

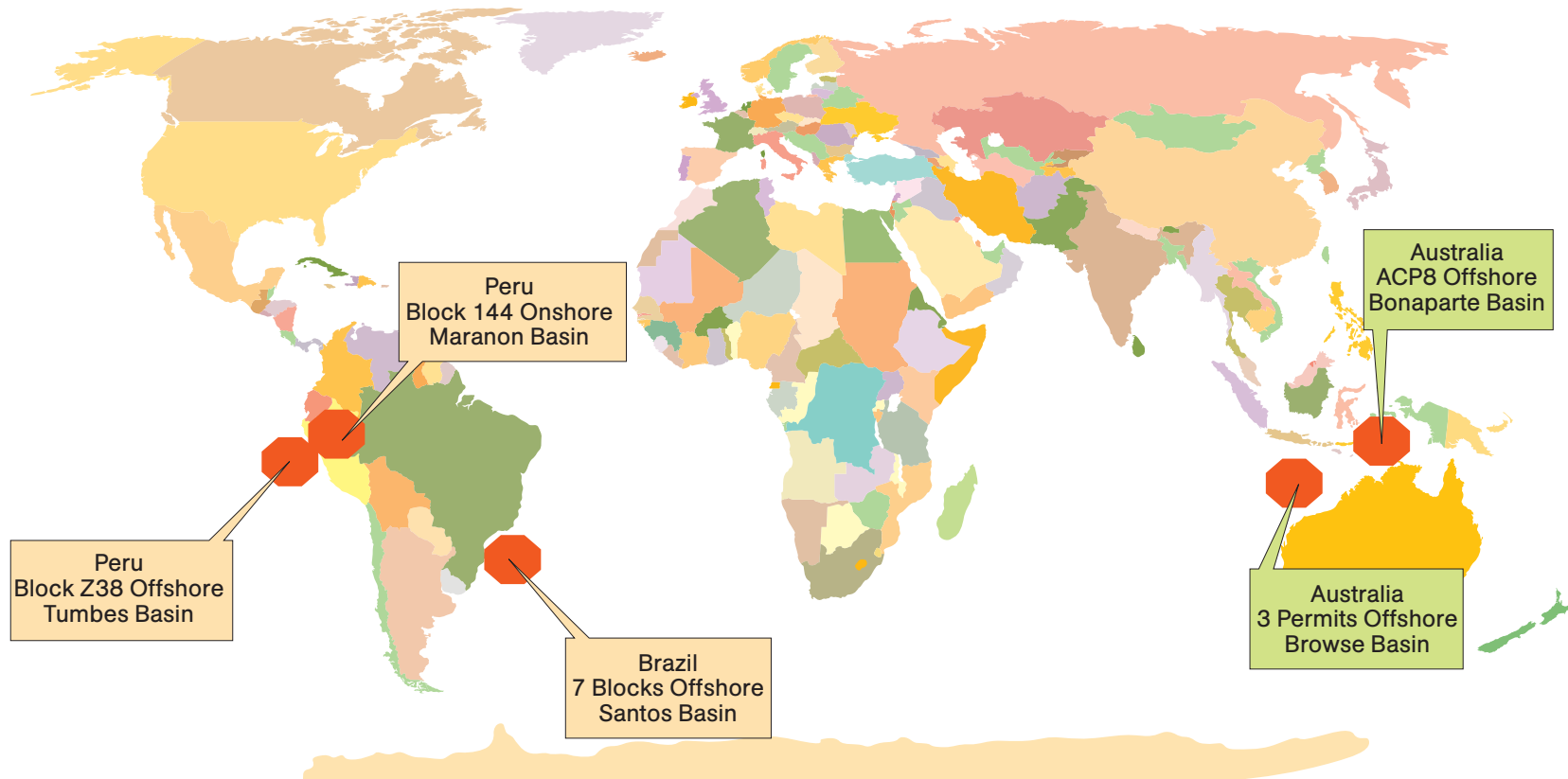


KAROOON AGM REVIEW OPERATIONAL UPDATE

November 18th 2010

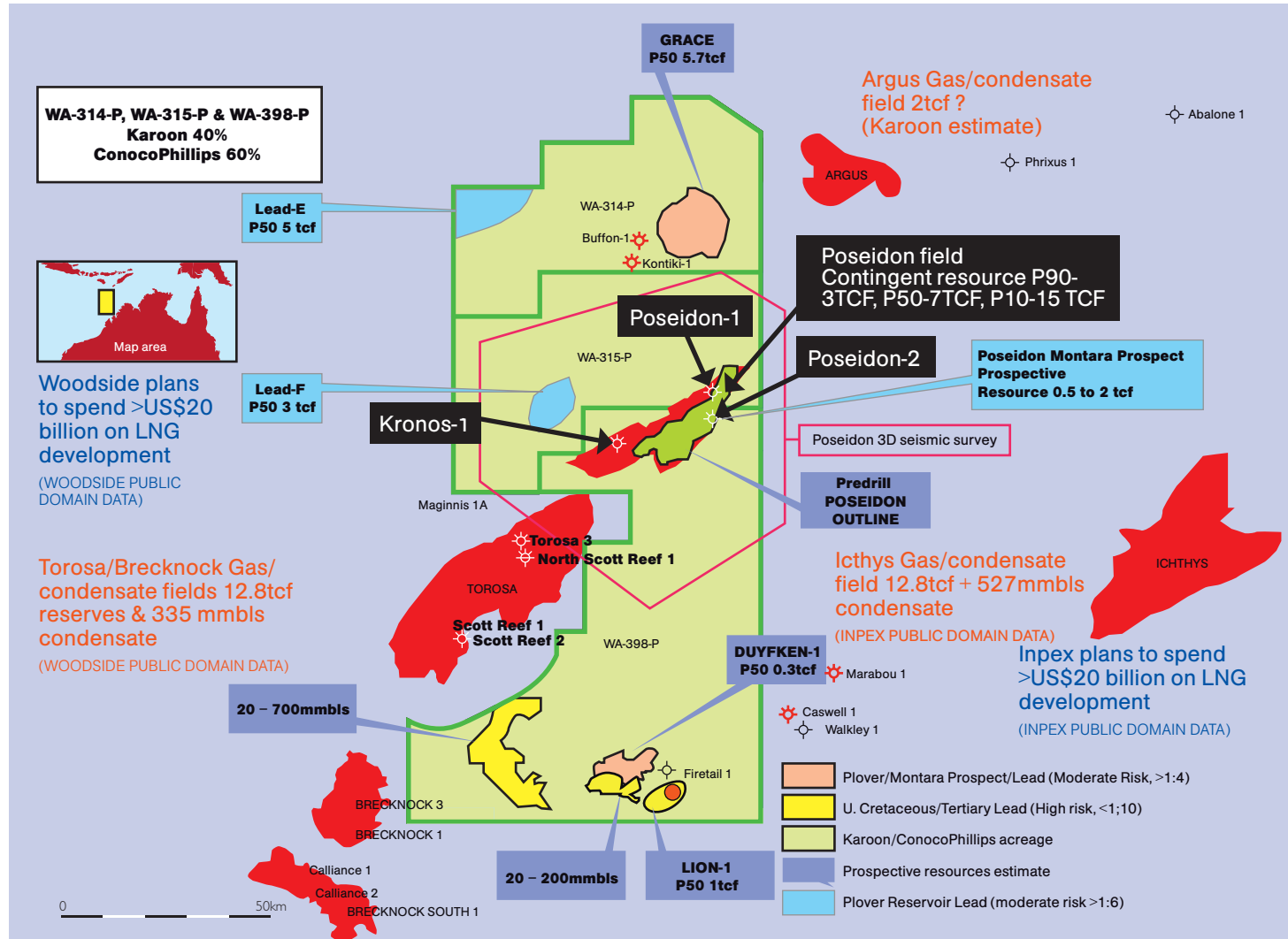
Karoon Gas snapshot

- Approximately 217 million shares and 8.4 million options
- Market capitalisation approximately A\$2 billion @A\$9.14
- Cash in bank @30th June A\$320 million with spend of A\$8.8 million over next quarter
- Company in S&P/ASX 200 Index
- Poseidon-1 gas discovery Contingent Resource estimate (P90-3TCF, P50-7TCF, P10-15TCF)
- Poseidon field, Kronos-1 well flows at 26 million scf per day
- High value oil prospects in Brazil being prepared for drilling
- Karoon farmin to Petrobras blocks
- Oil discover at Marujá-1



■ Karoon has a diverse portfolio of high value exploration and appraisal acreage in its Australian and South American focus areas.

