



September Review 2013

Karoon Gas - Snapshot

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

Santos Basin Exploration Drilling Campaign progressing

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

New Brazil appraisal and exploration drilling program from early 2014

Australian Browse Basin Drilling – 6-7 wells on the Poseidon field:

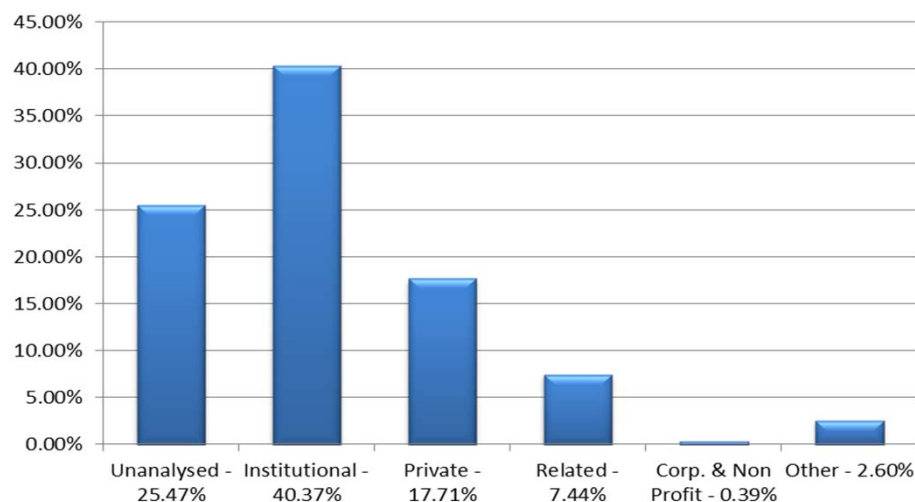
- Zephyros-1 gas discovery (Kronos-1 look- alike)
- Boreas-1 gas discovery flows at 30.2 mmscf per day (facility constrained)
- Kronos-1 gas discovery flows at 26 mmscf per day (facility constrained)
- Proteus-1 gas discovery in Montara Fm- New high potential play

WA-482-P and WA-314-P 3D seismic acquisition completed

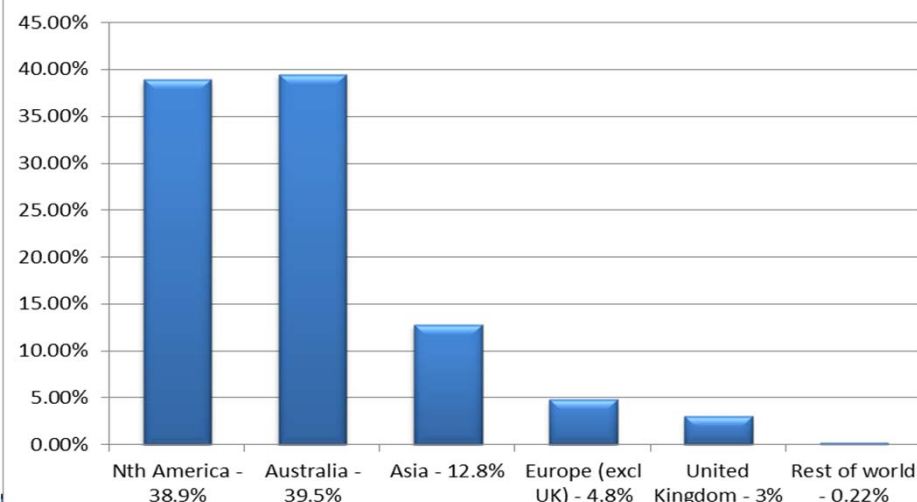


Investor Information

Total Shareholder Composition



Institutional Shares by Geography



Substantial Shareholders

Rank	Name	%ISC
1	Wellington Management Company LLP	13.01
2	Talbot Group	10.48
3	FMR LLC	6.01
4	Paradise Investment Management Pty Ltd	5.86
5	Robert Hosking	4.93

- 251 million shares
- 11 million unlisted options
- Market capitalisation approximately A\$1.37 billion @ A\$5.45
- Cash at bank A\$300 million as at 30th August 2013 (pending final SPP numbers)
- Company in S&P/ASX 200 Index

Past. Present. Future.

What we have done

Australia

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

Brazil

- ❑ 2007 - Awarded 5 Blocks in the Santos Basin Brazil
- ❑ 2010 - Acquired wide azimuth 3D seismic survey (first in Brazil)
- ❑ 2012 - Farm-out 3 wells -35% to Pacific Rubiales Energy Corp*
- ❑ 2013 - Kangaroo-1 oil discovery 42 API oil column
- ❑ 2013 - Emu-1 well drilled(oil & gas shows)
- ❑ 2013 - Bilby-1 oil discovery 33 API oil column

Peru

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

*Subject to regulatory approval

What we are doing

Australia

- ❑ Appraisal and exploration drilling 6 - 7 wells 2012-2014
- ❑ Browse Basin - farming-out an interest in WA-314-P
- ❑ Browse Basin -farm out interest in WA-315-P and WA 398-P

Brazil

- ❑ Santos Basin, drilling of 3 wells completed with two discoveries
- ❑ Sourcing rig for follow-up appraisal and exploration drilling.
- ❑ Farmout small interest in blocks

Peru

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

Where we are going

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

Brazil assets – Regional Activity

Location:

Santos Basin, Brazil. 300-450 metre water depth.

On trend with Piracuca, Newton, Muluza, Maruja, Tiro and Sidon fields.

Prospective resource:

Post drilling, 4 prospects and leads firming up including 2 in pre-salt section.

Current Karoon Net Unrisked Mean Prospective Resource in the Post salt, total 278 million barrels.

Pre-salt values subject to additional work.

Karoon contingent resource:

- Bilby oil field (to be appraised).
- Kangaroo oil field (to be appraised)
- Gross contingent 3C 487 million barrels.
- Maruja oil field.

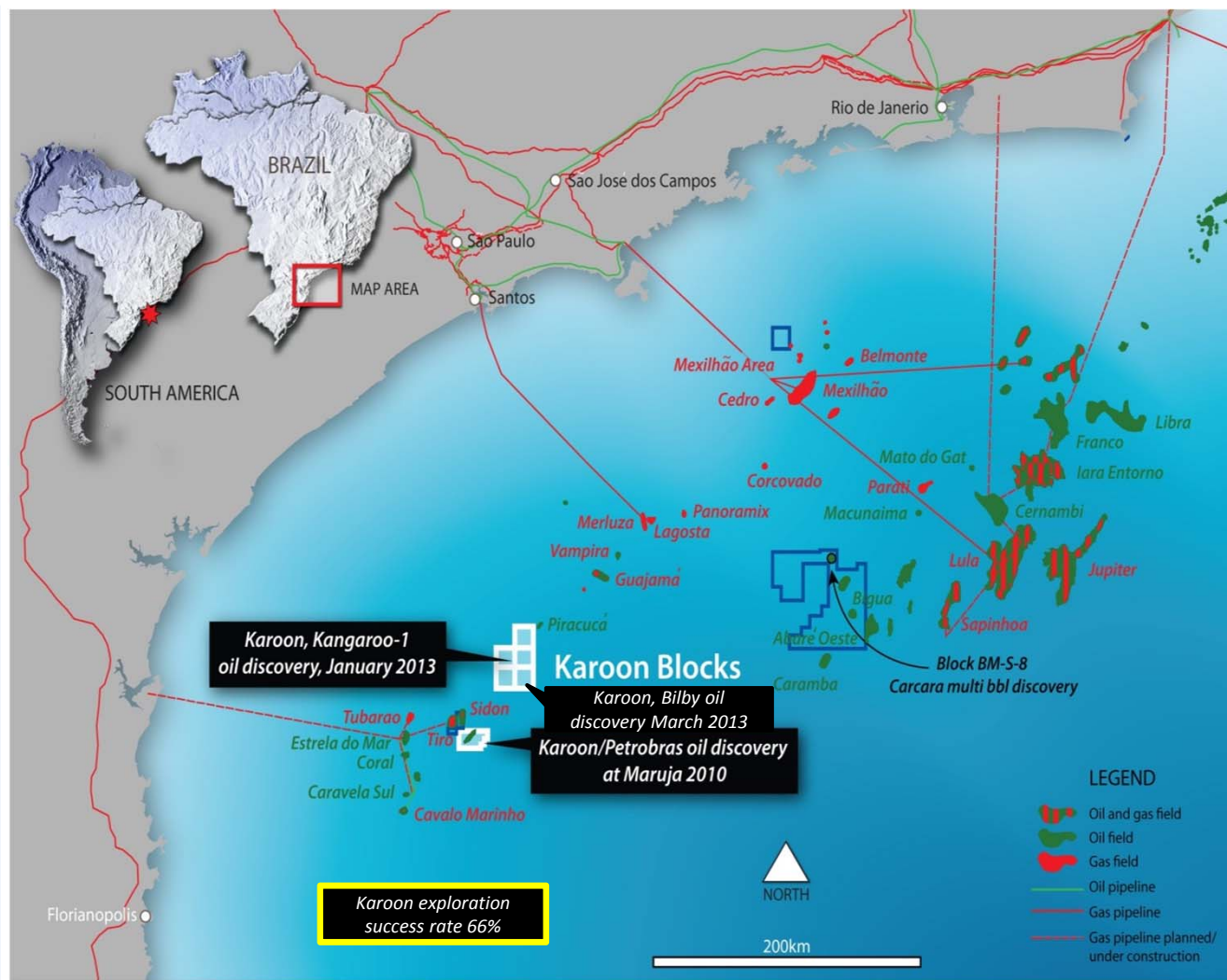
Interest:

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

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

Forward plans:

Prepare for new appraisal and drilling program in early 2014.



