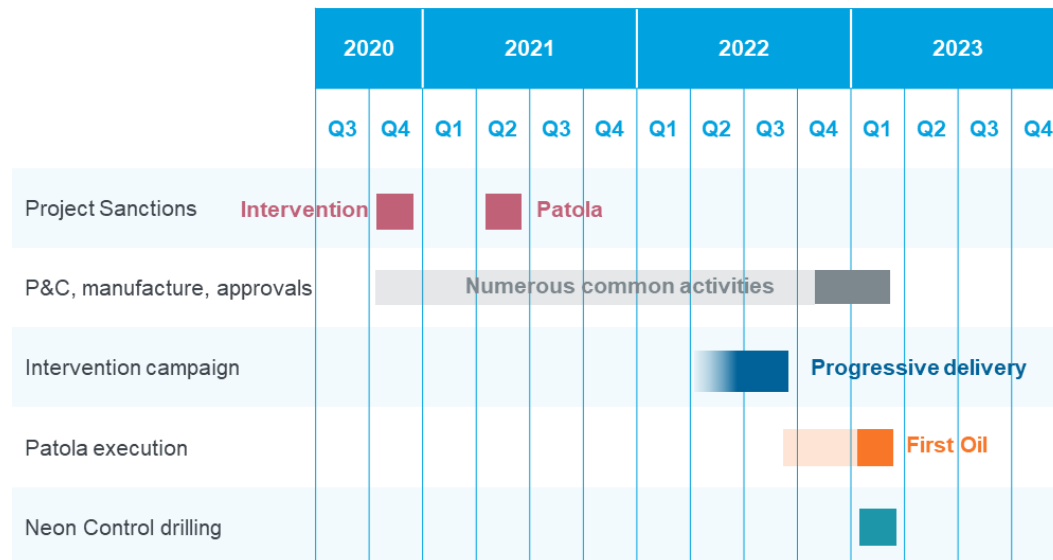
Baúna FPSO, Cidade de Itajaí



Continued strong operational performance

High facilities availability and good reservoir performance

- Operational uptime of nearly 100% to date in FY22, with few unplanned shutdowns. Reflects work undertaken during CY2021 to establish reliable platform
- Scheduled maintenance in March 2022 completed safely and efficiently
- Annual decline rate mitigated to ~10% vs 15% when KAR took over operatorship in Nov 2020
- Maersk Developer rig in Brazil, expected to commence Baúna intervention campaign shortly following receipt of final regulatory approvals
- Production over balance of CY22 will be impacted by Baúna intervention campaign (4-5 months). Patola drilling expected for 4Q CY2022