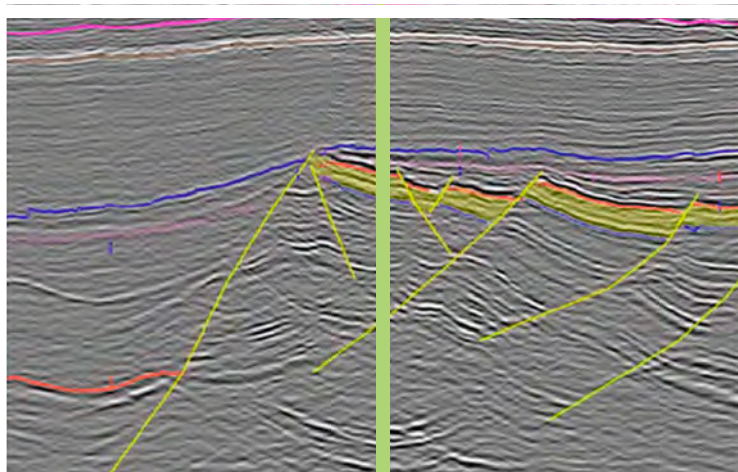
Browse Basin



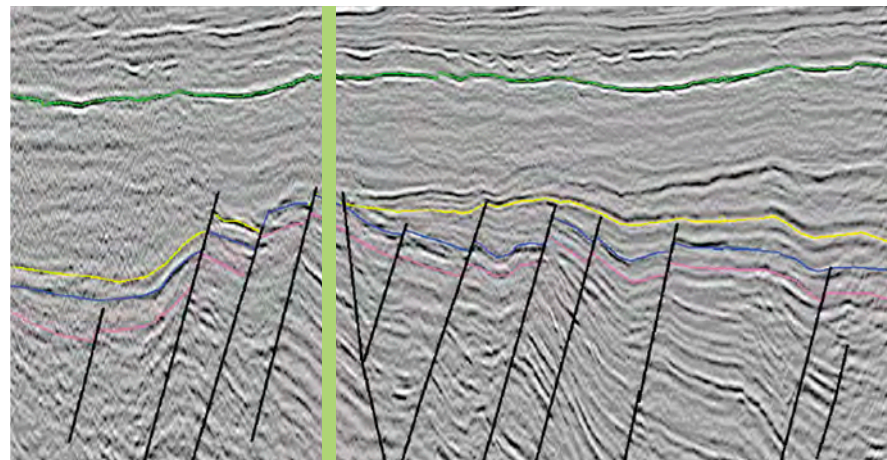
- With respect to Karoon's Browse Basin Joint Venture, the disclosures presented in this review do not necessarily reflect the views of ConocoPhillips.
- Prospective resource estimates represent current interpretations by Karoon of available exploration data and are subject to material change and reinterpretation as exploration and appraisal proceeds.

