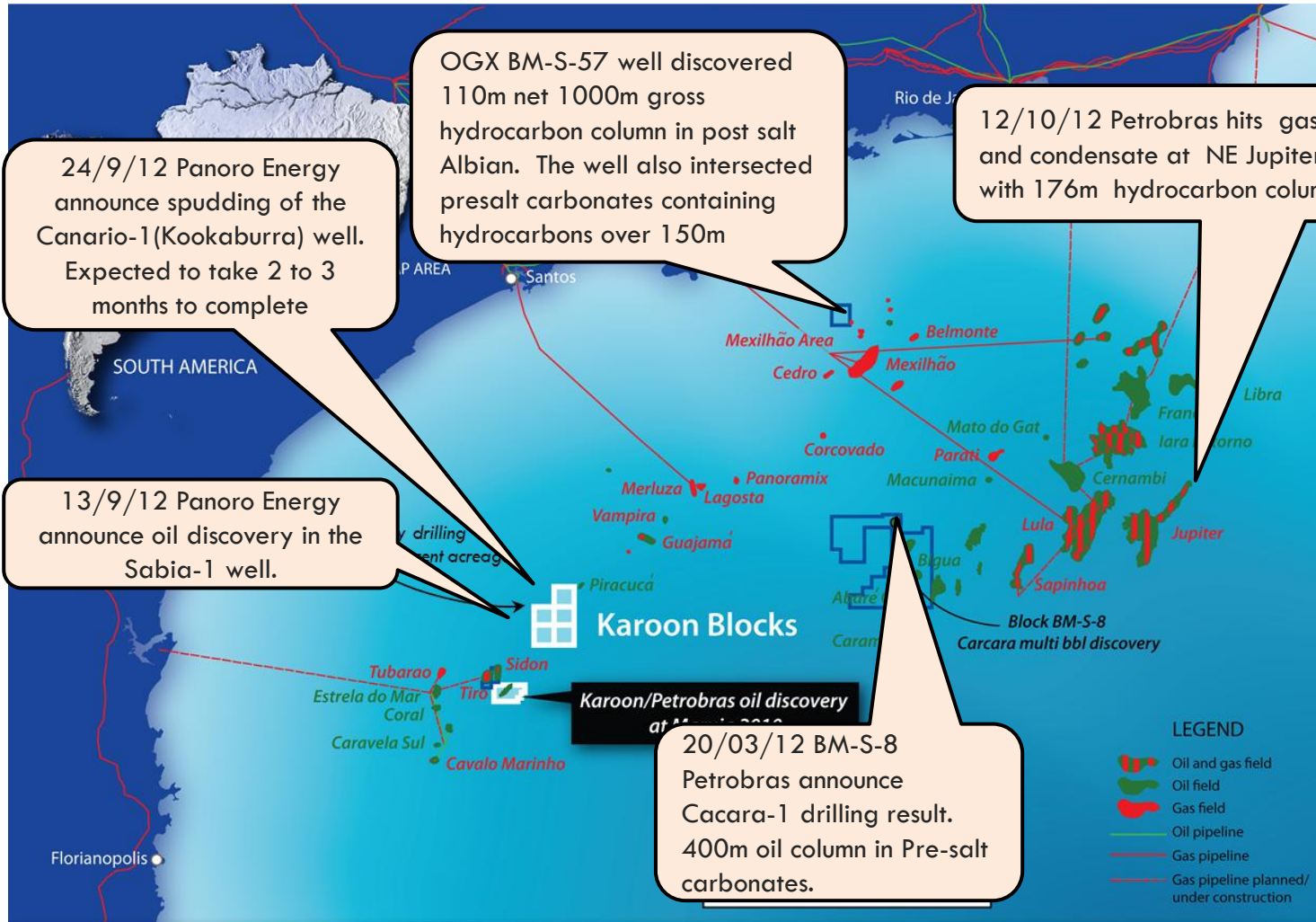




KAROON GAS AUSTRALIA LTD 2012 ANNUAL GENERAL MEETING OPERATIONS REVIEW

Brazilian assets- Regional Activity



Location:

- Santos Basin, Brazil. 300-400m water depth.
- On trend with Piracuca, Newton, Muluza, Maruja, Tiro and Sidon fields

Karoon discovered resource:

- Maruja oil field

Prospective resource:

- 15 prospects and leads firmed up including 2 in pre-salt section
- Current Karoon Net Unrisked Mean Prospective Resource in the Post salt, total 0.94 billion barrels
- Pre-salt values subject to additional work

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)

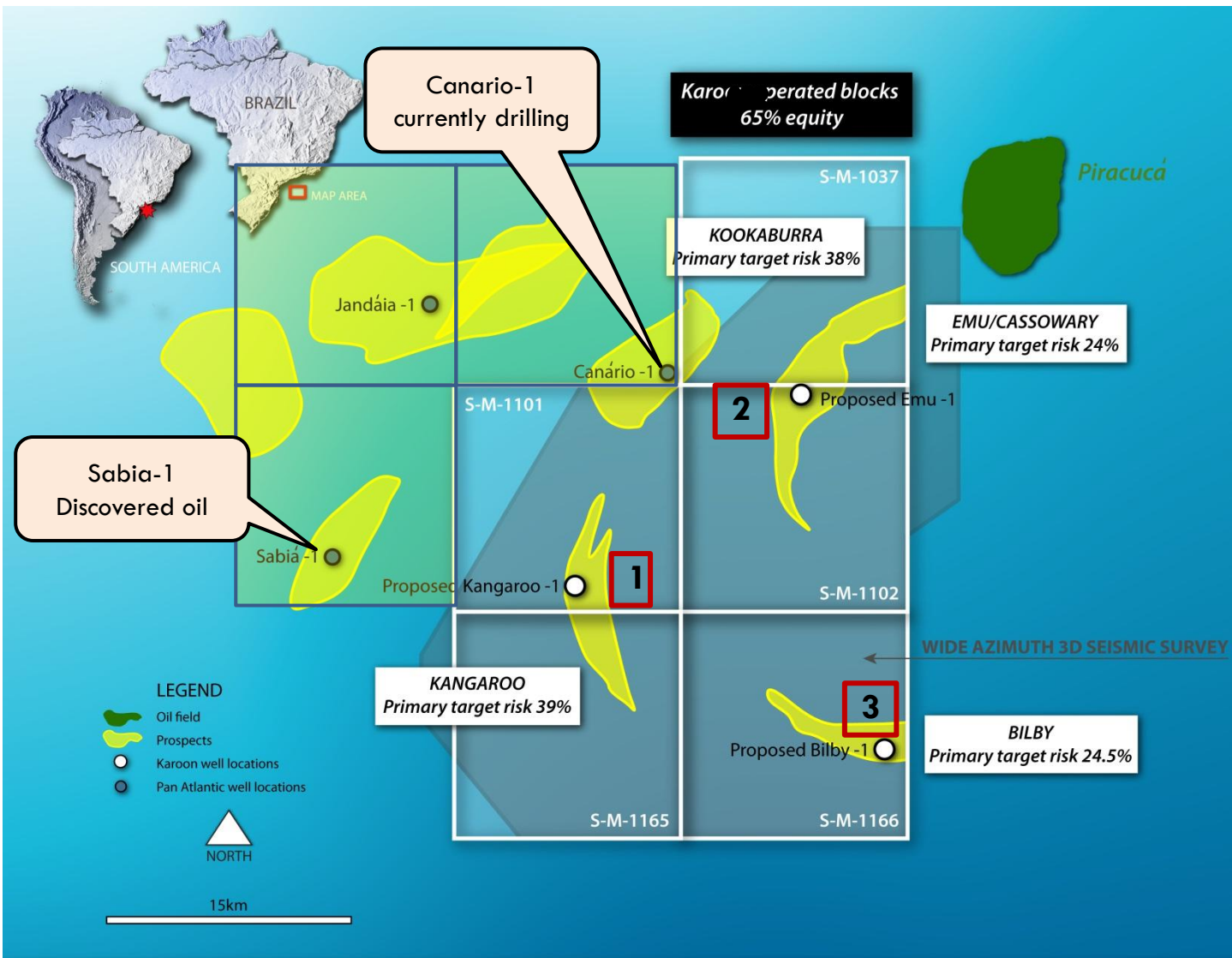
Forward plans:

- Drill 3 wells start in 4th quarter of 2012
- Program to last 6 to 9 months
- Maruja field, define appraisal/development program

Prospect drilling order:

1. Kangaroo
2. Emu/ Cassowary
3. Bilby

Brazil assets – Activity Summary



Santos Basin Farm-out

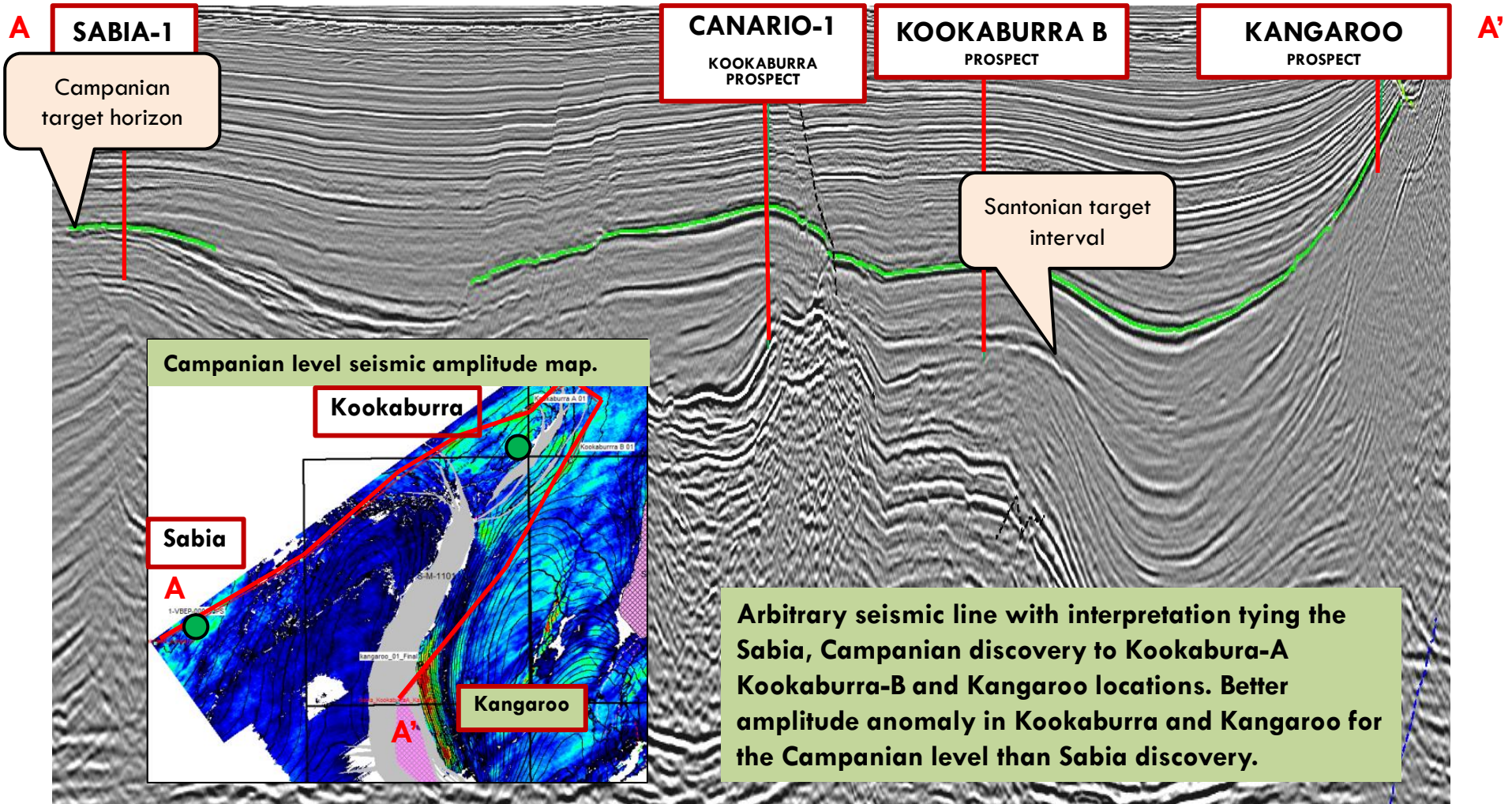
Agreement for Pacific Rubiales Energy Corp to acquire a 35% interest in Karoon's wholly owned Santos Basin Exploration Blocks, S-M-1101, S-M-1102, S-M-1037 and S-M-1165 with an option to acquire a 35% interest in S-M-1166