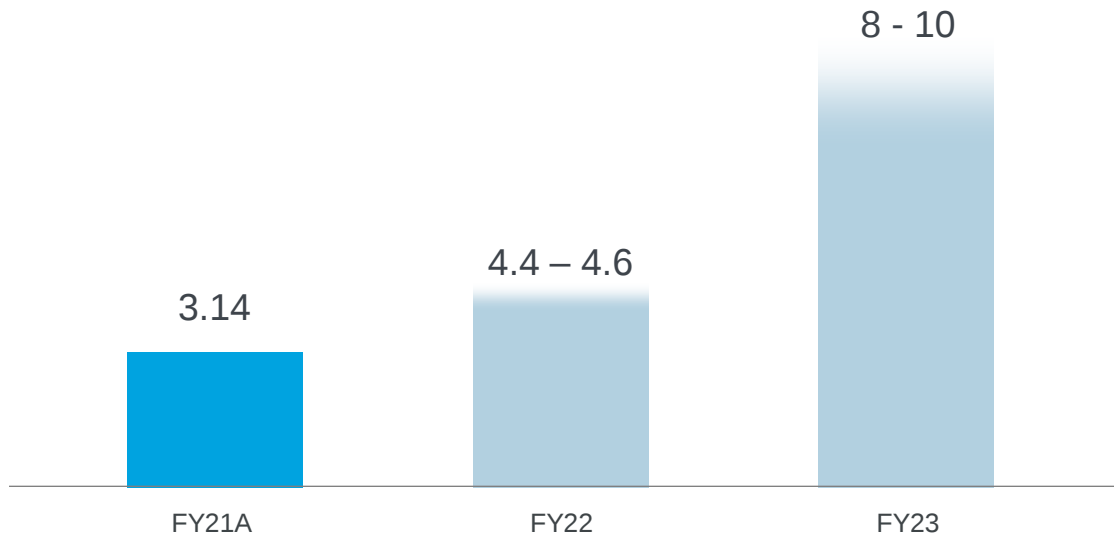


Focus on delivery of sanctioned Baúna and Patola projects

Targeting material production increase and opex/bbl reduction

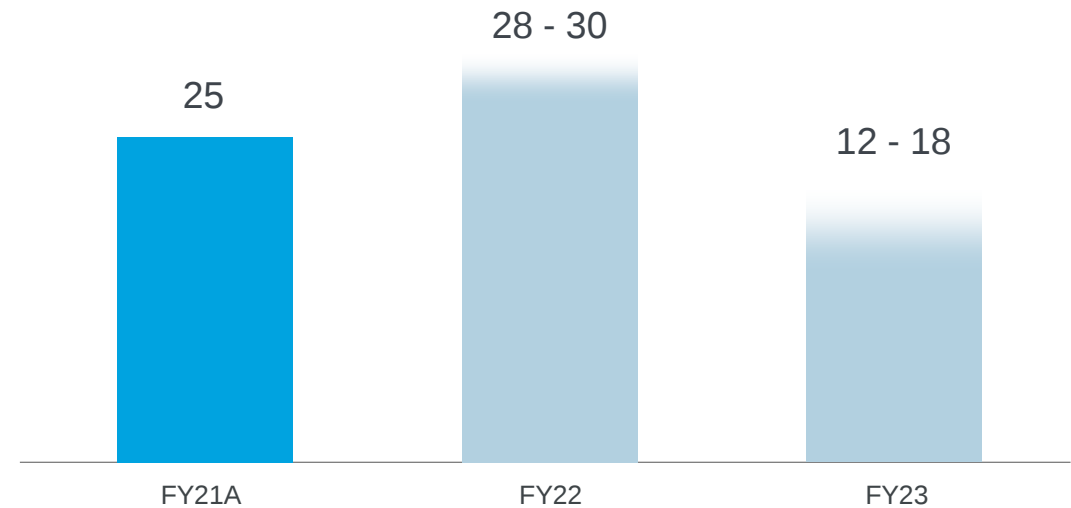


Indicative production profile (MMbbl)*



- Baúna intervention campaign targeting 5,000 – 10,000 bopd incremental production from four interventions - two downhole pump replacements, one gas lift and one oil zone re-opening, with wells expected to come back online progressively over 2H CY2022
- Targeting peak production rate of >10,000 bopd from two Patola development wells in early CY2023. Short plateau anticipated prior to onset of decline
- Based on delivery of interventions and Patola, total peak production of >30,000 bopd expected

Indicative unit operating cost outlook (US\$/bbl)*



- Estimated costs: Baúna intervention US\$110 – 130 million, Patola development US\$175 – 195 million, both unchanged
- Wells will utilise existing infrastructure. With ~90% of operating costs fixed, increased production expected to reduce operating cost per barrel materially in CY2023
- Charter, operations and maintenance (O&M) contract cost reduced to 85% of current rate from Feb 2022, with lift to 90% of current rate once production rate >15,000 bopd (expected in 4Q CY2022) and if Brent price ≥ US\$60 per bbl

* Production profile and cost outlook in FY2022 and FY2023 indicative only and assume Baúna intervention and Patola projects are delivered within target timeframes