Browse Basin – Poseidon Field

Poseidon-1



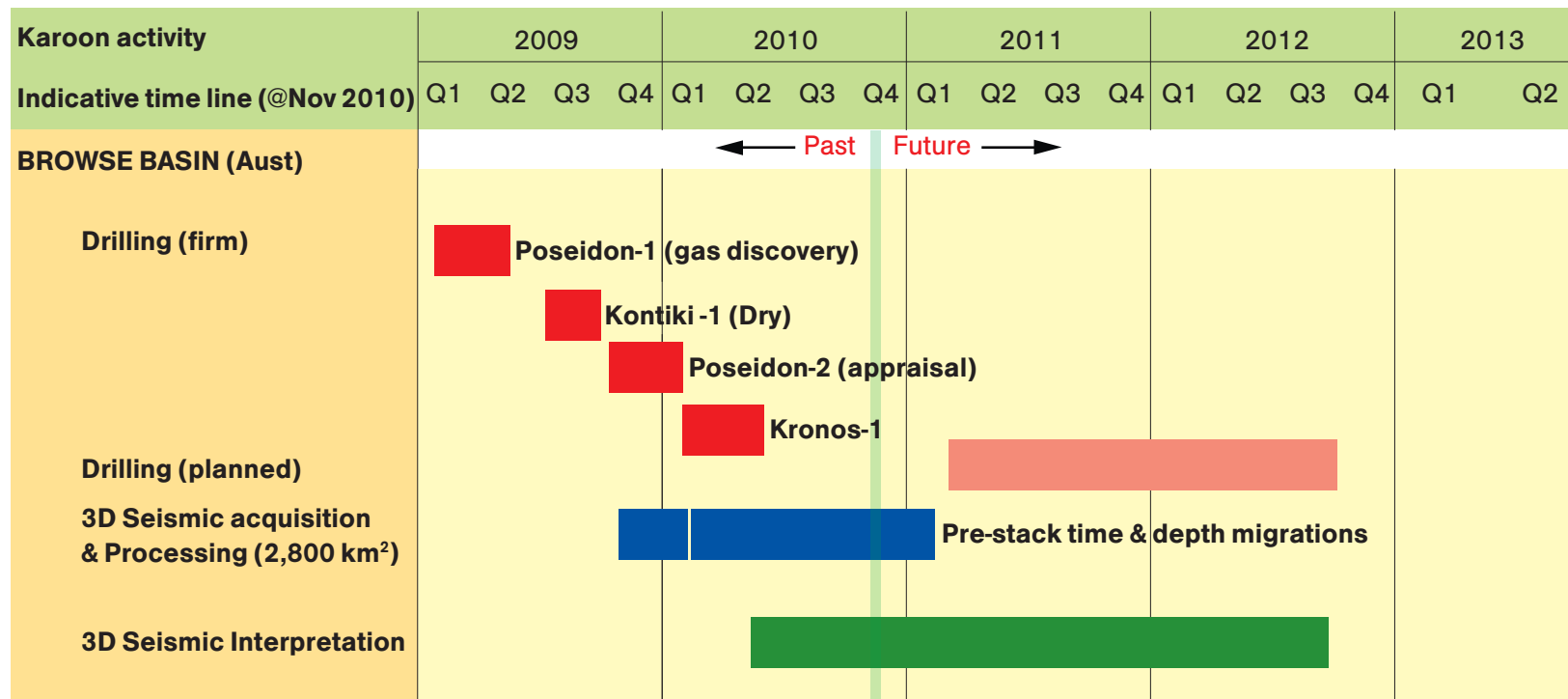
Kronos-1



Future Plans

- Well data from the three wells drilled on the greater Poseidon structure will be analysed over the coming months, together with the new Poseidon 3D seismic data which is currently being processed.
- Further appraisal and exploration well locations will be identified for drilling in 2011.
- Karoon's assessment of the Contingent Resource and Prospective Resource potential will be independently assessed when a full analysis is completed in the coming months.
- As planned, exploration and appraisal drilling will recommence in the permits in the first quarter 2011.