- Pacific Rubiales Energy Corp:
 - Pay US\$40 million in cash consideration
 - US\$140-US\$210 million in carried well costs
 - 35% of all costs over and above the well carry commitment

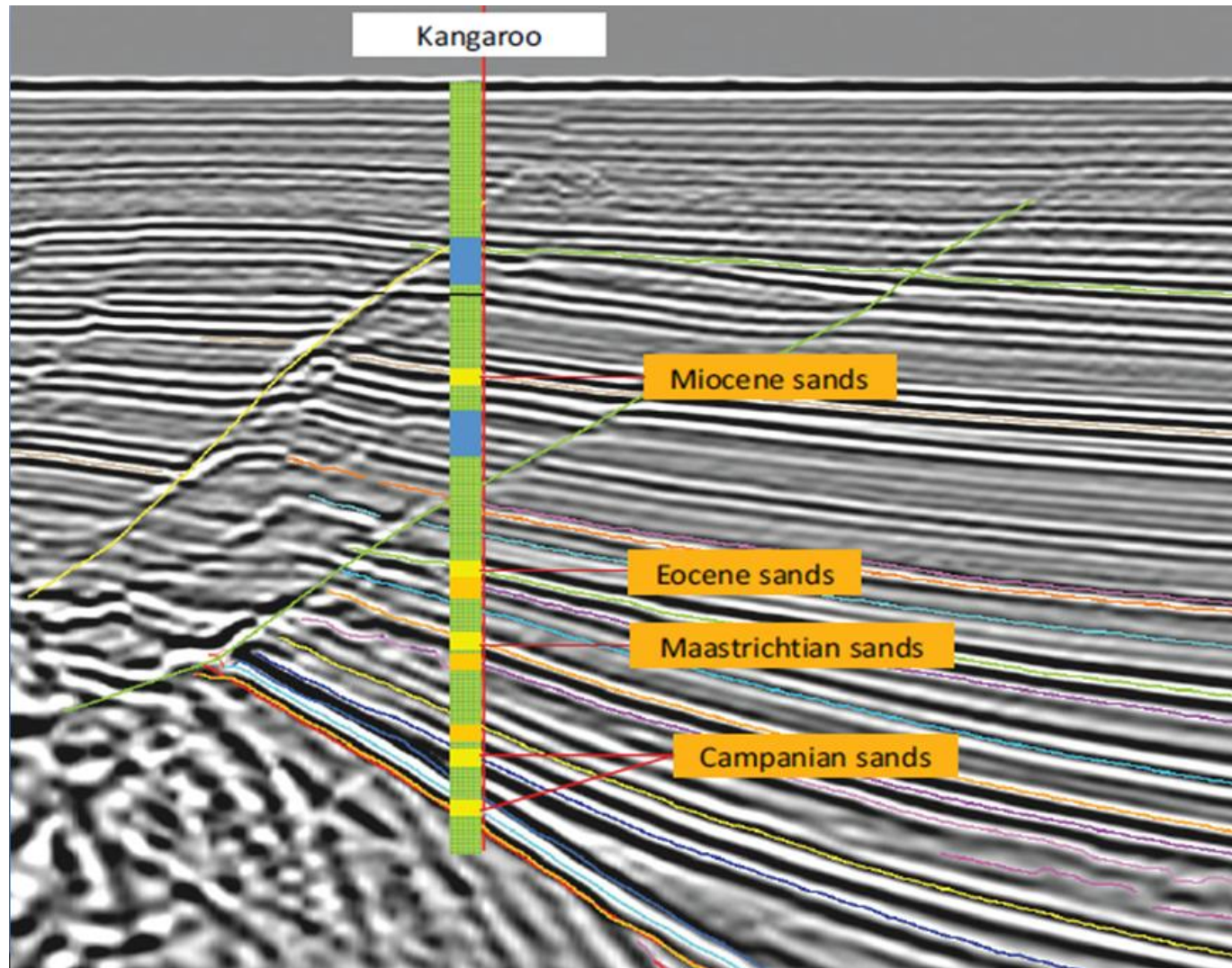
Adjacent acreage discovery

- Panoro Energy announced a discovery in the Sabia-1 well on the 13th Sept 2012
- Canario-1 well spudded 24th Sept.
- Wells targeting the same stratigraphic intervals as Karoon wells.

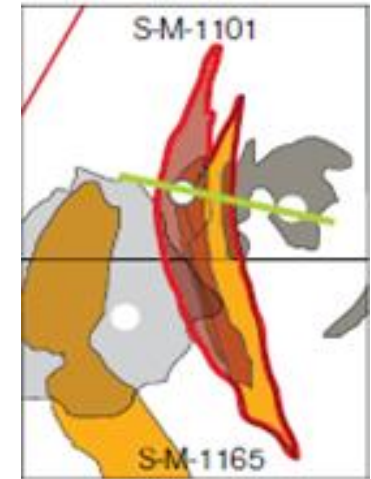
Brazil assets – Activity Summary



Brazil Santos Basin - Drilling candidates



Kangaroo Prospect (formerly Pico do Jaraguá E.)

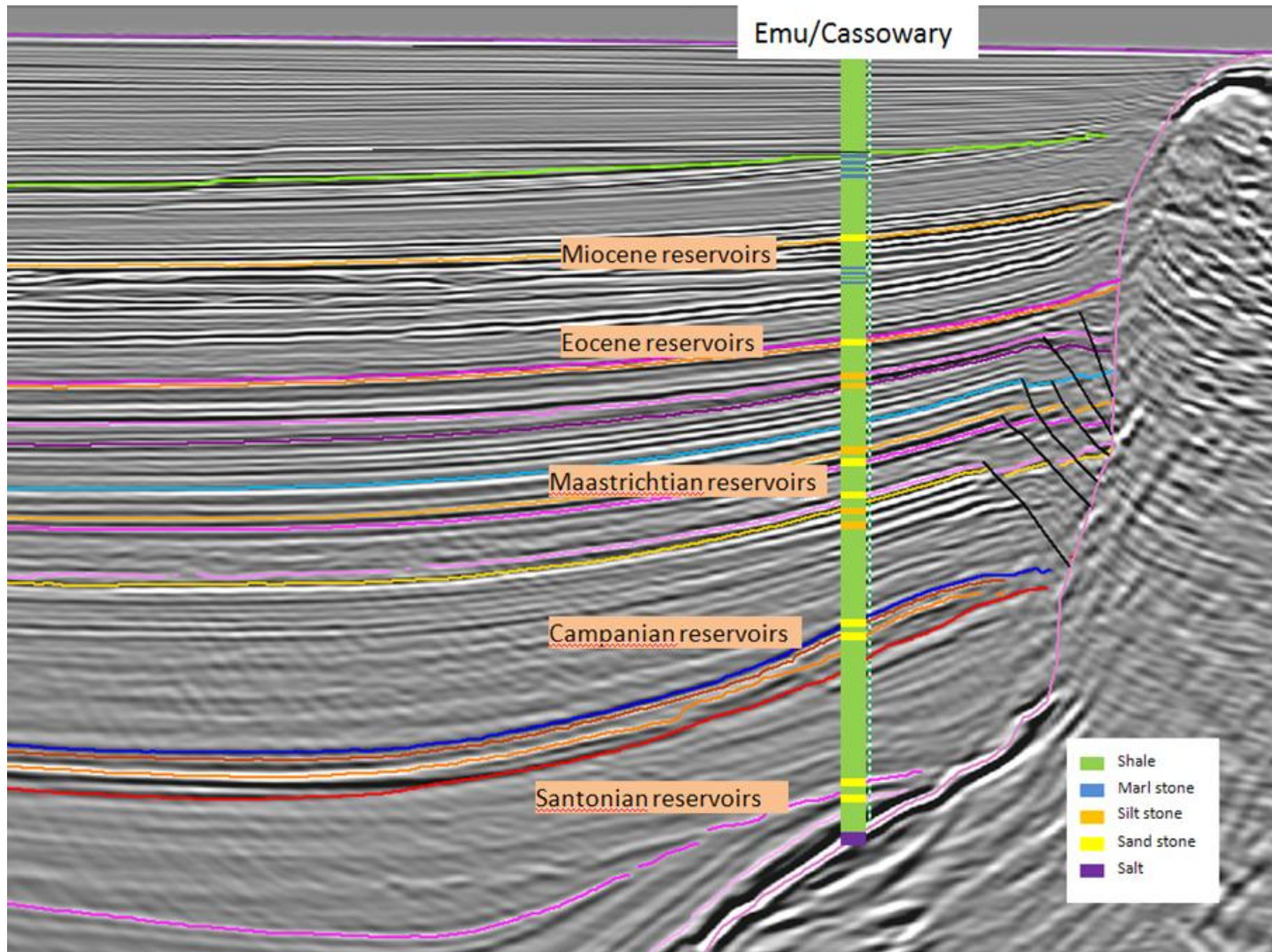


Primary target is the Campanian sands interval which show a good seismic DHI (Direct Hydrocarbon indicator)

Gross Prospective resource total for all levels -Mean 272mmbls to High case 387 mmbls.