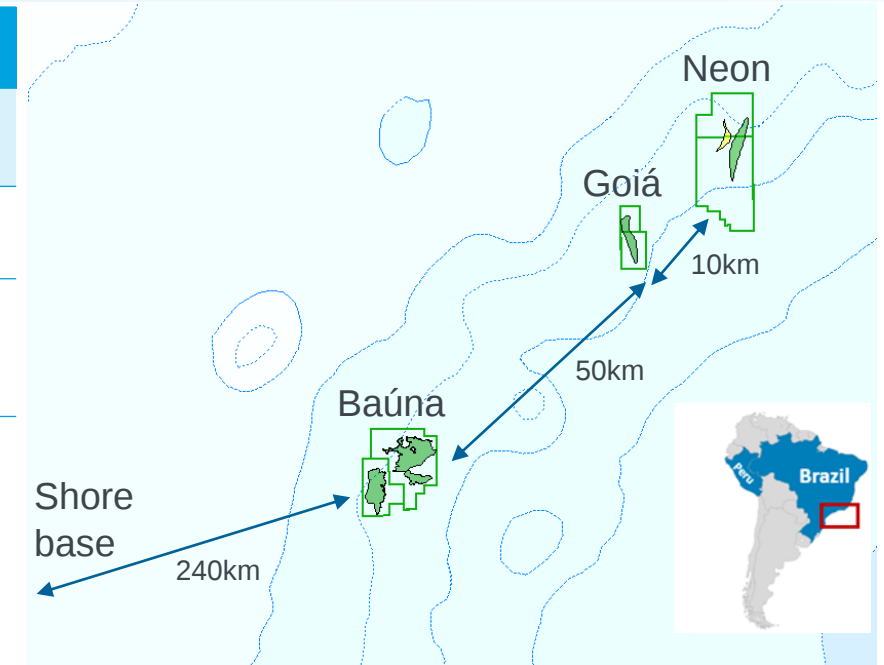
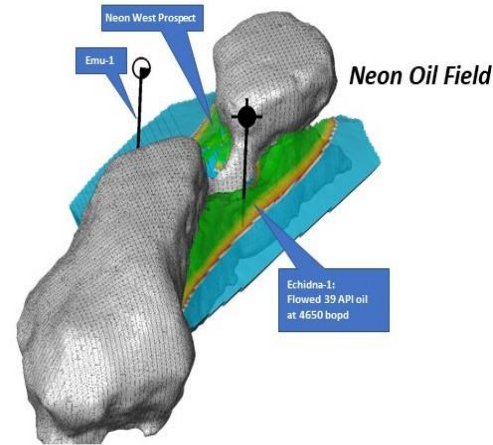
Optimising Neon development concept

Control well/s scheduled to be drilled in early CY2023

- Recent technical and engineering studies on subsurface and development concepts indicate potential for commercial development of Neon light oil discovery, subject to derisking resource size
- Potential Neon commercialisation options include Neon standalone, Neon Hub and Baúna tie-back
- Plan to drill one control well and, subject to results, a second control well after Patola drilling (subject to receipt of required regulatory licences)
- Options exercised to extend contract with Maersk Developer rig
- Well/s targeted to reduce subsurface uncertainty

Field	Contingent Resources ¹		
	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	30	55	92
Goiá	16	27	46