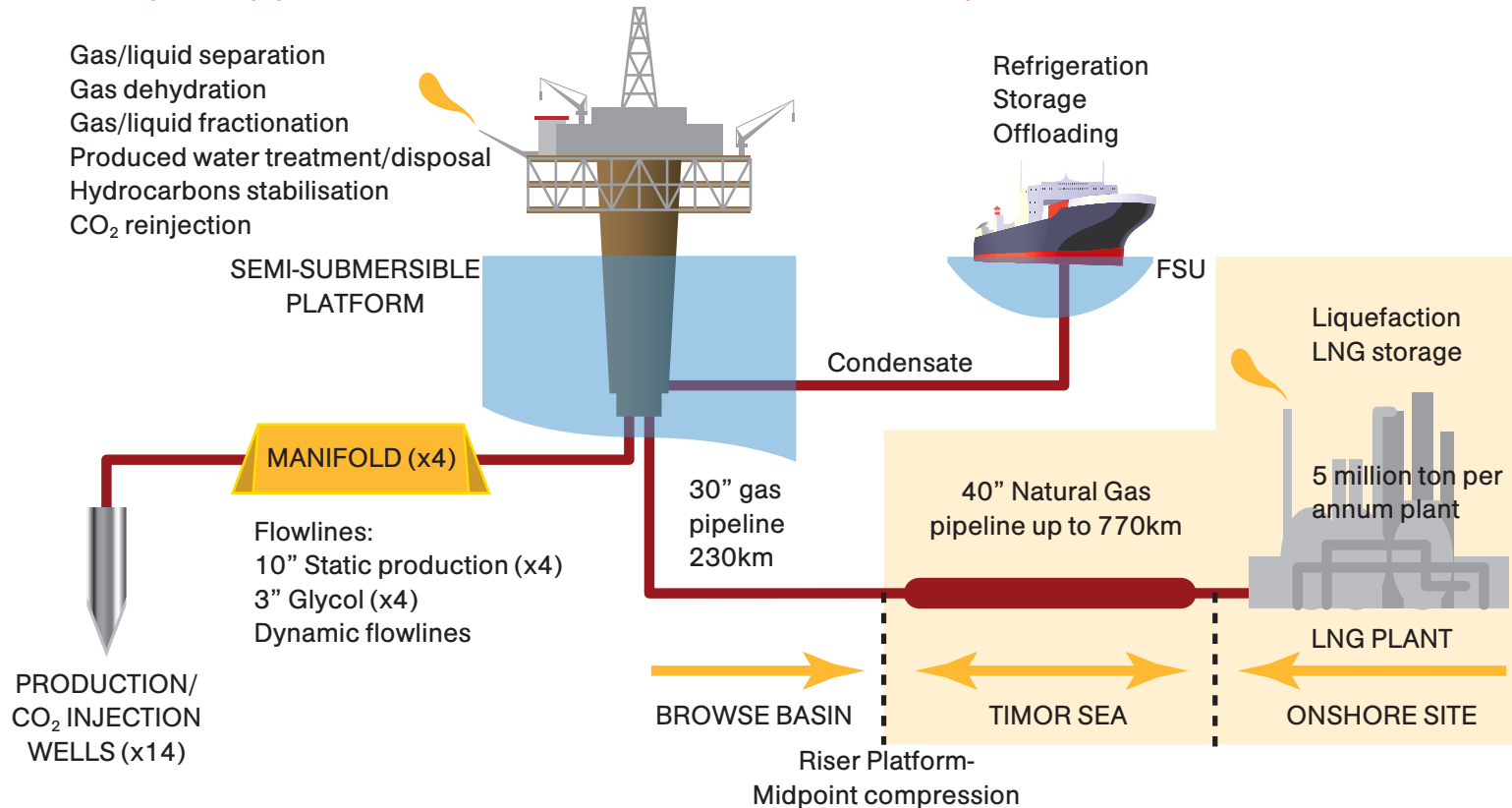
Browse Basin – Indicative Time line



Indicative project concept

Karoon LNG/condensate indicative development model economics (assuming a discovery of 7 TCF and based on independent third party design concepts).

Field development, pipeline and LNG facilities schematic (onshore LNG option).



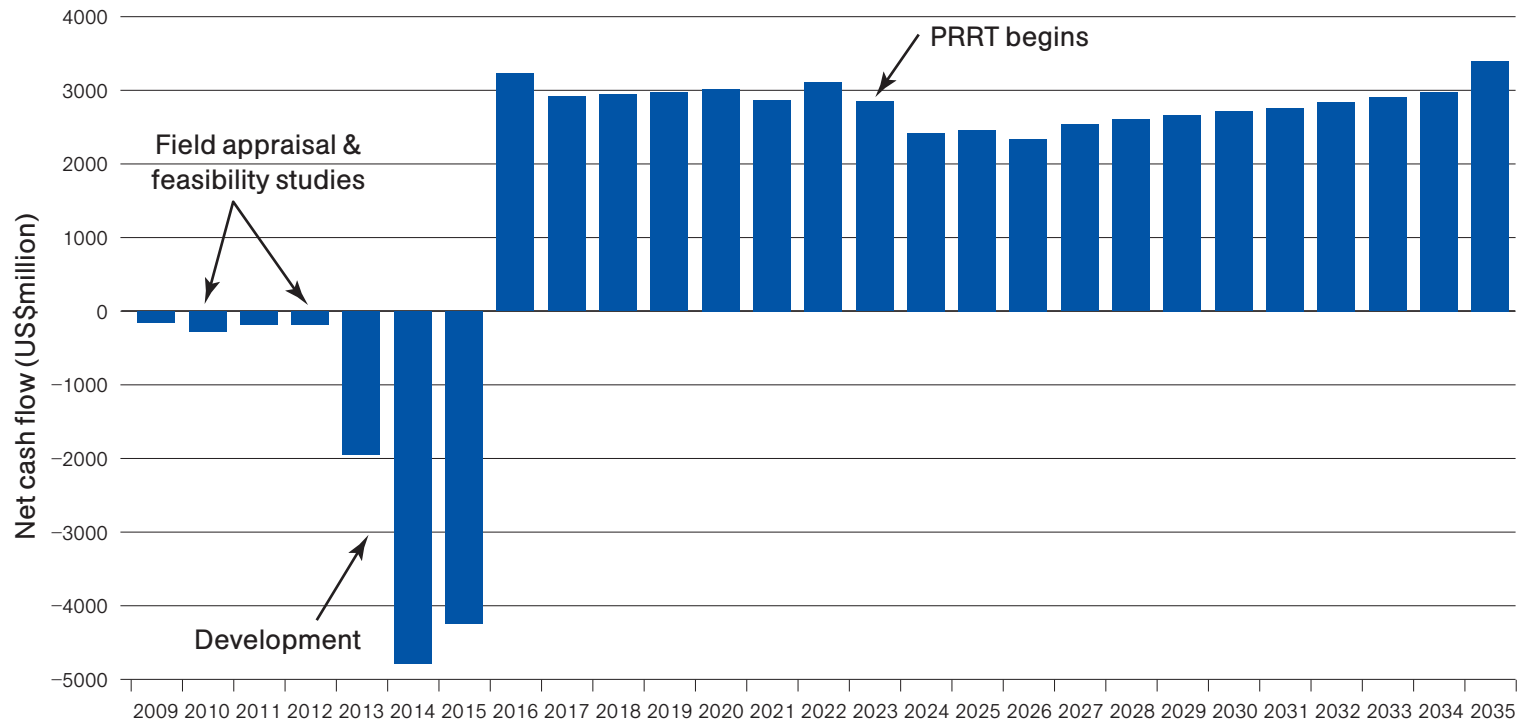
LIQUID PRODUCTS ASSUMPTION

Condensate 30bbls/million cubic feet

Combined net cash flow

Karoon LNG/condensate indicative development model economics.

Net cash flow for combined offshore liquids removal and onshore LNG – 100% Share.