Brazil assets – Activity Summary

Santos Basin Farm-out:

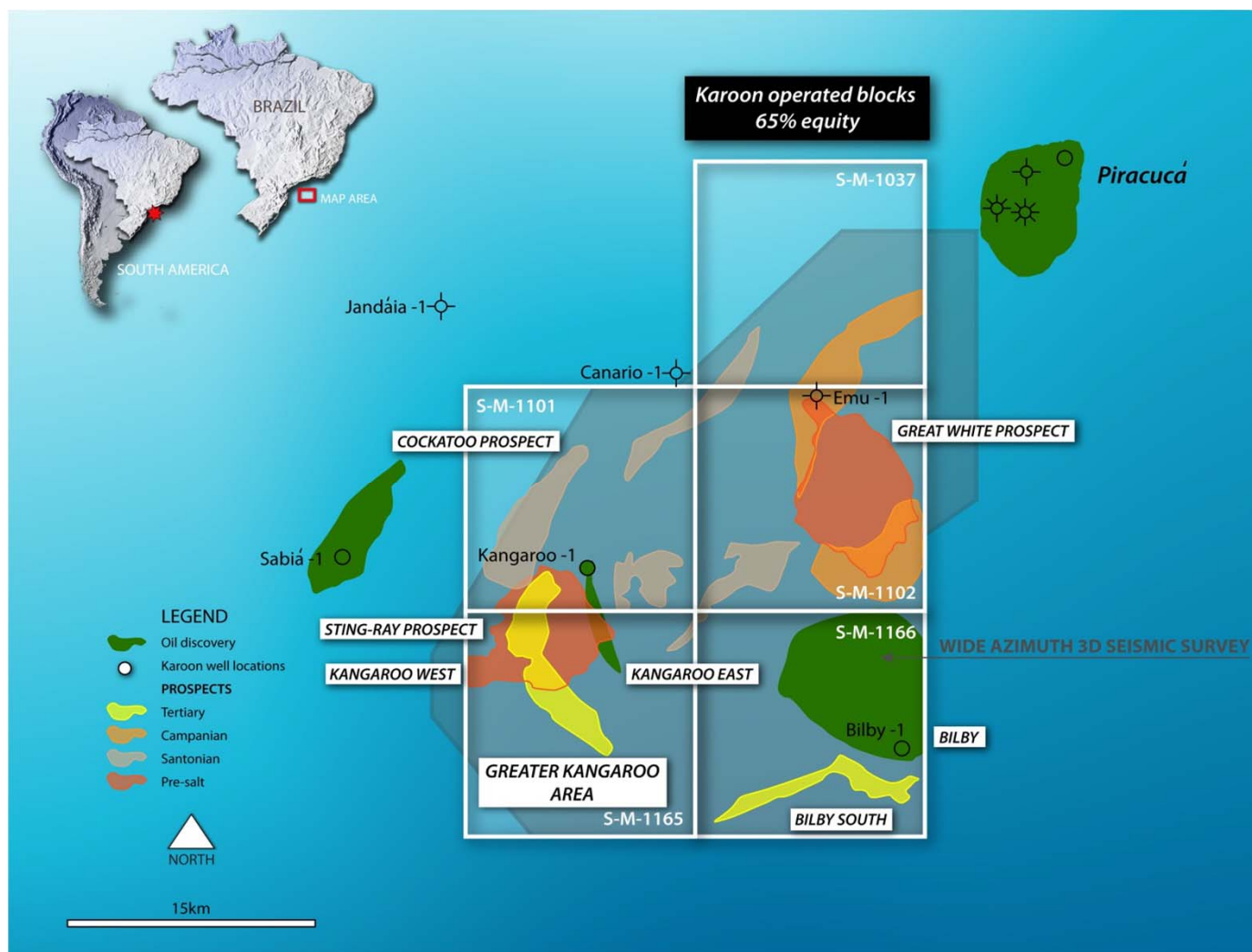
Agreement for Pacific Rubiales Energy Corp to acquire a 35% interest in Karoon's wholly owned Santos Basin Exploration Blocks, S-M-1101, S-M-1102, S-M-1037, S-M-1165.

Pacific Rubiales Energy Corp:

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

Drilling order:

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



Santos Basin – Kangaroo-1 Oil Discovery

Kangaroo-1 Oil Discovery

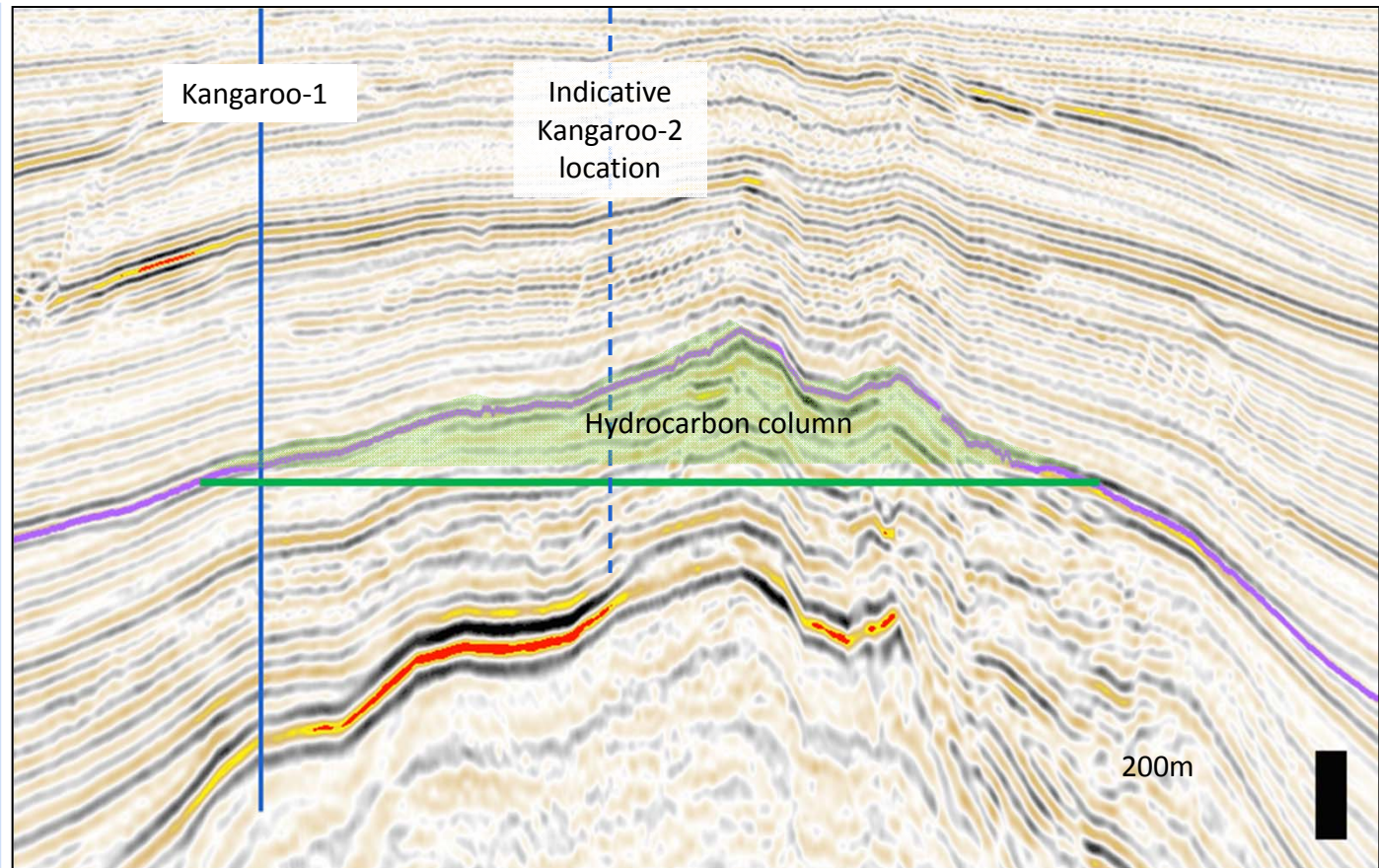
Pressure data confirms a 25 metre oil column in Eocene interbedded sands.