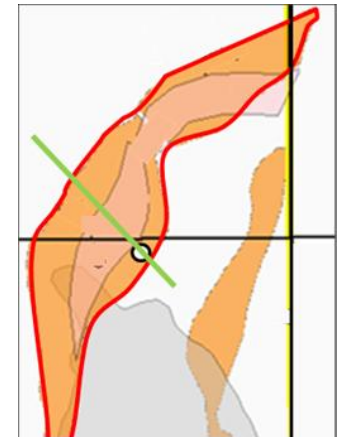
Primary target Mean 146 mmbls to High case 229 mmbls

Brazil Santos Basin - Drilling candidates



Emu/Cassowary Prospect

Target intervals indicated in yellow (sandstones)

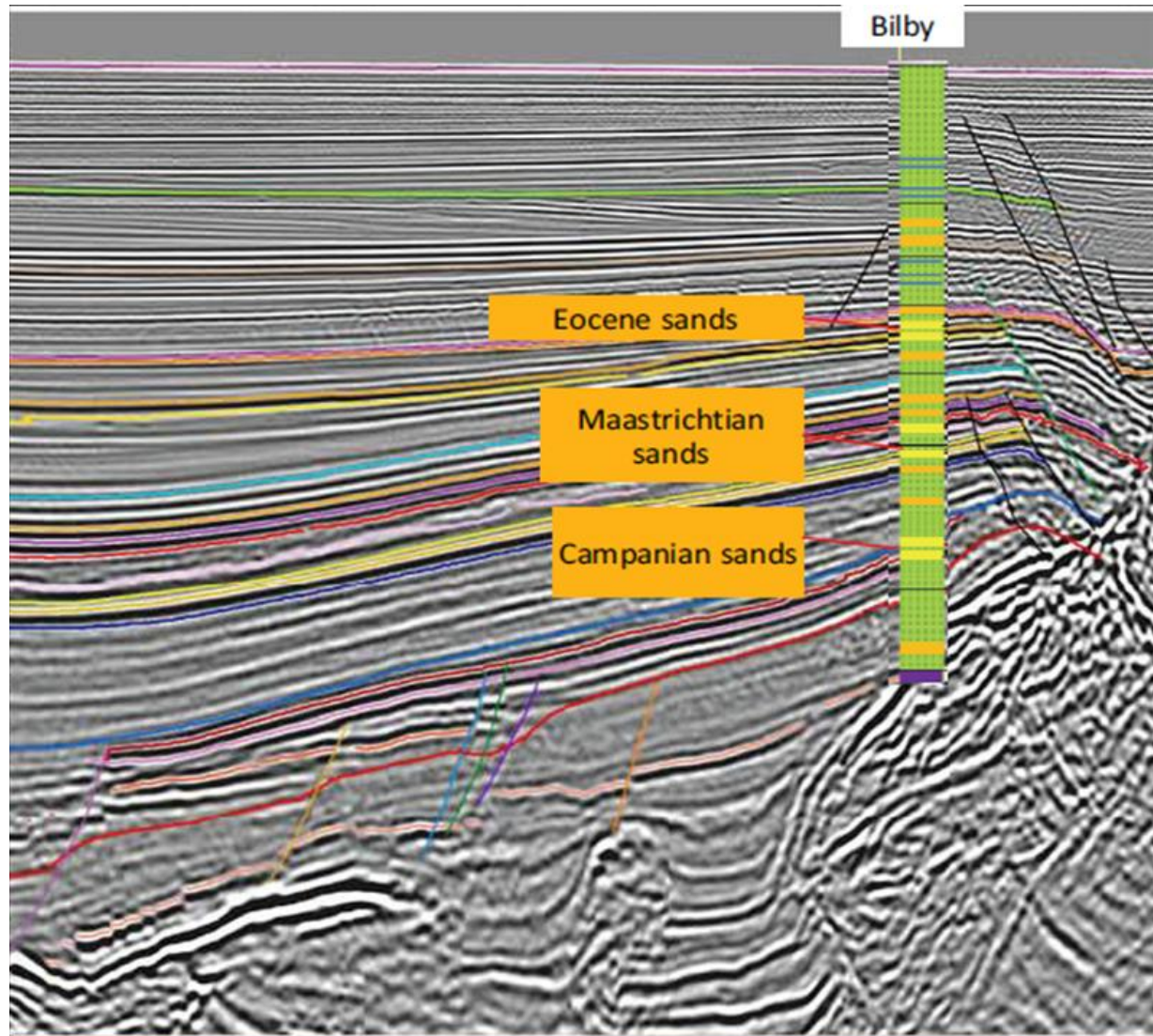


Primary target is the Campanian and Santonian sand intervals

Gross Prospective resource total for all levels - Mean 350mmbls to High case 600mmbls.

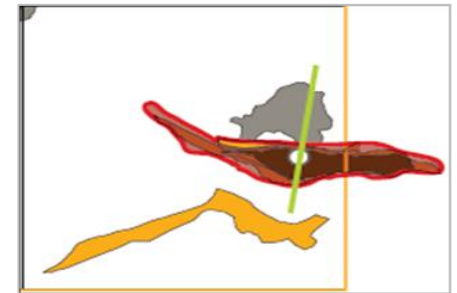
Primary target Mean 300 mmbls to High case 500 mmbls

Brazil Santos Basin - Drilling candidates



Bilby Prospect

Target sand intervals indicated in yellow (sandstones)



Primary target is the Campanian sand intervals which show a good seismic DHI (Direct Hydrocarbon Indicator)

Gross Prospective Resource total for all levels -Mean 110mmbls to High case 170 mmbls.

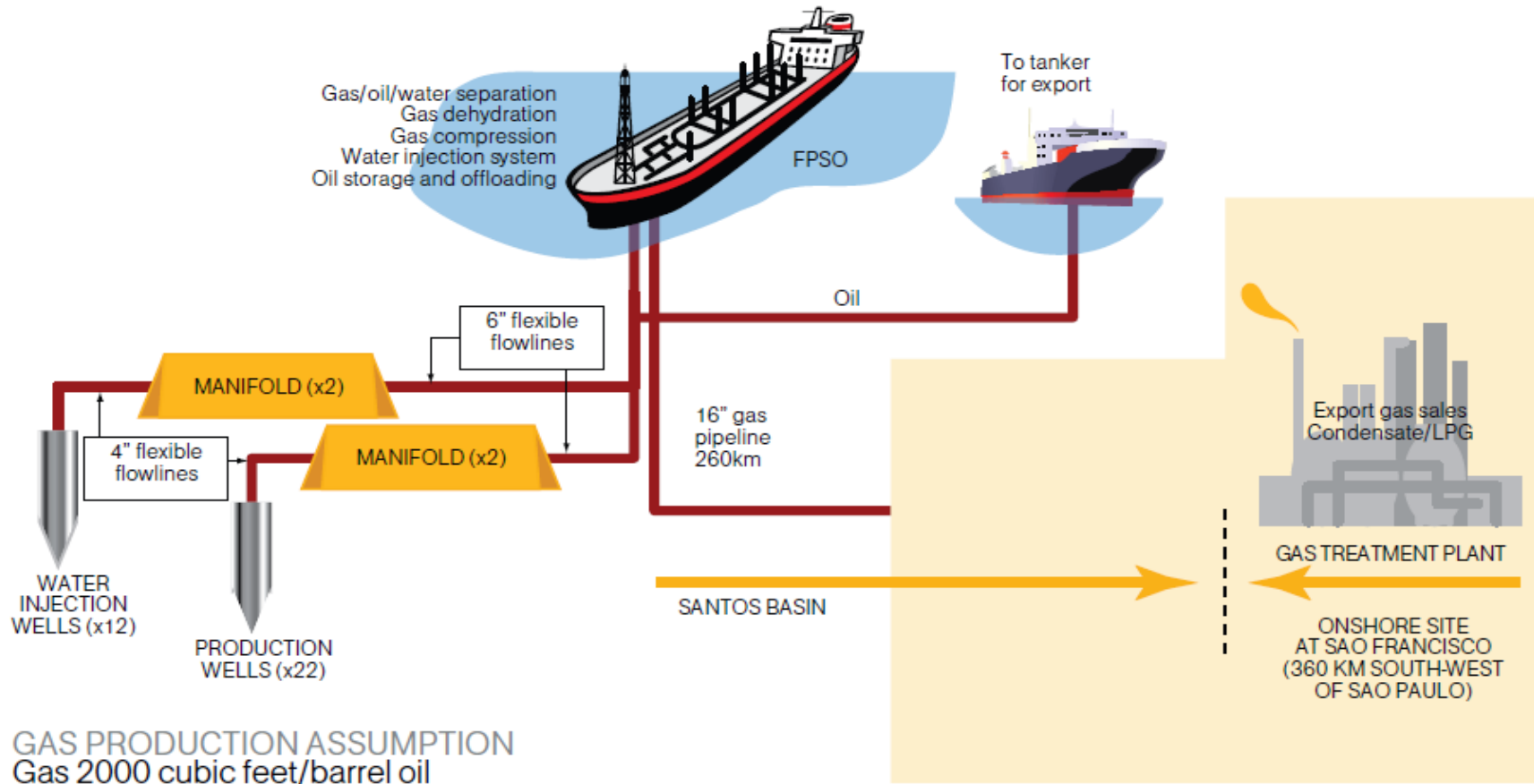
Primary target -Mean 50 mmbls to High case 110 mmbls

Santos Basin

Indicative development model and economics

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).