Project NPV US\$6.9 Billion, IRR 20%

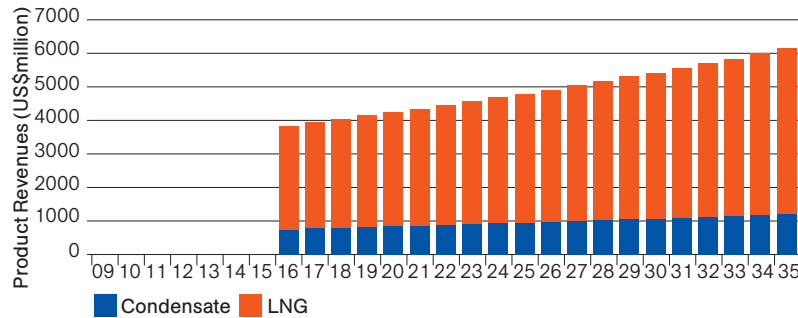
Assumptions: Condensate US\$70/bbl, LNG US\$10/mmbtu

Royalty: 1.5% ORR for first 5 years going to 2% thereafter (not included)

Karoon indicative development model economics

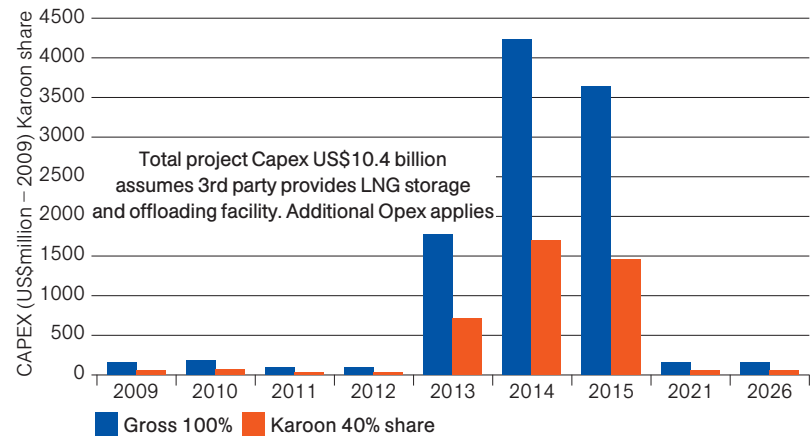
Product revenues

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



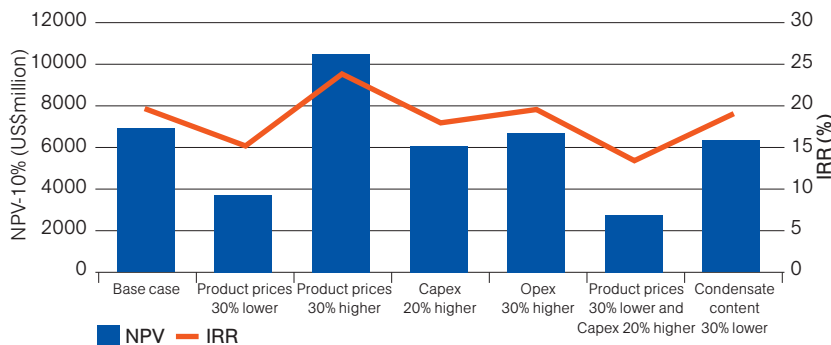
Capex profile

– 2009 US dollars

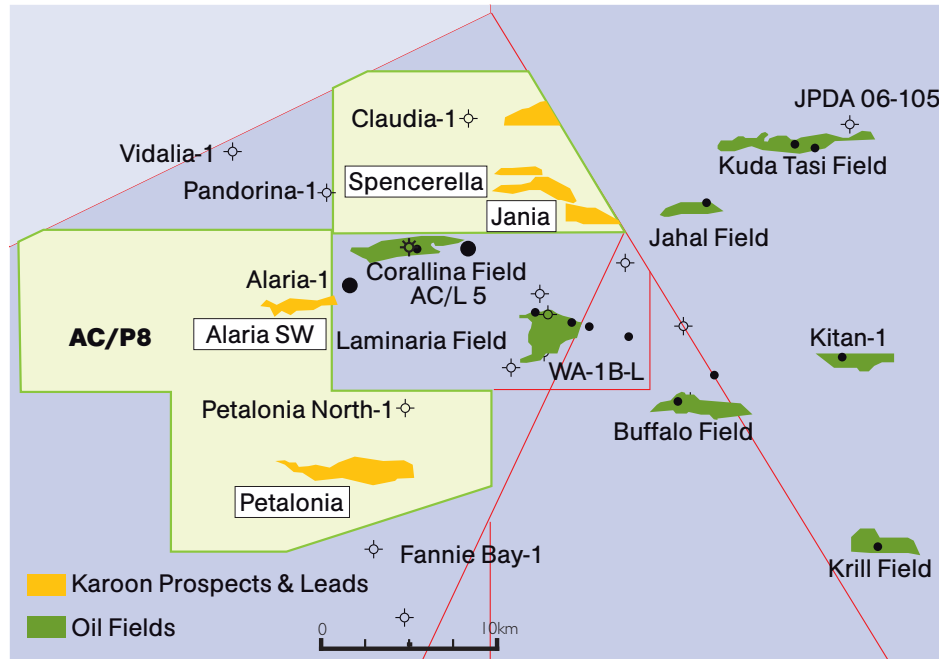


Total Karoon Capex = US\$4.2 billion
Total Capex = US\$10.4 billion

Economic sensitivity analysis



AC/P8