Oil measured at 42 degrees API.

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

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

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



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

Santos Basin – Kangaroo-1 Oil Discovery

Kangaroo contingent resources:

Assessed in accordance according to PRMS standards.

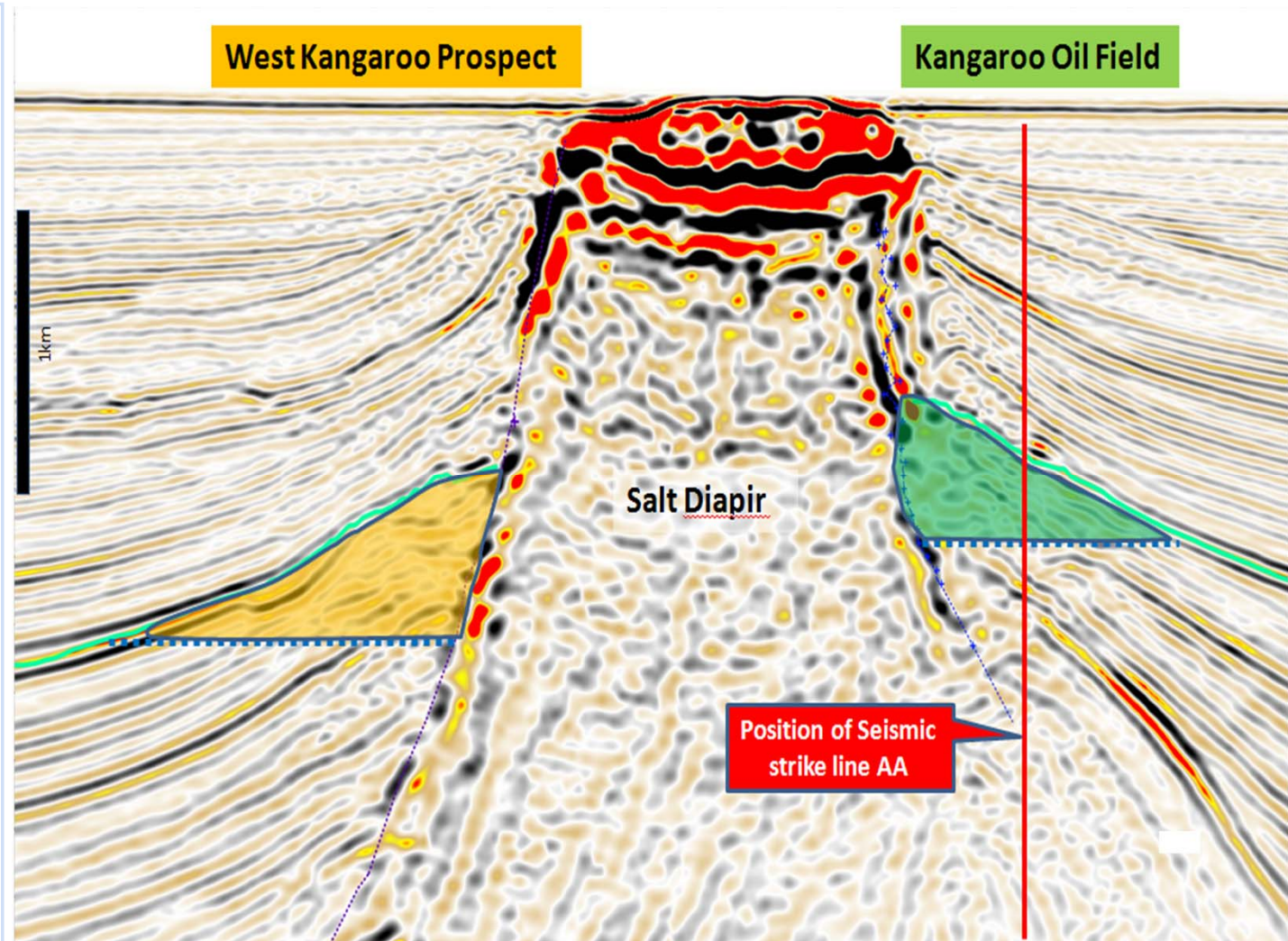
1C value is low as the well intersected the column near the OWC and no updip oil can be included in this category.

Contingent Resource Category	Prospective Resource (million standard barrels)
1C	11
2C	135
3C	487

Additional Eocene- Maastrichtian levels Prospective Resources:

The following table provides an arithmetic summation of the Eocene to Maastrichtian levels total prospective resources range for the prospects, West Kangaroo and South Bilby

Prospective Resource Category	Prospective Resource (million standard barrels)
Low Estimate (P90)	81
Mean Estimate	278
High Estimate (P10)	550



Santos Basin – Bilby-1 Oil discovery

Bilby Oil discovery

33 degree API gravity oil recovered from Eocene to Maastrichtian ages sandstones.

Proven oil column of 320 metres from pressure measurements, confirmed by sampling of oil from the reservoirs.

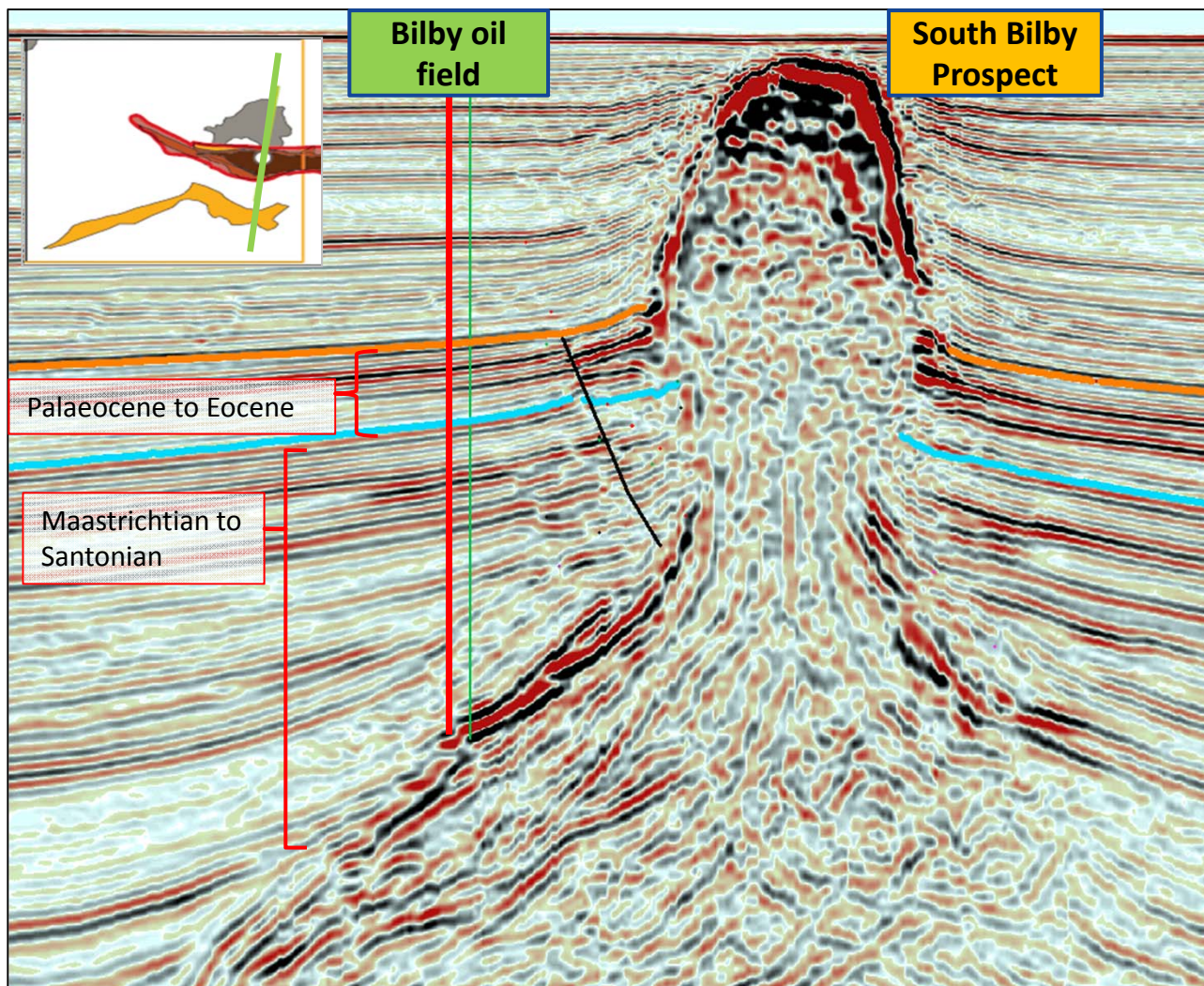
A potential gross column from pressure data of approx. 560 metres, based on the shallowest oil interval down to the proven top of the water level.