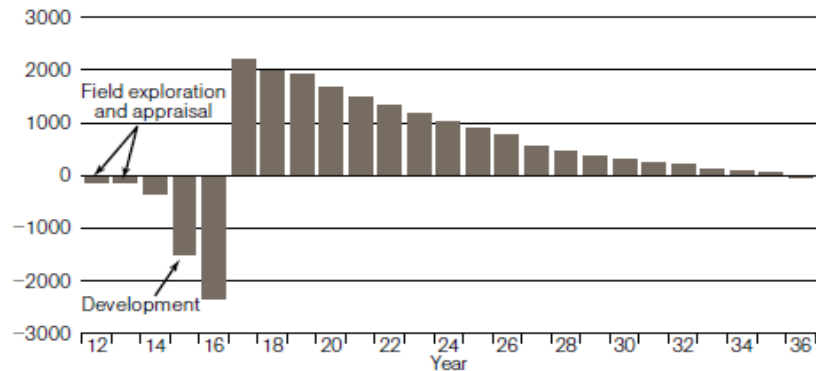
Santos Basin

Indicative development model and economics

Net cash flow

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

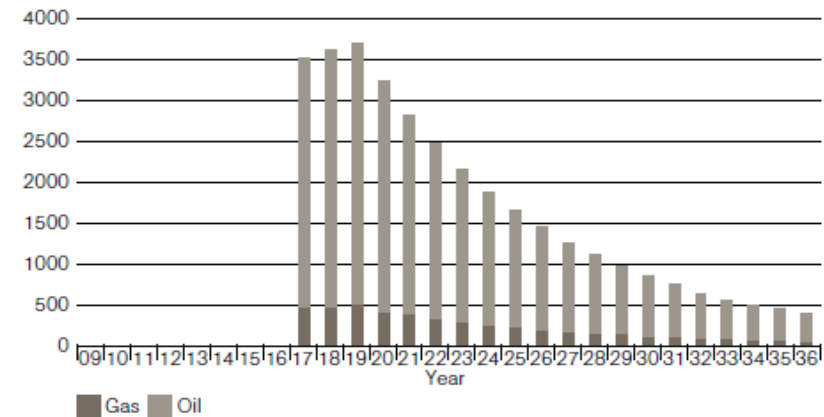
Net cash flow (US\$million)



Product revenues

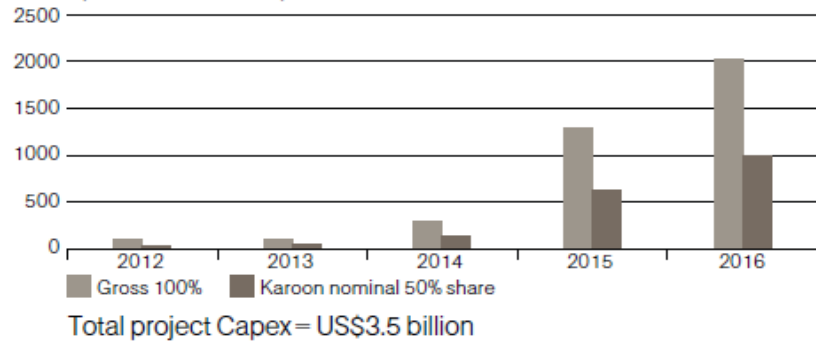
Oil and Gas Revenues- 100% share.

Oil and Gas Revenues (US\$million)



Capex profile

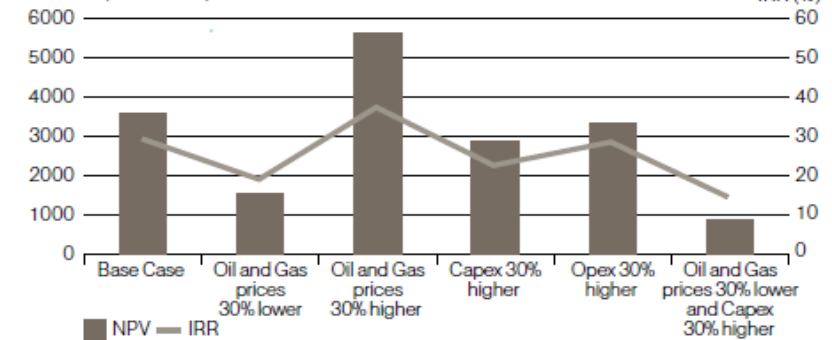
CAPEX (US\$million - 3Q 2011) Karoon share



Economic sensitivity analysis

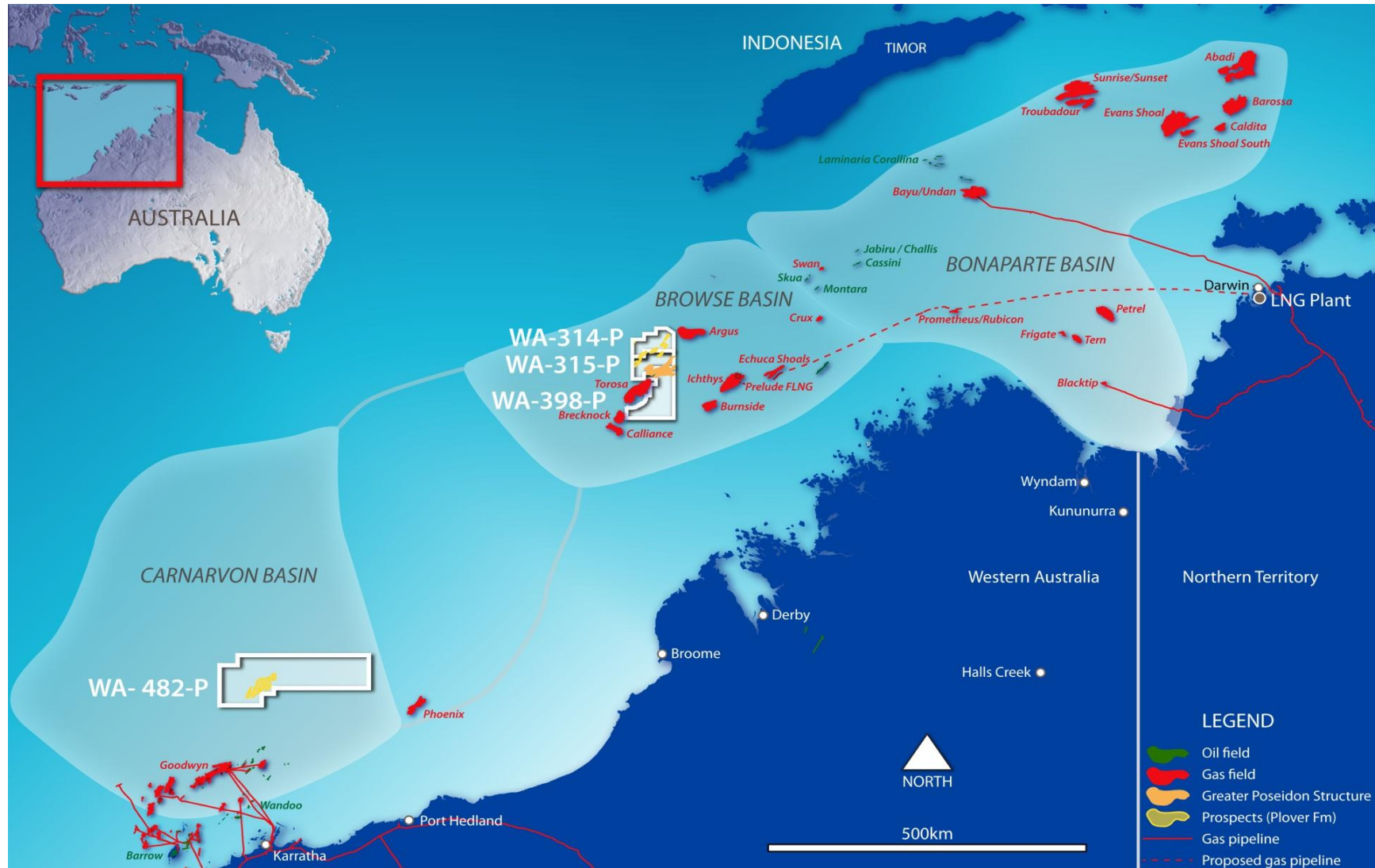
NPV-10% (US\$million)

IRR (%)

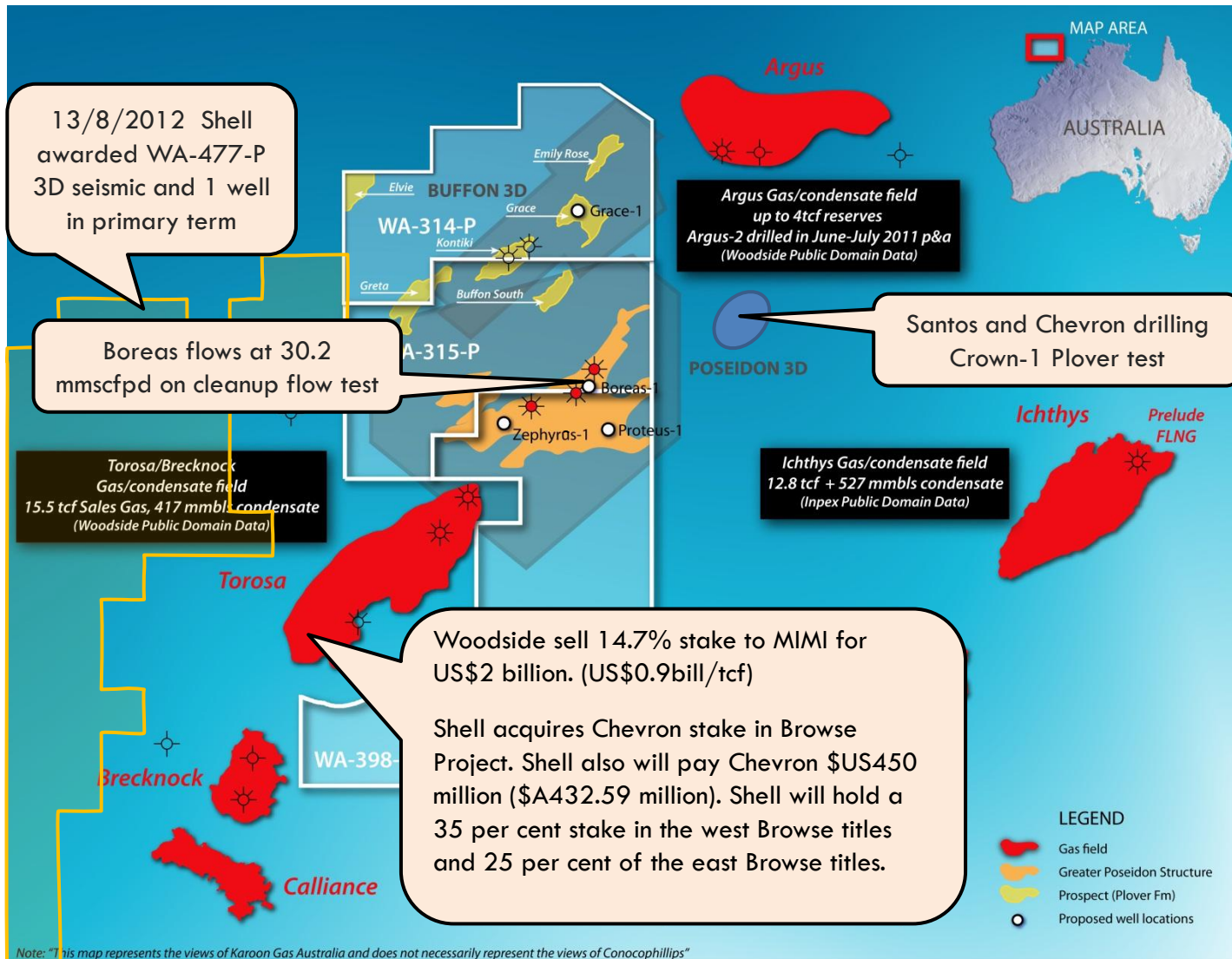


Project NPV US\$3.6 billion, IRR 29%
Assumptions: Oil US\$90/bbl, Gas US\$7/mmbtu