Interpreted Fluid Zones

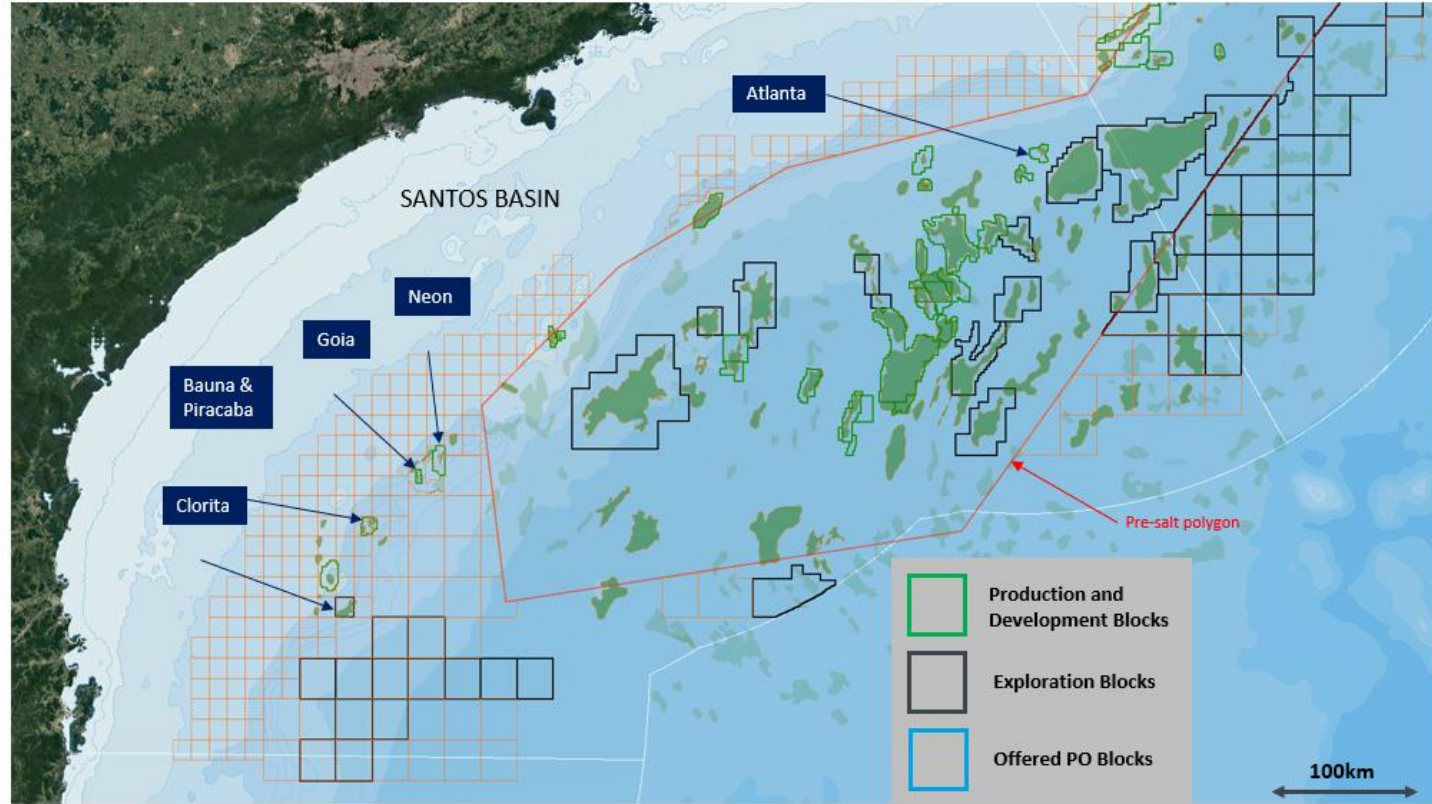


¹ Contingent resource volume estimates presented for Neon and Goiá were disclosed in 8 May 2018 ASX announcement "Resources Update" and published in 2021 Annual Report. Karoon is not aware of any new information or data that materially affects these resource estimates and all material assumptions and technical parameters underpinning the estimates in the relevant ASX announcement continue to apply and have not materially changed.

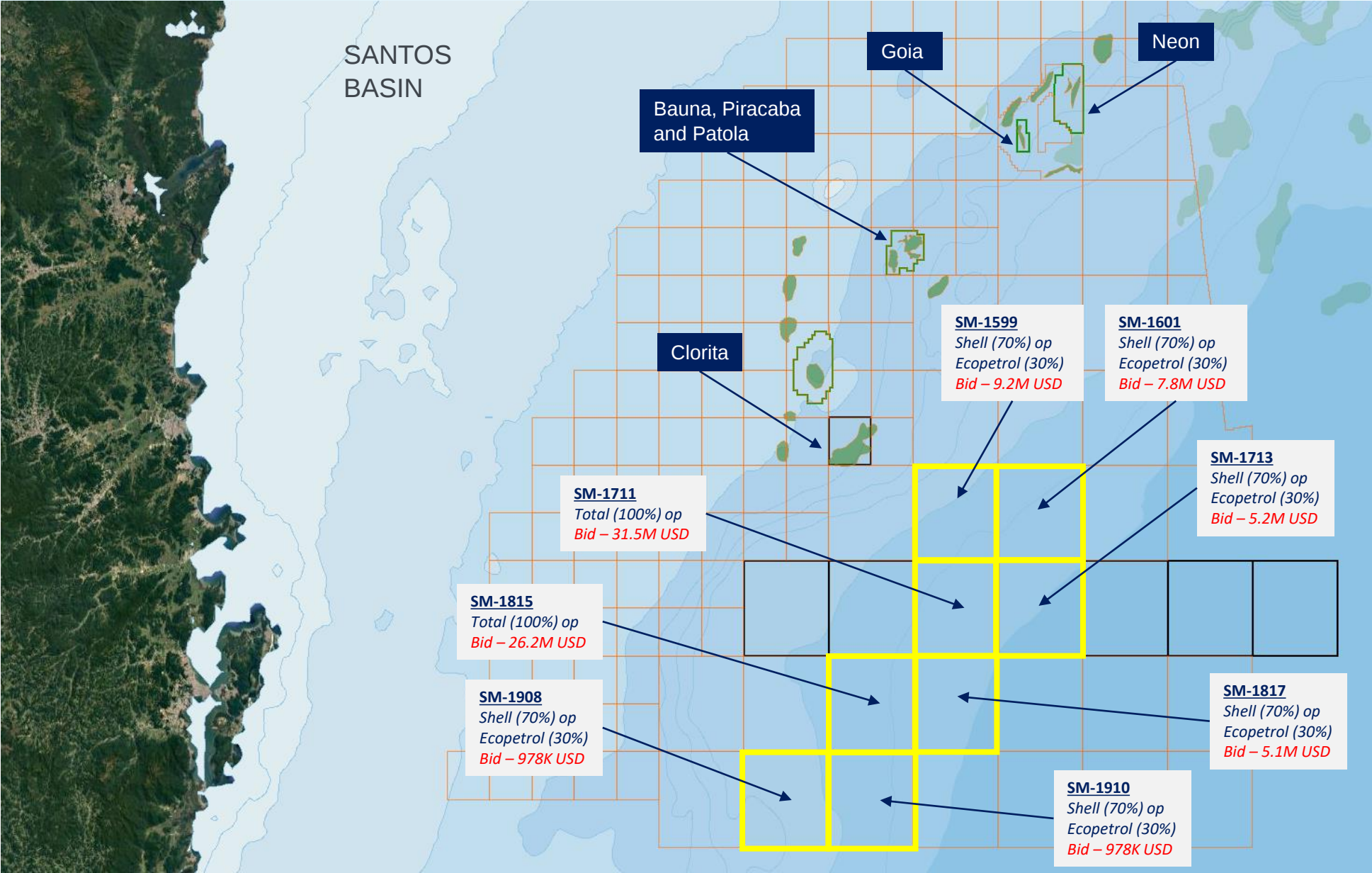
Non-binding bid submitted for 50% of Atlanta