Net reservoir in the gross oil bearing interval, down to the shallowest known water level, is approximately 70 metres. Reservoir porosity values up to 23% have been interpreted from wireline logs.

Well located 150 metres down dip from the trap crest.

Preliminary analysis indicates a combination structural /stratigraphic trap over an area of 80 to 100 square km (significantly larger than predrill estimates).

Waiting on analysis of core data, seismic inversion and QI work expected to be completed over the next few months before appraisal locations are chosen.



Brazil Santos Basin – Presalt potential

Stingray & Great White Prospects:

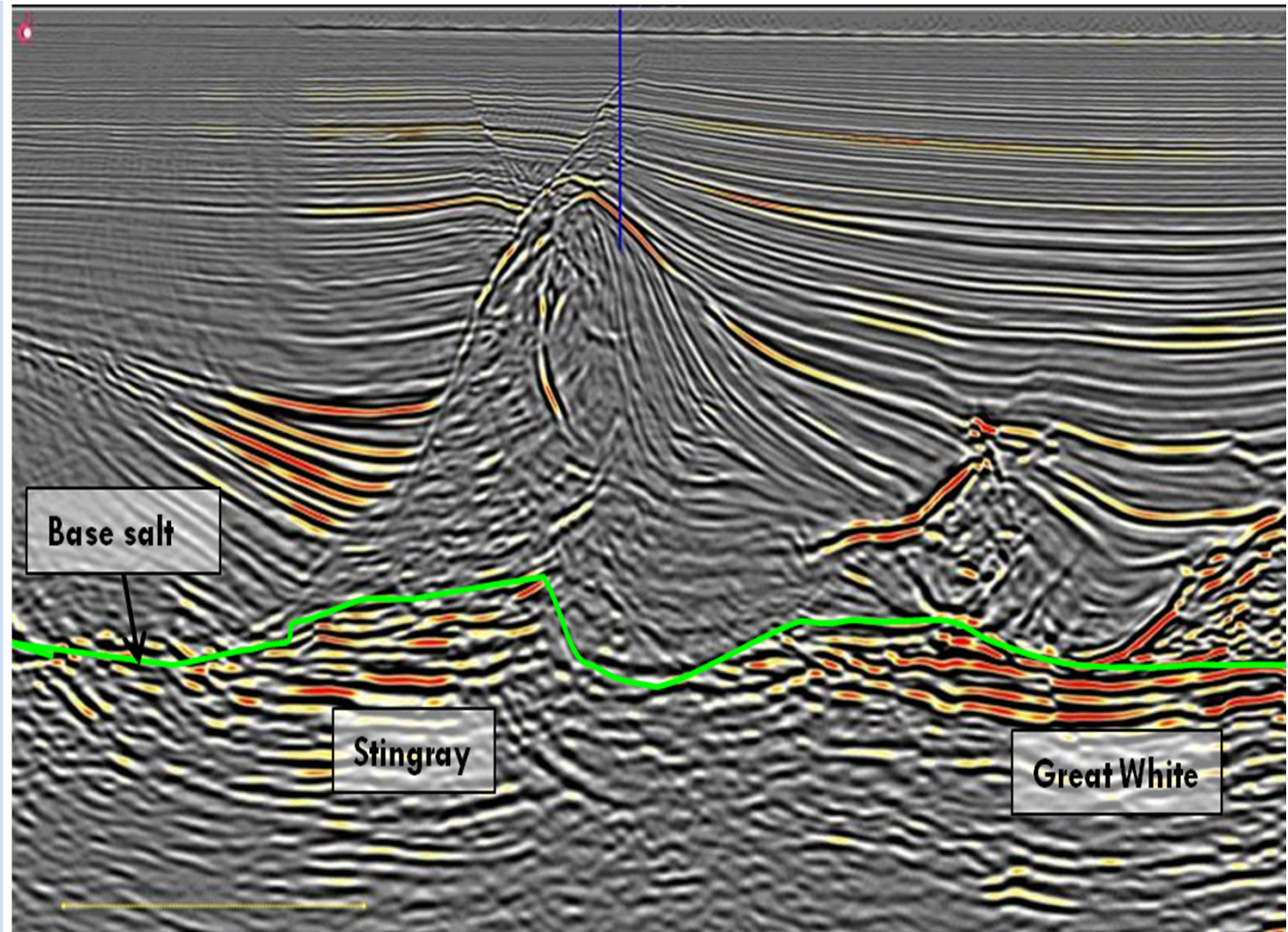
Additional large pre-salt prospects can now be explored with acreage retention assured with the Kangaroo success and oil shows in the Emu well.

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

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

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

Karoo is planning new targeted 3D to improve resolution.



Santos Basin – Operational summary

Acreage and Permitting

Submissions have been made to the ANP for approval of appraisal work program plans.

Farm-out Status

Karooon seeking to farm down approximately 15% equity ahead of the drilling program planned to commence in early 2014.

Good interest from a number of prospective oil and gas companies.

Operational Highlights

Kangaroo; currently carrying out Seismic QI studies, integrating core and other data to locate appraisal drilling location/s.

Bilby; waiting on analysis of core data for reservoir characterization , seismic reprocessing and QI analysis. Expecting results next quarter.

Additional de-risked exploration prospects hi-graded at West Kangaroo , South Bilby , Platypus and updip Emu. Evaluation work ongoing.

Renaming Wallaby – Kangaroo West and Taipan – Bilby South.

Future Exploration and Appraisal Plans

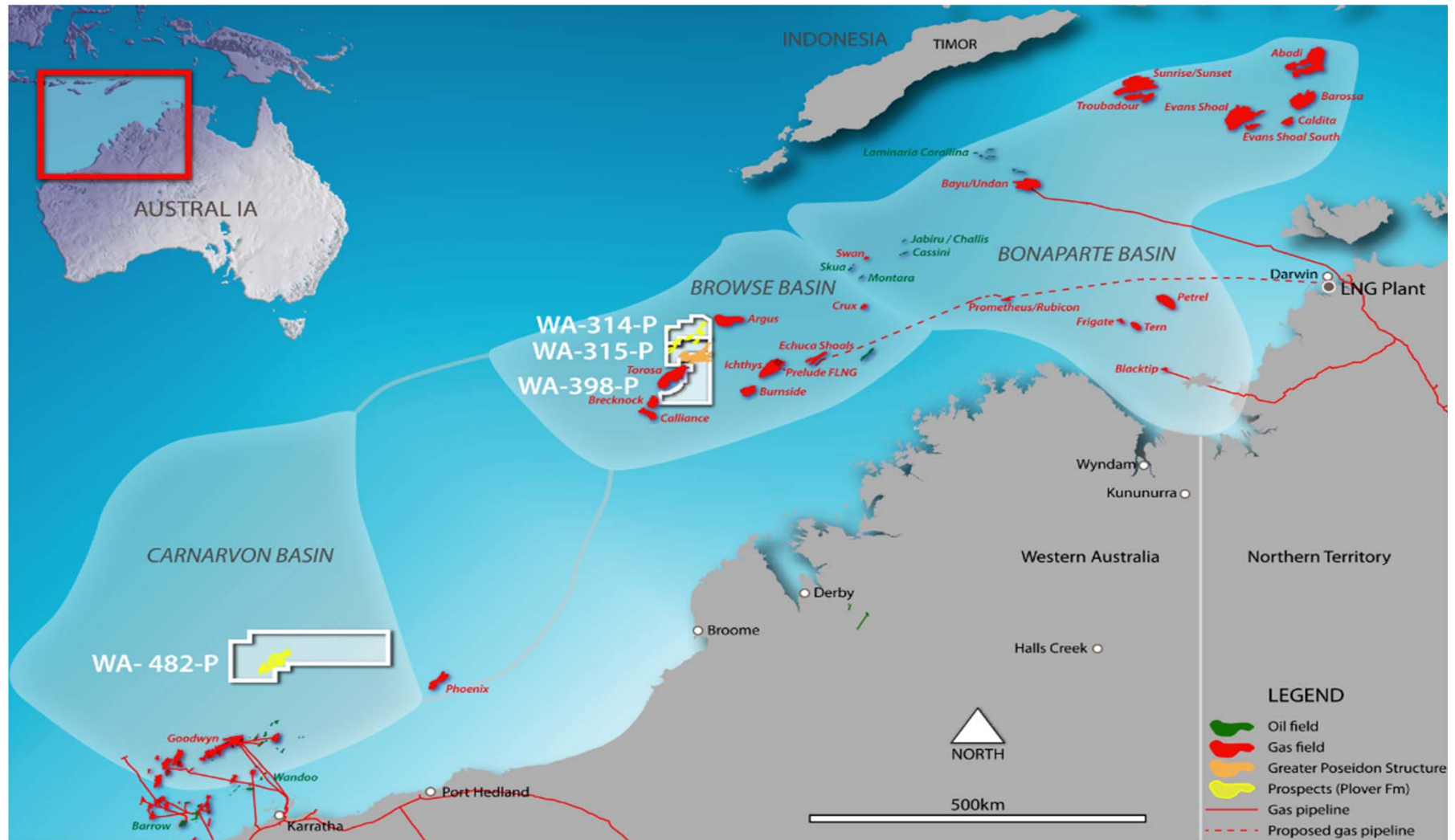
JV planning to drill 3 firm plus 2 optional appraisal/exploration wells. Rigs currently being investigated with potential for early 2014 spud.