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:

- Poseidon/Kronos Contingent Resource Range; P90 - 3 tcf P50 - 7 tcf and P10 - 15 tcf

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

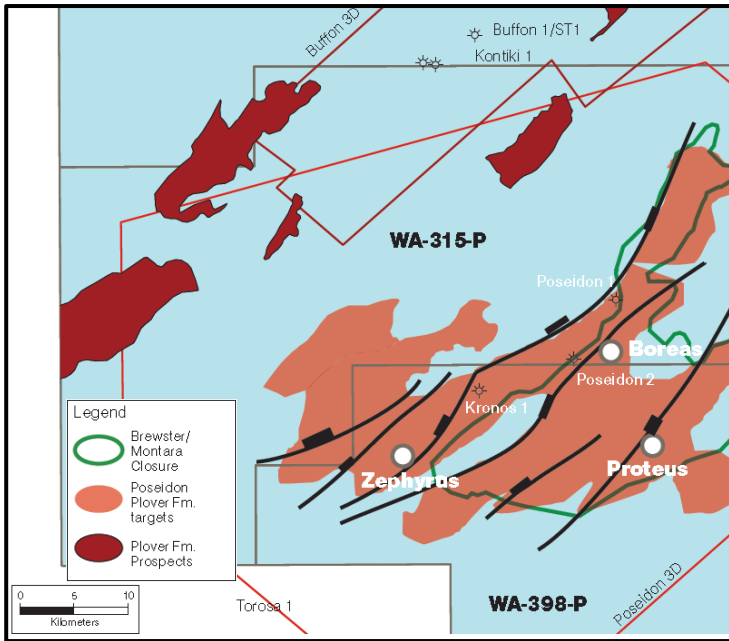
Forward Plans:

- Drilling order:
 1. Boreas
 2. Zephyros
 3. Proteus
 4. Grace
 * Additional wells to be determined
- Program to last 18-24 months
- Farm-out an interest in WA-314-P

Objective:

- Define resource and progress to LNG development FEED stage

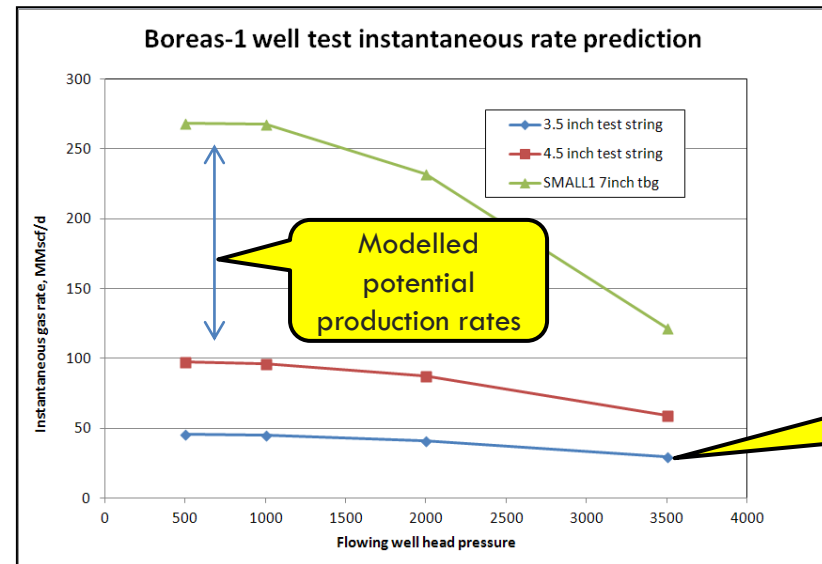
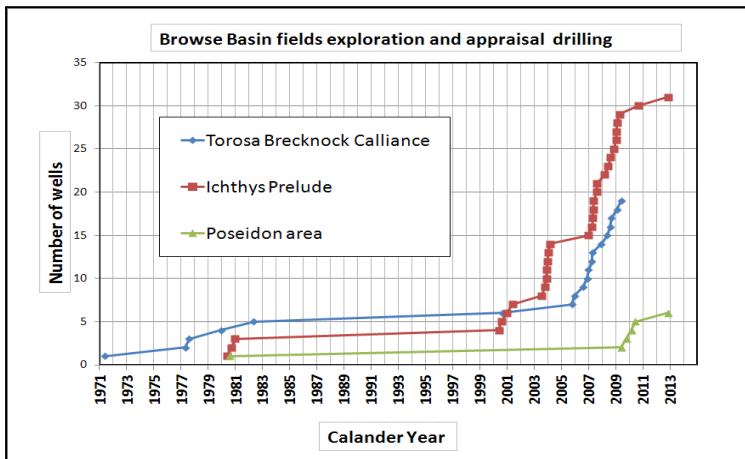
Australian assets – Browse Basin



Boreas test results:

- Pressure and flow data modelling by Karoon indicates that the Boreas test interval could flow at rates between 100 and 250 million scfpd in a development case using 7" tubing above the bottom production liner if operated at 500-1000 psia surface pressure.
- Condensate 18 bbls per mmscf (final number expected later from PVT analysis of down-hole samples). Carbon dioxide 16%.

"We are encouraged by the results from the Boreas-1 well in the Browse Basin. However, we are still in the early phase of exploration, with up to a further seven wells to be drilled in the next two years. This exploration will help us to better define the size and quality of the hydrocarbon accumulations within the exploration permits."

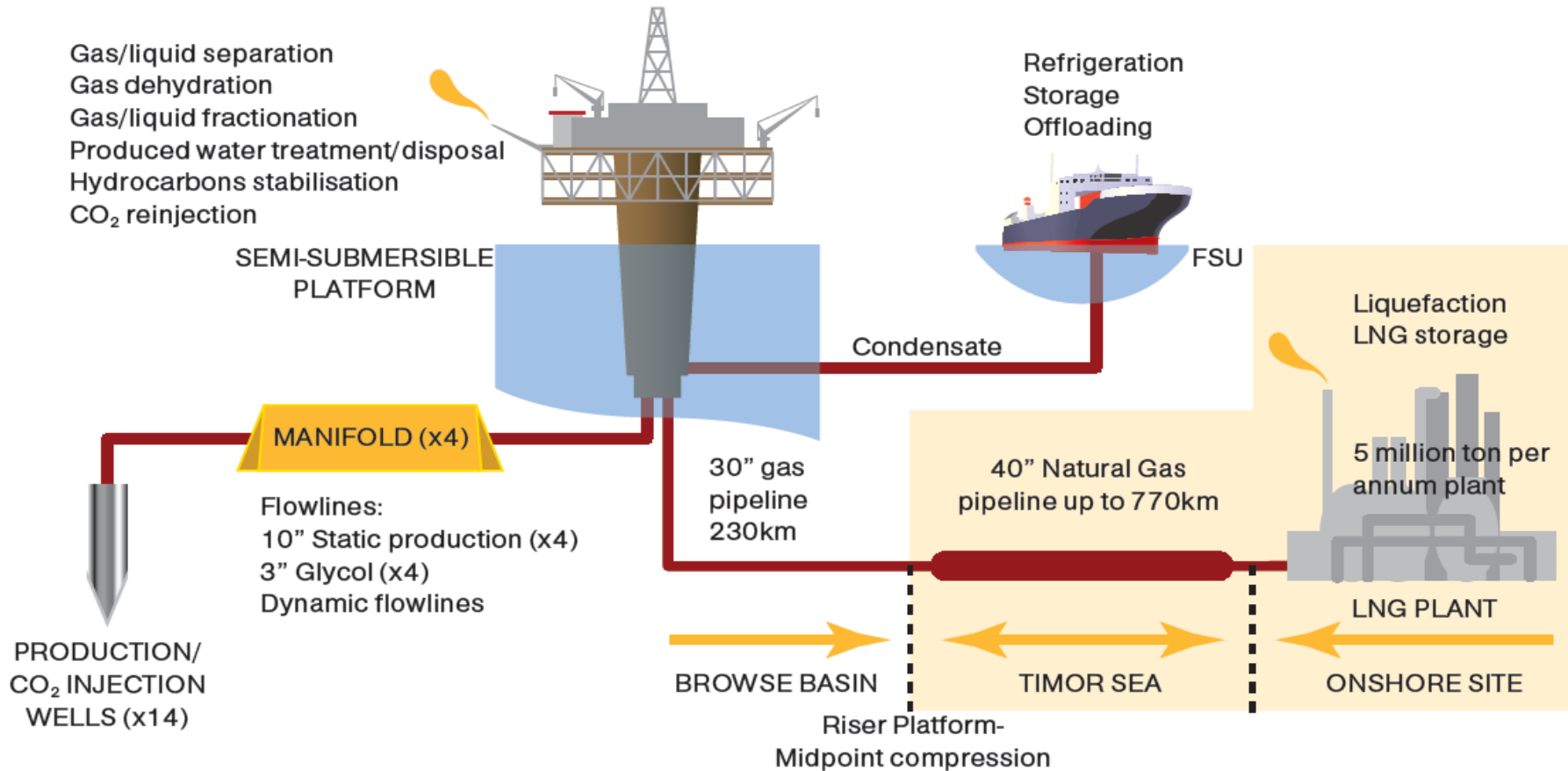


Note: This data represents the views of Karoon Gas and do not necessarily represent the view of ConocoPhillips.