Location: Close to the Laminaria/Corallina production facility with production tie in potential.

Potential: Main prospect 'Jania' with up to 20mmbbl potential prospective resource.

5 additional leads with similar size potential.

Interest: 66.67% equity purchased from Woodside Petroleum.

Talisman Energy 33.33%.

JV work program:

Year-1 work program start date 3 October 2008.

Requires more geological and geophysical studies to identify targets for drilling.

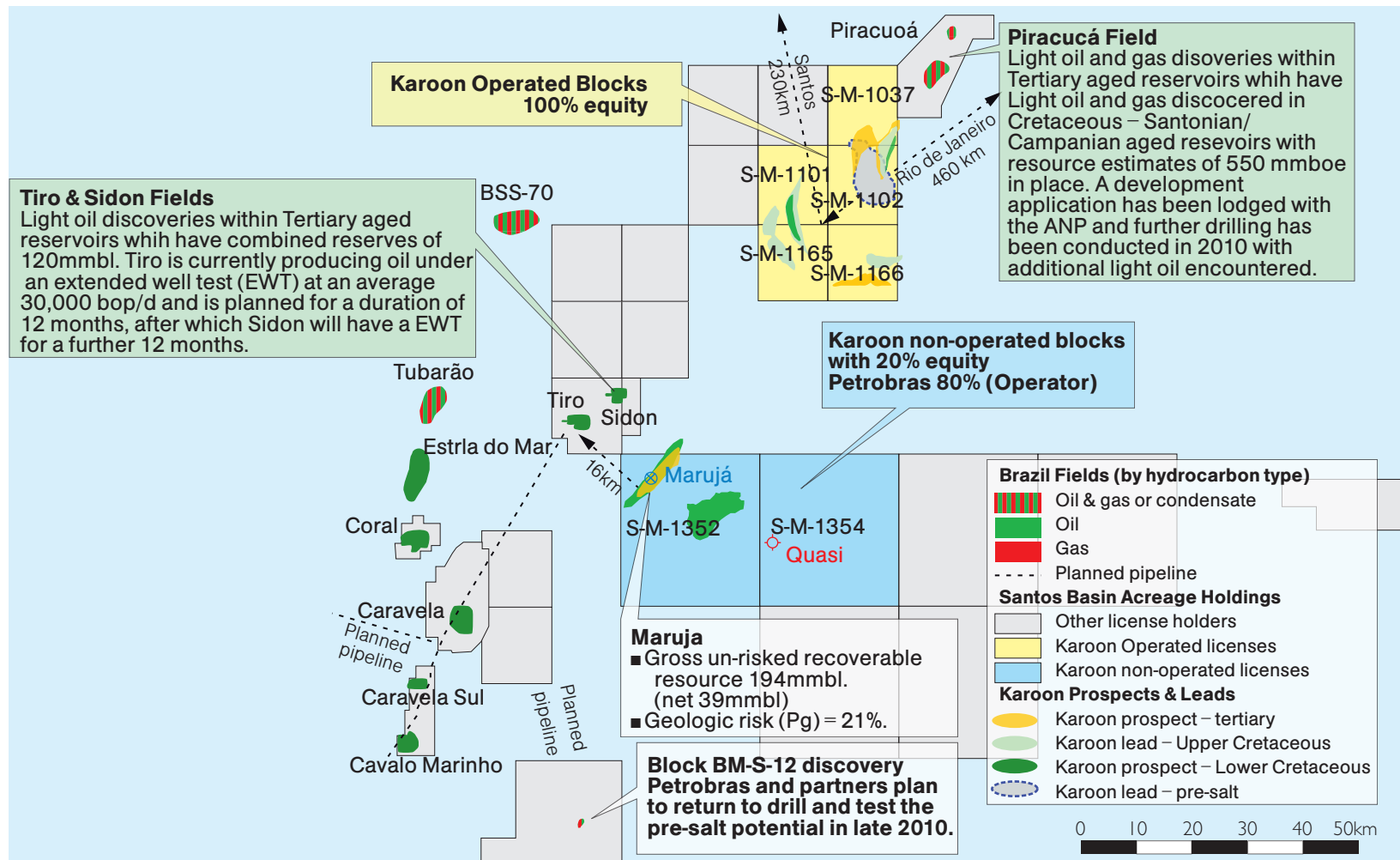
Forward plan:

CSEM (controlled source electro magnetic) survey – data being processed.