Disciplined process to identify and pursue value-accretive growth opportunities

- Have submitted confidential, conditional, non-binding and incomplete offer to Enauta Energia S.A. and signed Exclusivity Agreement to undertake due diligence and enter confidential negotiations to potentially acquire 50% non-operated interest in the Atlanta oil field
- Atlanta located in northern Santos Basin offshore Brazil
- Due diligence ongoing, potential acquisition being assessed through rigorous and disciplined technical and commercial process
- Must create material value for shareholders and be consistent with carbon neutral/net zero targets
- Demonstrated ability to access debt funding. Other funding options also potentially available
- Continuing to actively screen range of inorganic growth opportunities



Strong bidding in recent licence rounds in Karoon's heartland



- Production and Development Blocks
- Exploration Blocks
- Blocks acquired in 3rd PO Cycle
- Offered PO Blocks

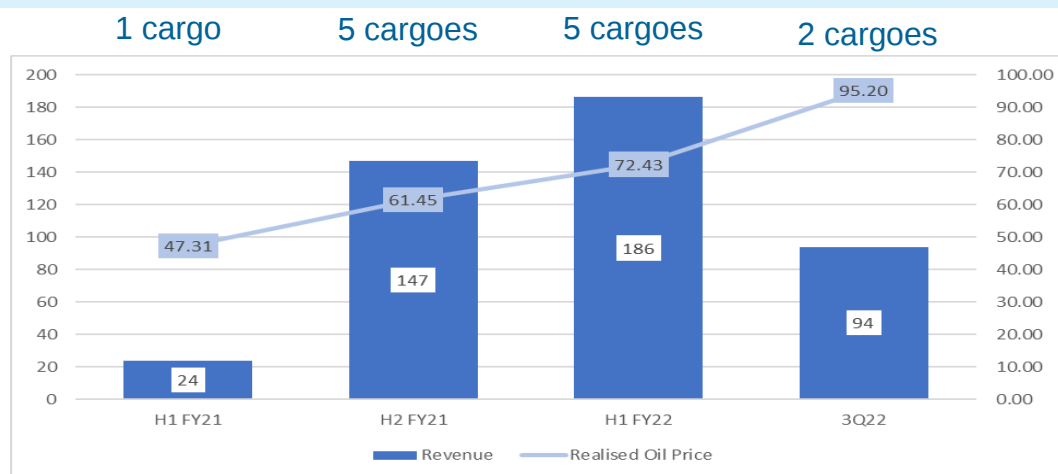
3Q FY2022 results benefit from strong oil prices