Development Options

Development studies are underway looking at synergies for optimizing development of both fields.

First oil from a Kangaroo development possible in 2017. Possible earlier extended well testing subject to technical need.

Australian assets



Australian assets – Browse Basin

Location:

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

Karoon discovered resource:

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

Prospective resource:

Outside greater Poseidon trend 7 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:

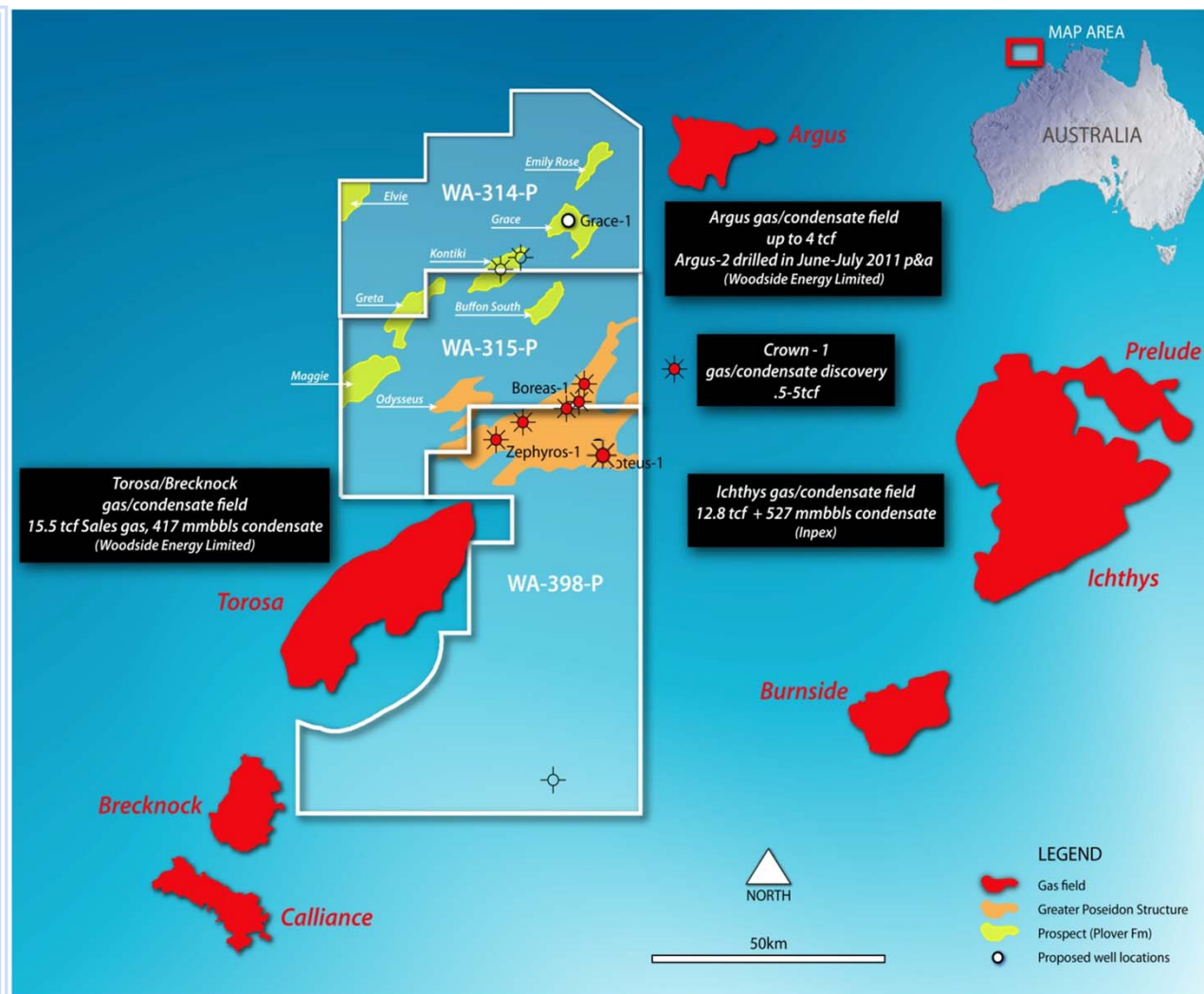
Drilling order:
1 Grace

Additional wells to be advised.

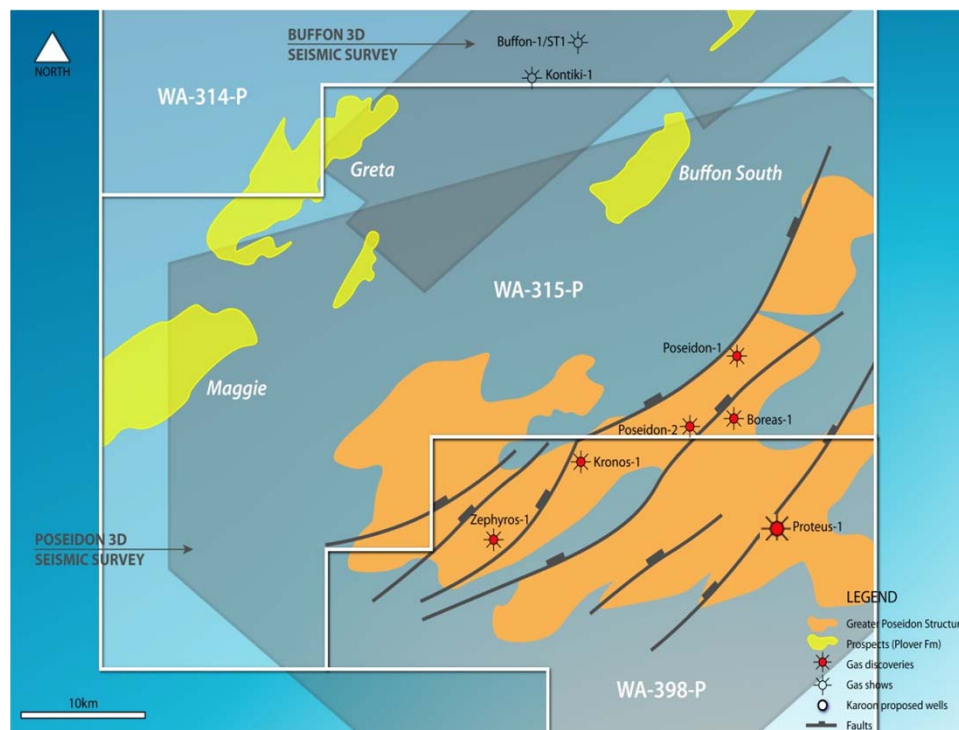
Phase-2 drilling program to continue into 2014.
Farm-out of some interest in permits

Objective:

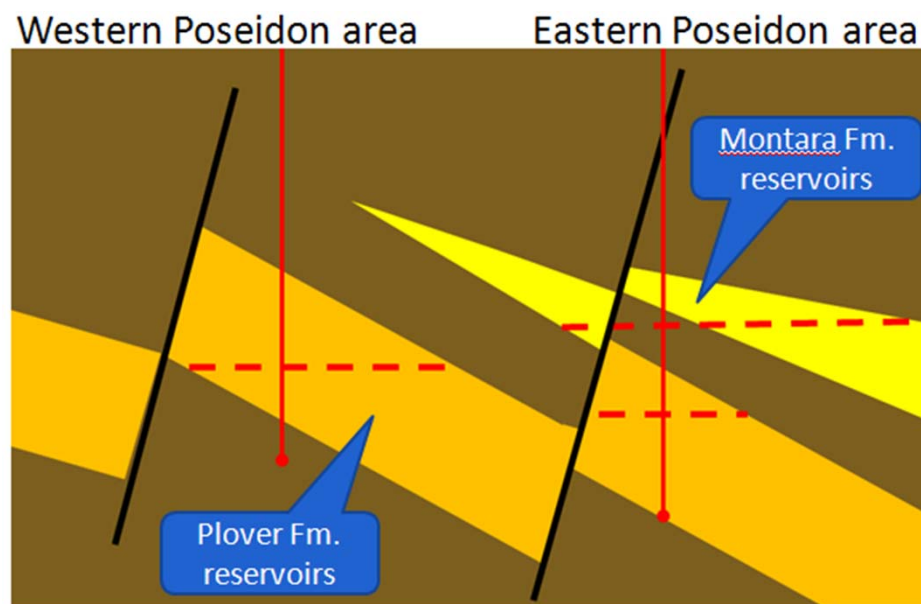
Define resource and progress to LNG development FEED stage.



Australian assets – Browse Basin



New Poseidon area Montara Fm. play schematic



Proteus results:

Proteus-1, located to the south east of other Greater Poseidon wells successfully tested a large tilted fault block. The well penetrated a 87m gross, good quality gas bearing reservoir sequence of the Montara Fm.

Well developed good quality reservoirs of the Montara Fm seen in Proteus-1, significantly increase the potential for additional reserves in structures in the eastern Poseidon area and generally around the greater Poseidon high where the bulk of Poseidon wells are located.

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

Browse Basin – Operational summary

Acreage and Permitting

All permits in good standing with the government ,with planned wells fulfilling Work Program requirements.

Farm-out status

WA-314-P. Karoon seeking to farm down 30% equity ahead of Grace-1 drilling in September 2013.

WA-315-P & WA-398-P. Karoon is in the process of selling 10% equity, reducing to 30% of total project.

Good interest from a number of prospective buyers.

Operational Highlights

Currently production testing Proteus-1.

Karoon sole risk 3D seismic program over the Elvie prospect completed in August 2013.

Future Exploration and Appraisal Plans

JV Phase-2 Greater Poseidon drilling program will extend into 2014 with Proteus-1 the third well in the planned five to seven well program.

Development Options

Development options include ; Stand-alone with tie back to Darwin. Back fill to Bayu-Undan and FLNG.

Darwin options are 'brown field' offering enormous cost savings relative to green fields projects.

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:

6 prospects with Prospective Resource total of approximately 2.8 billion barrel of oil.

Interest:

Earning 100%

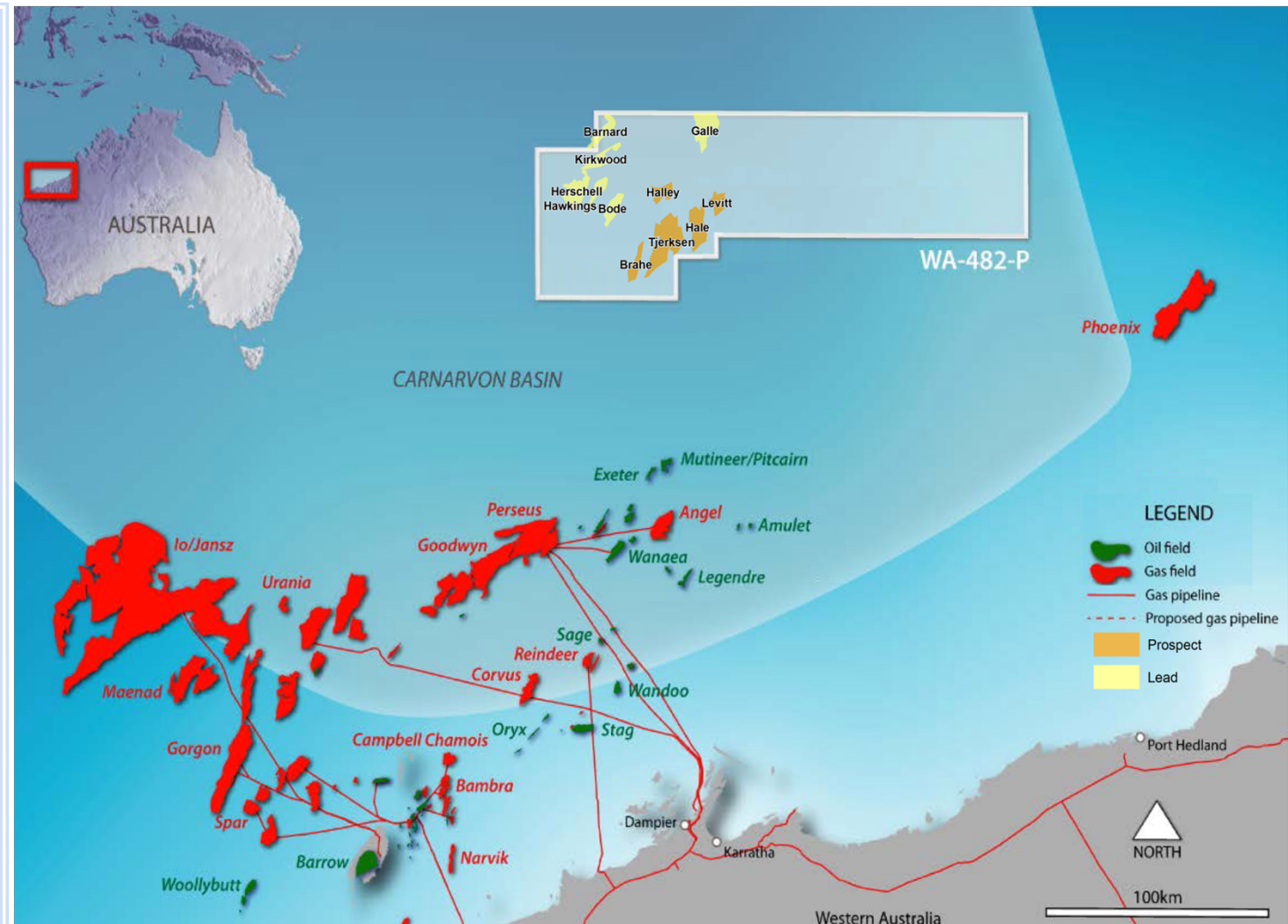
Terms:

Farm-in from Liberty Petroleum Corp.

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

Forward Plan:

Process acquired seismic
Farm-out



Carnarvon Basin – Operational summary



Acreage and permitting

Permit in good standing with the government, with current 3D seismic fulfilling Work Program requirements for years 1 and 2.

Farm-out

Karoo has received several queries to farm in to WA-482-P. Karoo is currently considering its options.

Operational highlights

Acquiring 2300 square Km 3D seismic over the eastern area of the permit with data now being processed.

Reprocessed existing 3D seismic data received and is currently being interpreted.

Future exploration plans

Complete 3D seismic acquisition and processing to PSDM ahead of integrated seismic QI and geological studies. Drilling planned for early 2015.

Development options

Development options likely to be stand alone FPSO. Economic screening studies initiated.

Tumbes Basin - Block Z-38

Location:

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

Prospective resource range:

16 prospects and leads identified with current Net Unrisked Mean Prospective Resources totalling 1.8 billion barrels.