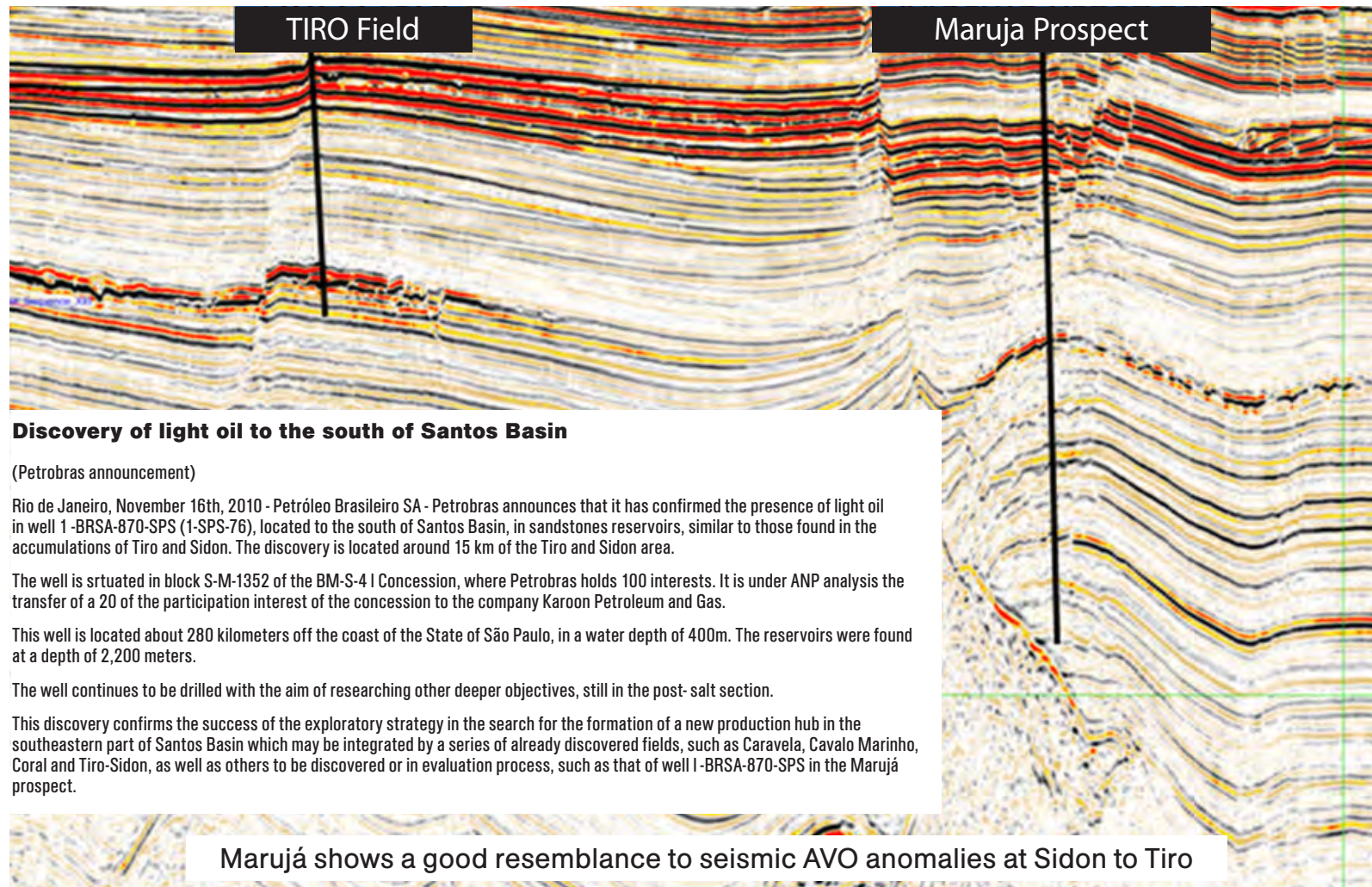
Drill option in 2012.

Karoon activity	2009				2010				2011				2012				2013	
Indicative time line (@Nov 2010)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
BONAPARTE BASIN (Aust)	← Past Future →																	
Interpretation																		
CSEM survey acquisition and processing																		
Interpretation																		
Drilling (optional w/ CSEM success)																		

Brazil Santos Basin - Marujá-1 location



Brazil Santos Basin - Maruja oil field discovery



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