Robust balance sheet

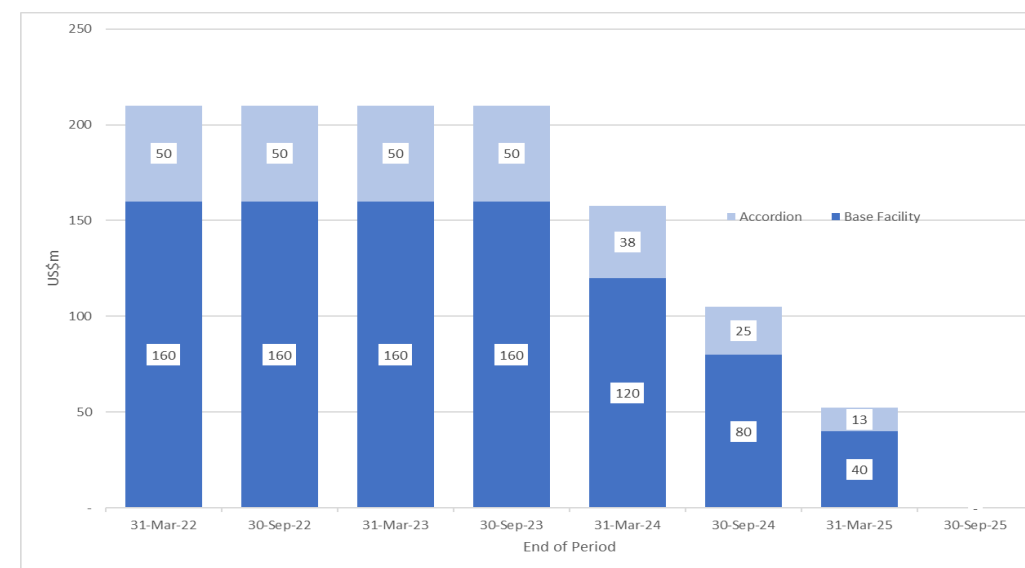
	1H22	3Q22	2022 YTD
Production (MMbbl)	2.5	1.1	3.6
Sales Volume (MMbbl)	2.6	1.0	3.6
Realised Oil Price (US\$/bbl)	72.43	95.20	78.74
Sales revenue (US\$m)	186	94	280
Cash proceeds (US\$m)	184	75	260
Closing cash & cash equivalents (US\$m)	204	200	200
Liquidity (US\$m)	304	330	330
LTIF (per 200,000 hours worked)	0.5	1.0	0.6
TRIF (per 200,000 hours worked)	0.5	1.0	0.6

- Production YTD of 3.6 MMbbl
- Seven cargoes sold, realising average price of US\$78.74/bbl. March cargo realised ~US\$55 million, highest-ever proceeds for a single cargo, funds received in April 2022
- Hedges, comprising bought puts and sold calls, in place. Mitigates oil price downside risk while retaining substantial exposure to upside. Required by debt facility terms

Revenue & Realised Oil Price per bbl



Debt Facility Amount (US\$m)



Priority uses of capital

Order of Priority	Deliver safe and reliable operations	▪ Deliver production from ongoing operations ▪ Investment in long term maintenance to maximise life of facilities
	Build and maintain strong, flexible balance sheet	▪ Meet debt obligations and covenants ▪ Develop new sources of debt finance as production and asset base grows
	Baúna interventions and Patola development	▪ Baúna interventions to maximise recoveries ▪ Brownfield tie-back developments, i.e. Patola
	Future growth opportunities (organic and acquisitions) and/or dividends/returns of capital	▪ New growth investments to compete with value of returns to shareholders ▪ Progress Neon project ▪ Consider complementary strategic oil acquisition opportunities ▪ Project plans and economics to include sustainability investments

Capital prioritisation framework for incremental investment will ensure disciplined use of capital

FY2022 guidance¹

High end of unit opex reduced, business development includes Atlanta due diligence



	Low	High
Production (MMbbl)	4.4	4.6
Costs		
Unit Production Costs (US\$/bbl) ²	28	30
Other Operating Costs (US\$ million) ³	15	17
Business Development (New Ventures), share-based payments & other costs (US\$ million) ⁴	19	21
Finance costs and interest (US\$ million)	6	7
Unit DD&A (US\$/bbl) ⁵	12	13
Revaluation of Petrobras contingent consideration ⁶	184	240
Investment Expenditure		
Intervention and Patola Projects (US\$ million) ⁷	100	125
Deferred Baúna acquisition consideration (US\$ million) ⁸	43	44
Subsurface Evaluation and New Ventures (US\$ million) ⁹	4	6
Other Plant and Equipment (US\$ million)	9	11