Browse Basin

Indicative development model and economics

Karoon LNG/condensate indicative development model economics
 (assuming a discovery of 7 tcf and based on a leading third party design concept)



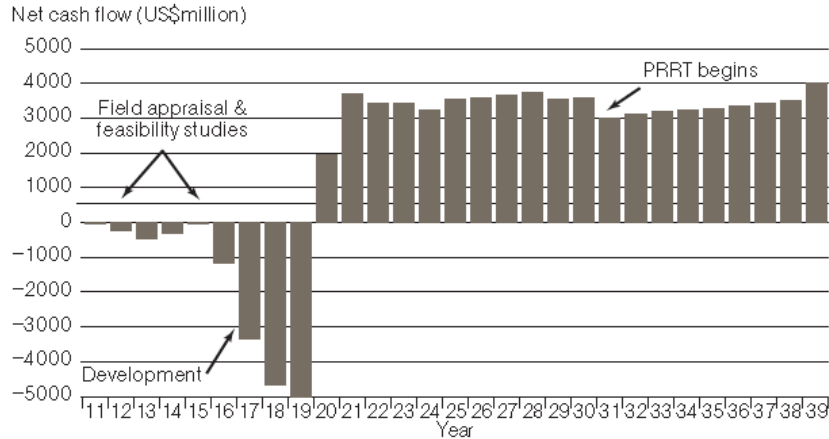
FIELD DEVELOPMENT, PIPELINE AND LNG FACILITIES SCHEMATIC (ONSHORE LNG OPTION)

Browse Basin

Indicative development model and economics

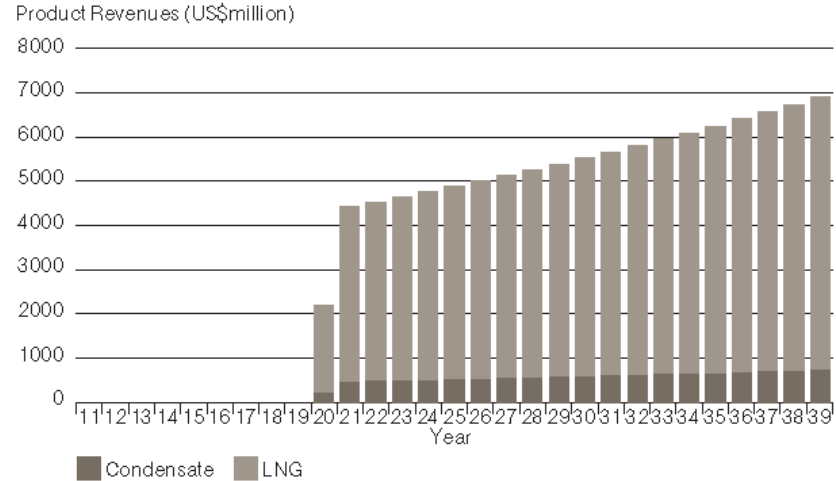
Combined Net Cash Flow

Net cash-flow for combined offshore liquids removal and onshore LNG – 100% share



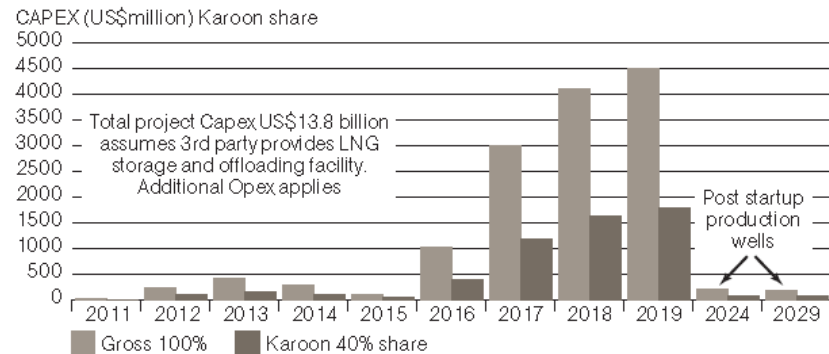
Product revenues

Product revenues for combined offshore liquids removal and onshore LNG – 100% Share.



Capex profile

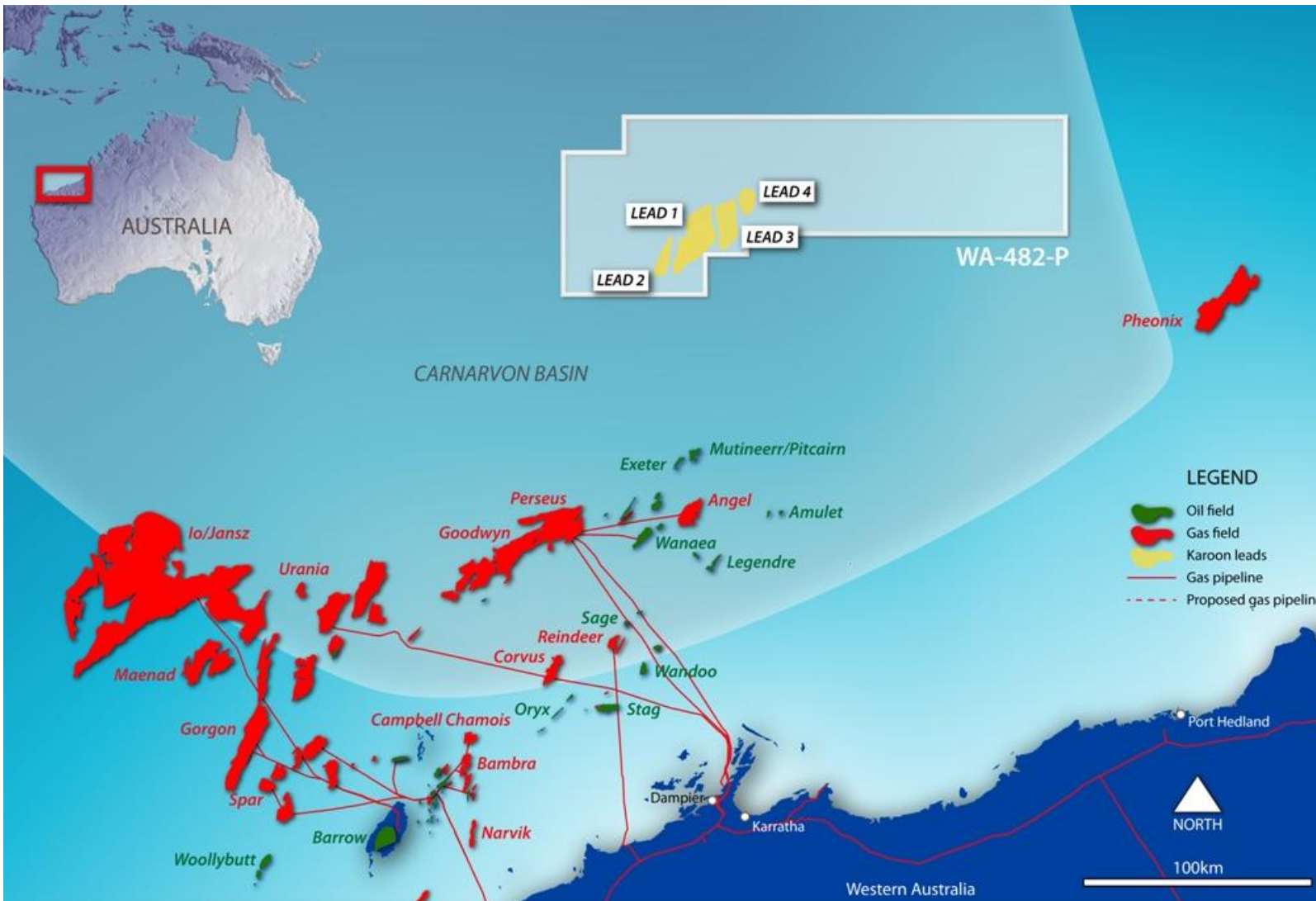
– 2011 US dollars



Total Karoon Capex = US\$5.5 billion
Total Capex = US\$13.8 billion

Project NPV US\$5.8 billion, IRR 16%
Assumptions: Condensate US\$90/bbl, LNG US\$12/mmbtu
Royalty: 1.5% ORR for first 5 years going to 2% thereafter (not included)

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:

- 4 prospects and leads with multiple tcf potential

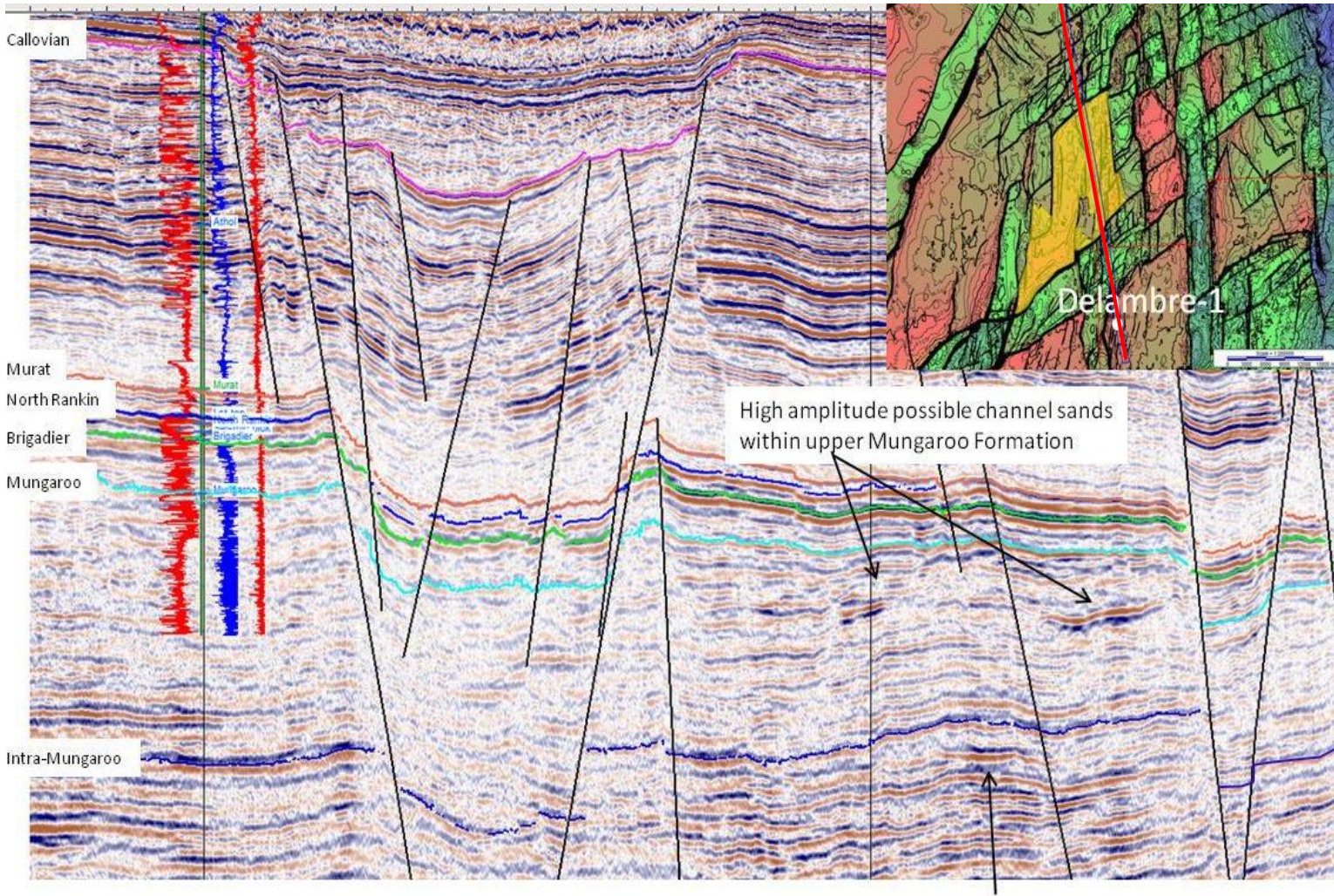
Interest:

- Earning 100% equity

Terms:

- Farm-in from Liberty Pet. Corp
 - Earn 100% by completing years 1 and 2 work program of geological and geophysical studies and 2010 sq Km 3D seismic
 - After completion of years 1 and 2 geological studies and 3D seismic, option to acquire 100% interest and enter year 3 well commitment

Australian assets – North Carnarvon Basin

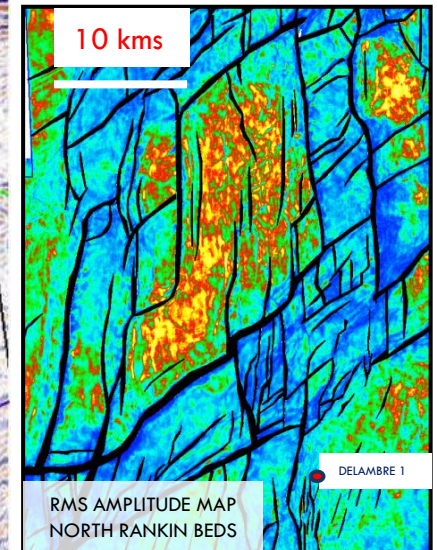


High amplitudes within lower Mungaroo Formation

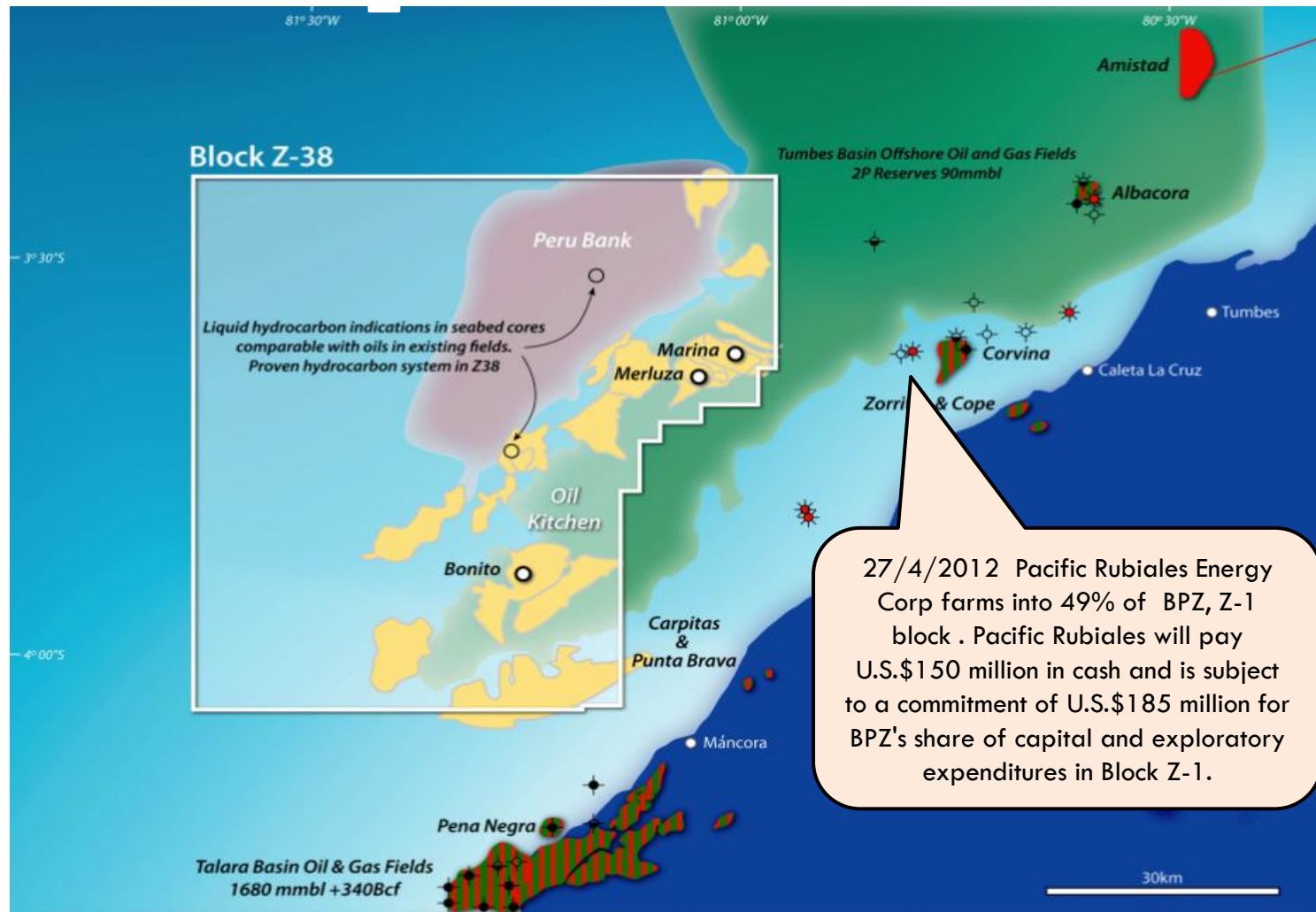
WA-482-P

Prospect example

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



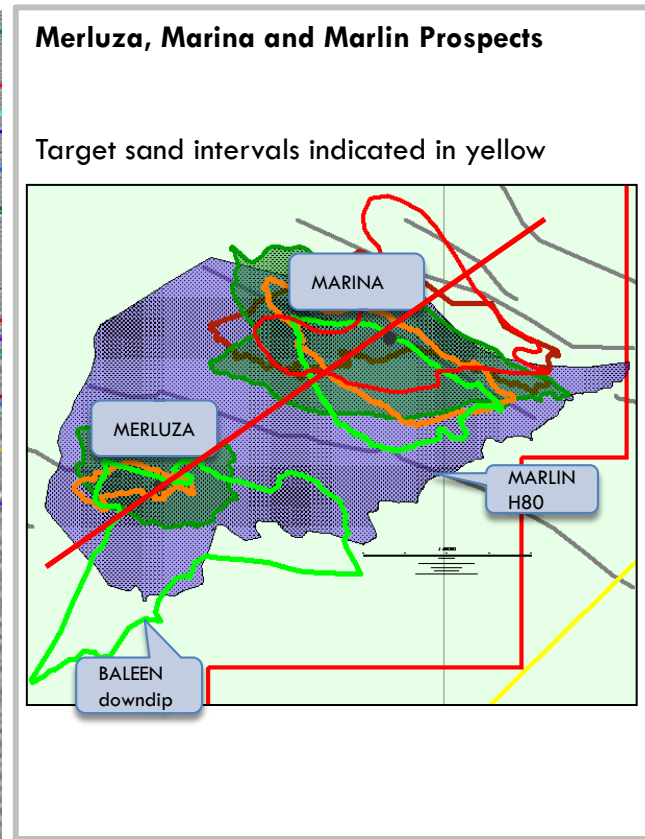
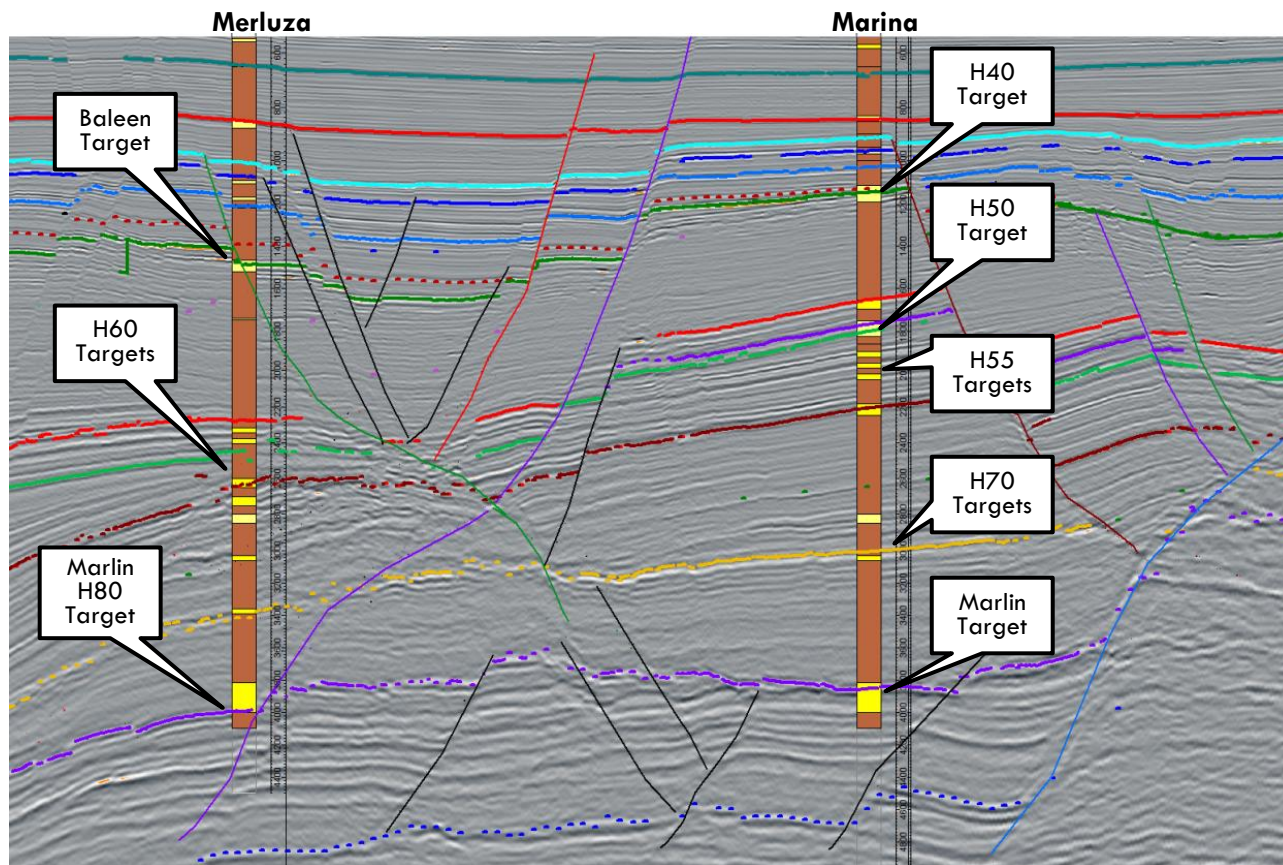
Peru assets – Block Z-38 – Tumbes Basin