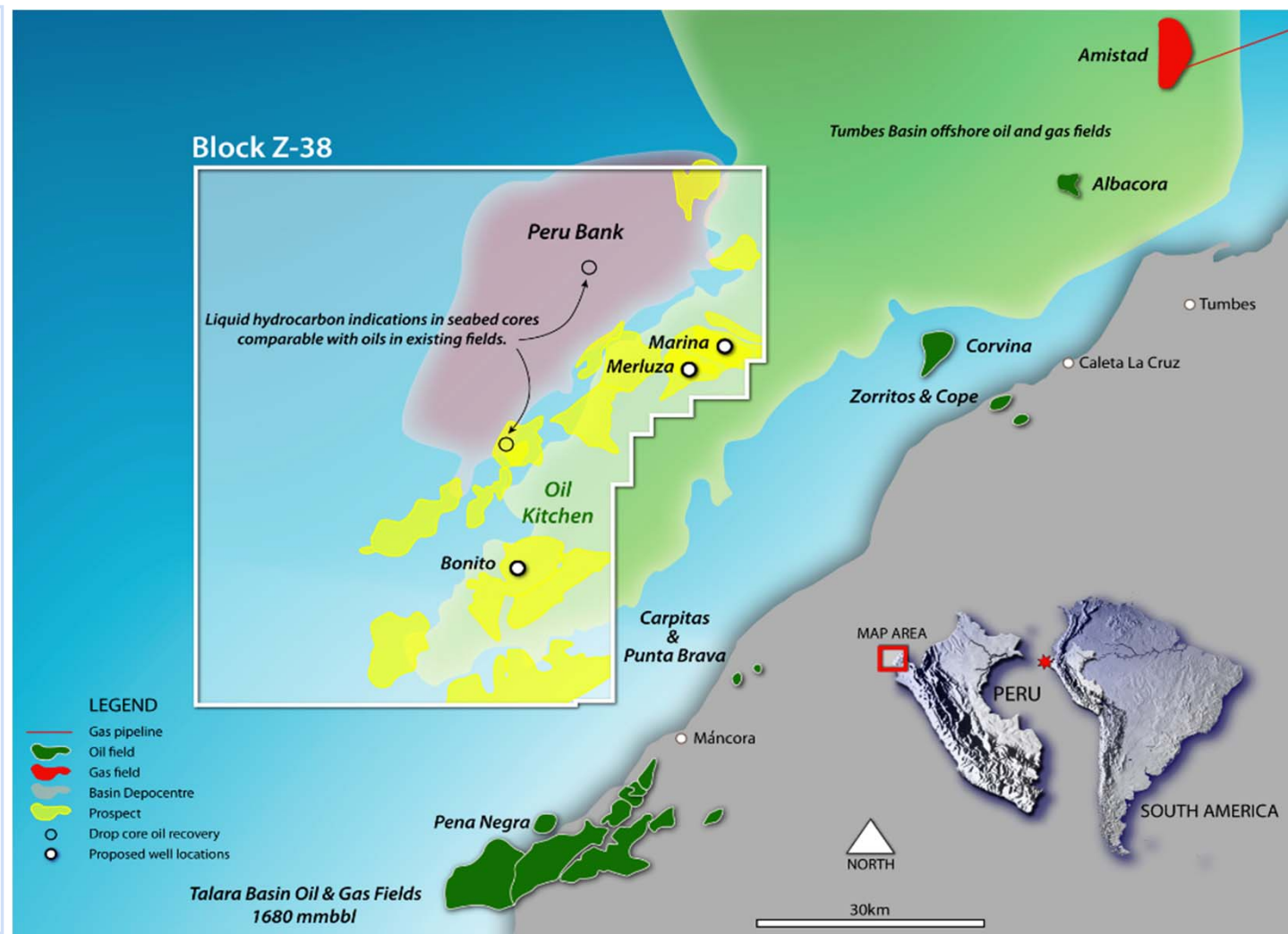
Interest:

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

Forward Plans:

Farm-out to begin 2nd quarter 2013.

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



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

Tumbes Basin - Drilling candidates

Other prospects

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

Baleen (all) – Mean Prospective Resource 189 mmbbls

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

Mean Prospective Resource 392 mmbbls

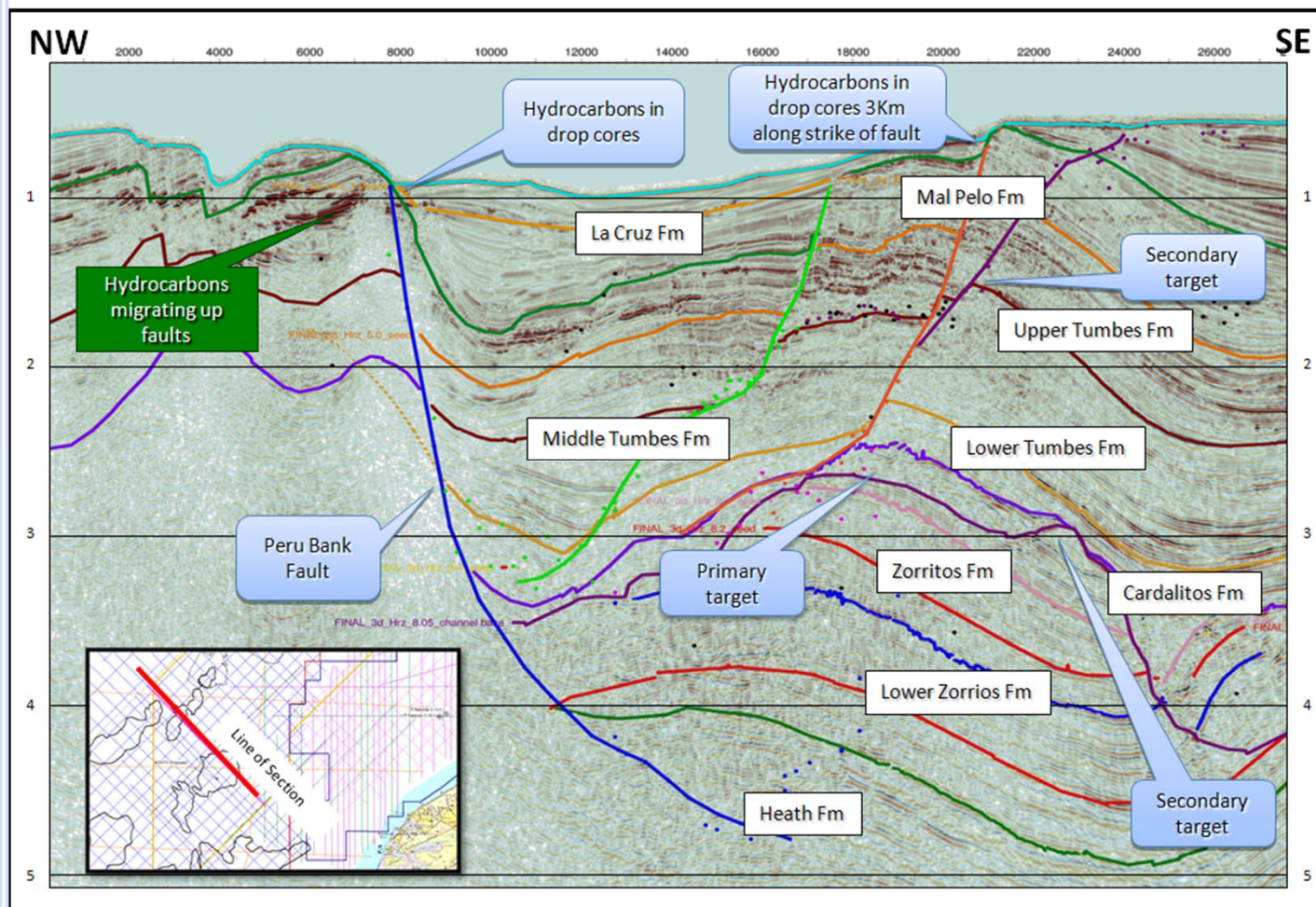
Marlin Prospect Zoritos level

Mean Prospective Resource 124 mmbbls

Bonito Prospect

Mean Prospective Resource 360 mmbbls

Bonito Prospect



Tumbes Basin – Operational summary

Acreage and Permitting

Block Z -38 is in good standing with the government with 2 wells to be drilled within 18 months to meet permit requirements.

Environmental Plan (EIA) for drilling operations approved in June 2013.

Farm-out Status

Karoo seeking to farm down about 30-35% equity ahead of the drilling program next year.

Data room open with good interest from a number of prospective buyers.

Operational Highlights

Prospect development and screening studies are ongoing ahead of final drill location decisions that will be made post farm-out.

Future Exploration and Appraisal Plans

Karoo expect to be drilling wells mid 2014

Development Options

Development options likely to include in these water depths an FPSO development.

Maranon Basin – Block 144

20

Location:

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

Prospective resource range:

15 prospects and leads being evaluated.

Interest:

100% equity.