- Baúna production in 4Q FY22 will be impacted by commencement of intervention program
- Production costs largely fixed, expected to result in increase in unit production costs in 2HFY22 vs 1H. Despite this, high end of prior FY22 guidance range reduced
- Business development costs include due diligence on potential Atlanta purchase
- DD&A expected to remain largely unchanged on a unit basis
- Intervention and Patola projects expenditure for FY2022 includes long lead items for Patola, planning, internal personnel allocation and mobilisation and commencement of intervention campaign
- Baúna acquisition payment due in May 2022

1. Guidance at 28 April 2022. Subject to various risks (including those "Key Risks" set out in Karoon's 2021 Annual Report).

2. Unit Production Costs: based on daily operating costs associated with Baúna production, excluding government royalties.

3. Other Operating Costs: includes corporate and non-oil and gas related depreciation, excludes government royalties and foreign exchange gains/losses.

4. Other costs include subsurface evaluation and exploration expensed.

5. Excludes depreciation on FPSO right-of-use asset capitalised under AASB 16 'Leases', which is included as part of Unit Production Costs.

6. In compliance with AASB 9, Financial Instruments, an increase in the anticipated contingent consideration payable to Petrobras for the Baúna asset of US\$183.8 million was recorded as a non-cash item in the FY2022 half year accounts.

7. The variance between low and high guidance is largely related to timing of the commencement and progress of the Maersk Developer drilling rig activities in Brazil. Excludes any borrowing costs associated with the Patola development that may be capitalised.

8. Relates to deferred consideration payable to Petrobras 18 months after closing and is separate from the contingent consideration payable to Petrobras which is dependent on future oil prices.

9. Subsurface Evaluation is reflected here for information only. These costs are expensed and included in the total "Business Development, Share Based Payments & other costs" within cost guidance.

Carbon Management Action Plan to achieve emissions targets



Targeting carbon neutral for Baúna/Patola from FY2021, Net Zero by 2035¹

Priority 1

Avoid and Reduce

First priority is to avoid or reduce emissions within existing operations

- Emissions reduction projects implemented in operations, with further projects under review:
- Installation of mooring buoy has reduced diesel consumption in support vessels
- Replacement of low-pressure flare blower has improved flare efficiency

Priority 2

Assess direct and indirect investments in high quality offsets

- Assessing investment in high quality projects with social benefits to offset residual emissions

Priority 3

Purchase additional offsets if needed

- Purchased 19,800 carbon credits to offset 40% of FY2021 residual Scope 1 and Scope 2 emissions from Baúna in Nov 2021 from Brazil REDD+ project with VCS and CCB certification
- Agreement with Shell Western Supply and Trading in Feb 2022 to purchase 480,000 carbon credits with VCS and CCB certification over 2022 – 2030, to offset approximately 60% of residual Scope 1 and Scope 2 emissions from Baúna
- Entry into carbon credits agreements to result in carbon neutrality on Baúna emissions for FY2021, major step towards longer term targets.

¹Carbon neutral refers to having a balance between emitting and offsetting greenhouse gas (GHG) emissions. Achieved through acquiring carbon offsets in respect of Scope 1 and 2 GHG emissions. Net zero refers to reducing GHG emissions as far as possible and balancing the residual GHG emissions produced and GHG emissions removed from the atmosphere. To be achieved through future transition planning in respect of Scope 1 and 2 emissions.

Summary: Karoon well positioned to deliver shareholder value

Safe, reliable oil producer with clear sustainable growth path



- Pure oil producer, benefiting from current strength in oil prices
- Building reputation as safe and reliable operator
- Successfully reduced decline curve from mature field since taking over operatorship
- Production expected to double and opex to nearly halve in early CY2023 from sanctioned Baúna intervention campaign and Patola development
- Subject to receipt of environmental approvals, drilling of Neon control well/s in CY2023 will enable further evaluation of Neon resource and, if results are positive, optimisation of development plan
- Undertaking due diligence on potential acquisition of 50% of Atlanta oil field in Brazil, continue to review potential inorganic growth opportunities through disciplined process
- Strong cash flows from operations
- Healthy balance sheet, US\$330m in liquidity at March 2022, increased to US\$380m with US\$50m accordion facility
- Capital allocation to be balanced between high value growth and returns to shareholders
- Sustainability, including carbon neutrality and, longer term, net zero integrated into strategic decision framework