- Location:**
- Tumbes basin water depths 300-1000m. Close to fields that have produced over 1.6 billion barrels of oil
- Prospective resource range**
- 19 prospects and leads identified with current Net Unrisked Mean Perspective Resources totalling 1.92 billion barrels
- Interest**
- 75% equity in Z-38 subject on completion of farm-in terms with Pitkin Petroleum Plc (formally Vamex)
- Forward plans**
- Farm-out to take place 1st quarter 2013
 - Drill up to 3 wells expected to start 2nd half 2013. Rig being procured
 - Program to last 6 to 9 months
- Objective**
- Define resource size and progress to appraisal/development 2014

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-1 will test three overlying prospects, Baleen, Merluza H60

Merluza -Mean Prospective Resource 51 mmbls.
Chance of success 17%

Baleen (all) -Mean Prospective Resource 189 mmbls

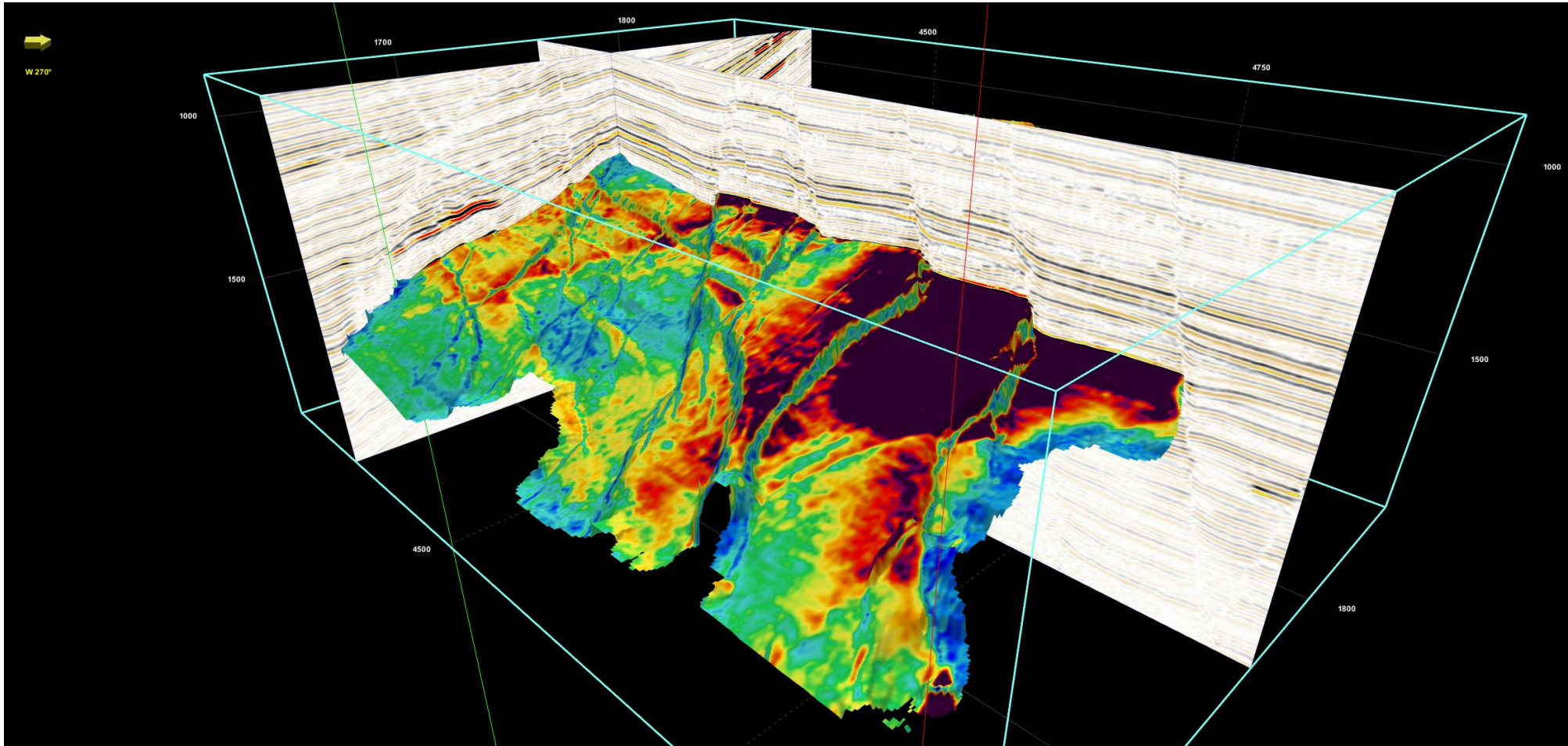
Marina-1 will test five overlying prospect levels, H40, H50, H55, H70.

Mean Prospective Resource 392 mmbls.
Chance of success 21%

The **Marlin Prospect** Zoritos level

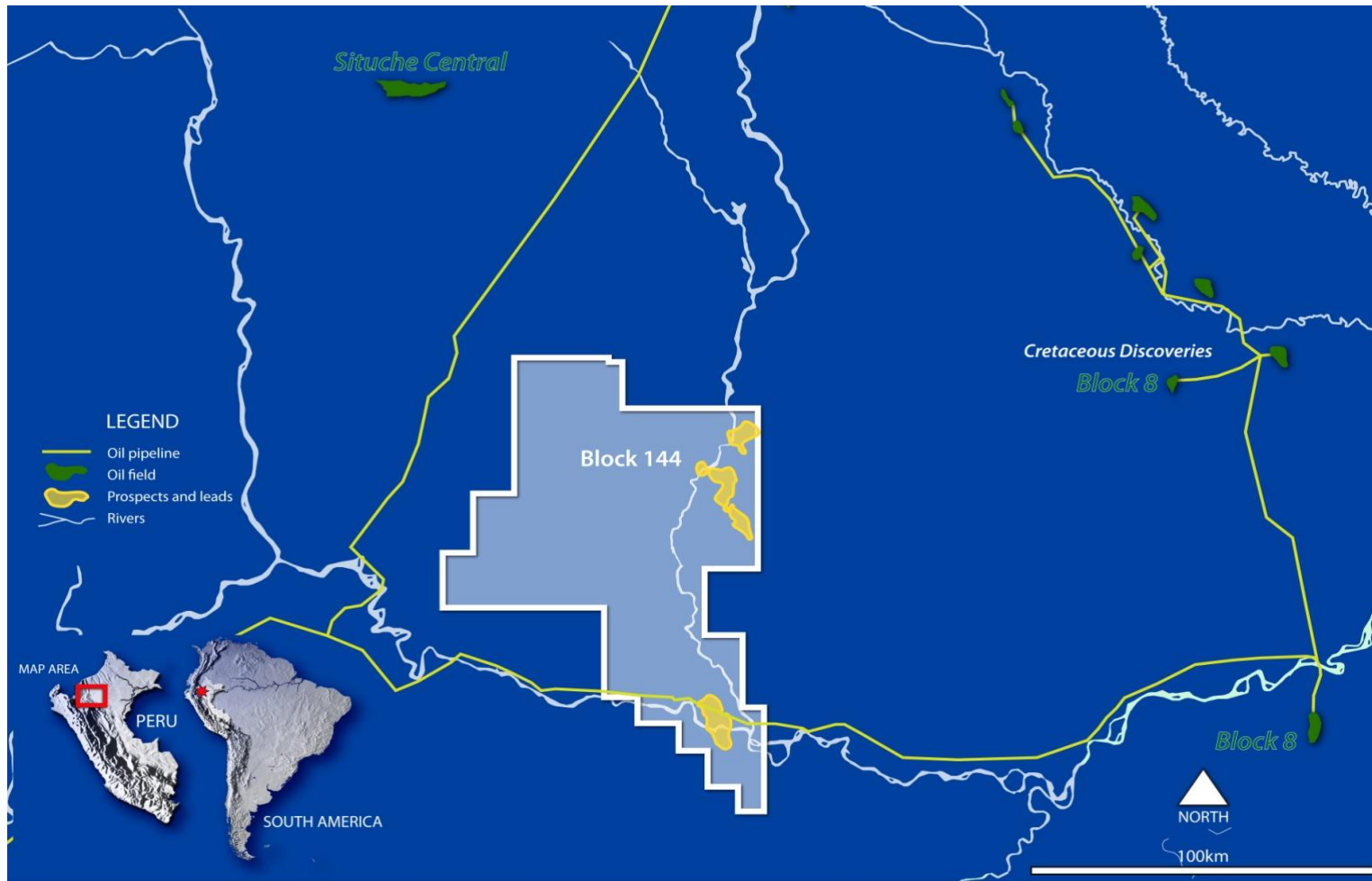
Mean Prospective Resource 124 mmbls.
Chance of success 14%

Peru Tumbes Basin - Drilling candidates



Baleen Prospect amplitude map. Red areas indicate potential hydrocarbons located in crestal areas of the prospect.

Peru Marañon Basin - Block 144



Location:

- Marañon Basin, Peru.
On trend with Situche 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
- Farm-out to take place in 2013

Objective:

- Define prospective resource size prior to drilling

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

KAROON ACTIVITY	2012		2013				2014					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Indicative time line (@ October 2012)												
BROWSE BASIN (Aust)												
Drilling (firm)												
Boreas-1												
Zephyros-1												
Proteus-1												
Drilling options												
3D Seismic interpretation												
NORTH CARNARVON BASIN (Aust)												
Acquired permit												
3D Seismic acquisition												
Processing 3D Seismic data												
3D Seismic interpretation												
Well option												
SANTOS BASIN (Brazil)												
Drilling - planning & approvals												
Drilling (firm)												
Kangaroo-1												
Emu/Cassowary-1												
Bilby-1												
TUMBES BASIN (Peru)												
3D Interpretation												
Drilling - planning & approvals												
Drilling												
MARANON BASIN (Peru)												
Drilling - planning & approvals												
New 2D Seismic acquisition												
Interpretation												

DeGolyer & MacNaughton Assessment

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 Contingent 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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