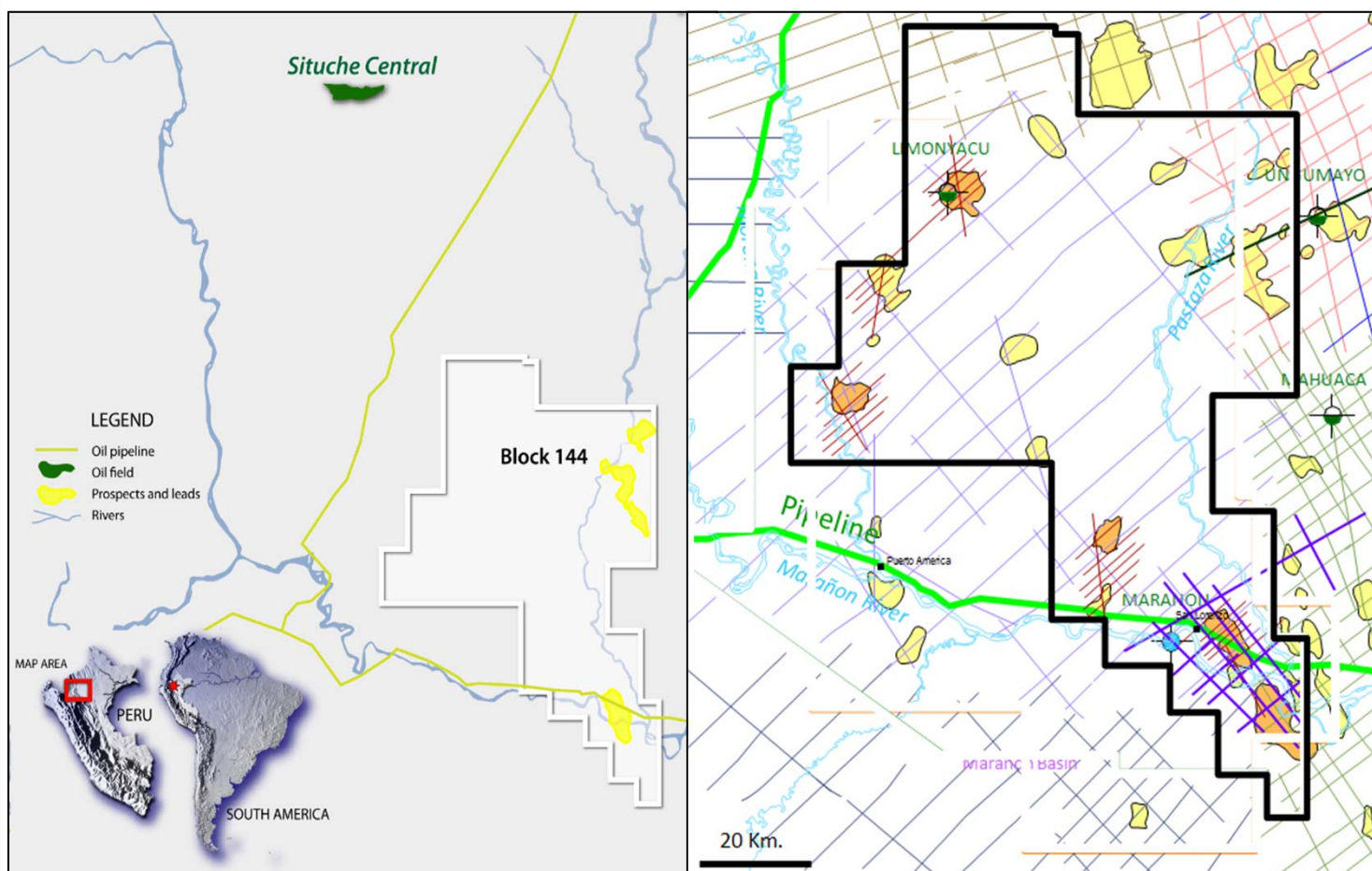
Forward Plans:

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

Objective:

Define prospective resource size prior to drilling.

Prospects and leads



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

Maranon Basin – Operational summary



Acreage and Permitting

Currently in Permit period 2 and in force majeure from June 2012 pending environmental approval.

Permit work program commitment of 300km seismic acquisition program will resume once force majeure is lifted.

Farm-out Status

Karoo seeking to farm down up to 40% equity ahead of drilling in 2014-15.

Good interest from a number of prospective partners.

Operational Highlights

Integrating additional seismic and data from offset discoveries (Situche Central) into the acreage evaluation.

Preparing for 2D seismic acquisition program scheduled for 2014.

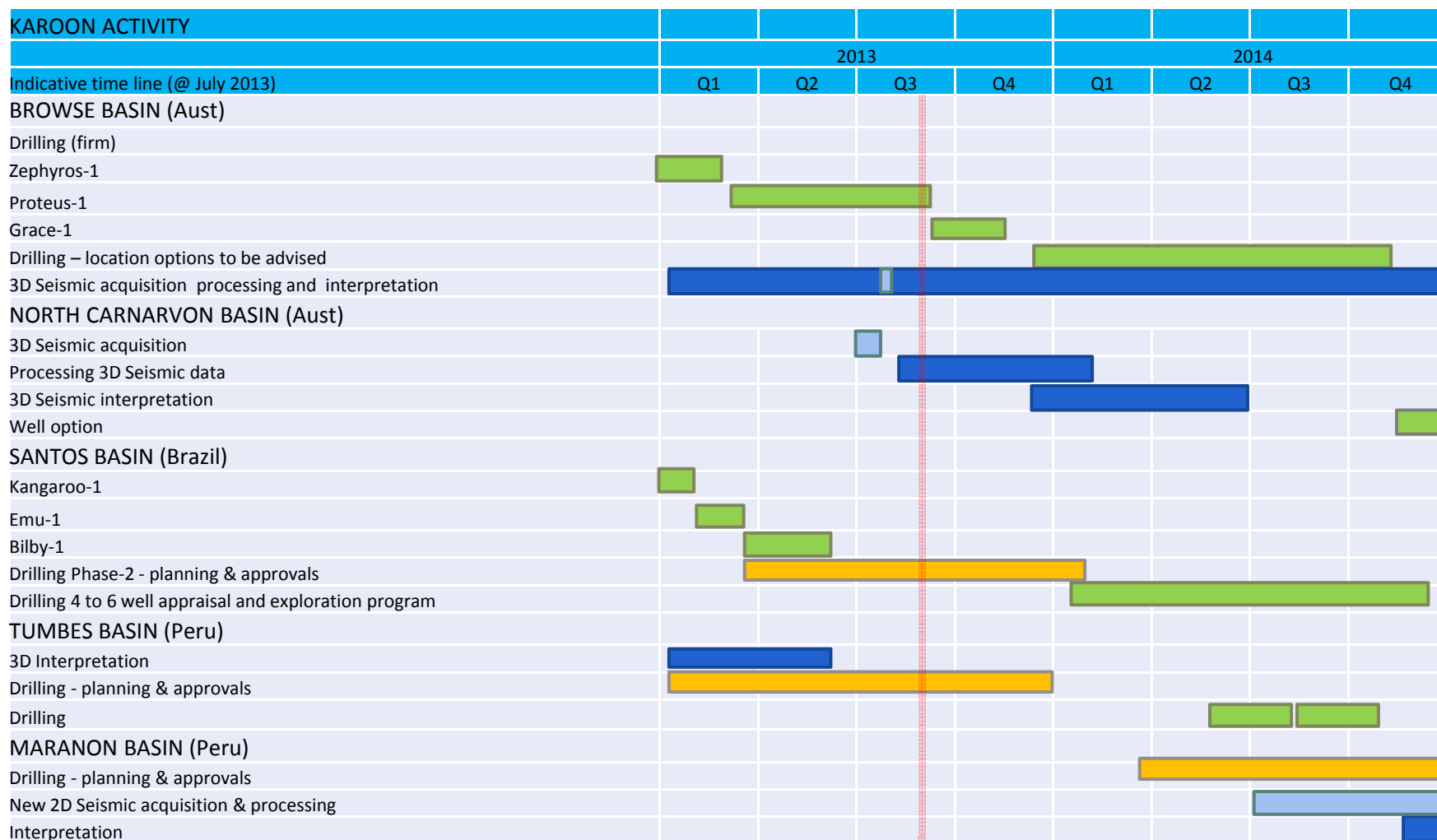
Future Exploration and Appraisal Plans

Subject to exploration results.

Development Options

Commercial oil discoveries would be tied back to under-capacity pipelines that transport oil to the coast.

Activity summary



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	Riskied Mean Estimate	Number of Prospects and Leads
GAS	Net Contingent Gas Resource							
	Assessment date							
	September 2009	Poseidon Wet Gas (Tcf)			7.60			1
	Net Prospective Oil Resources							
	September 2009	Total Net Australia Browse Basin Wet Gas (Tcf)	1.80	4.50	11.20	5.80	1.60	7
OIL	Net Prospective Oil Resource							
	September 2012	Brazil, South America Oil (billion barrels)	0.46	0.86	1.54	0.94	0.25	12
	September 2012	Peru, South America Oil (billion barrels)	0.59	1.59	3.71	1.92	0.32	19
		Total Net Prospective Oil Resource (billion barrels)	1.04	2.45	5.25	2.86	0.56	31

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

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