

Karoon Annual General Meeting

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➤ Strategy Delivery

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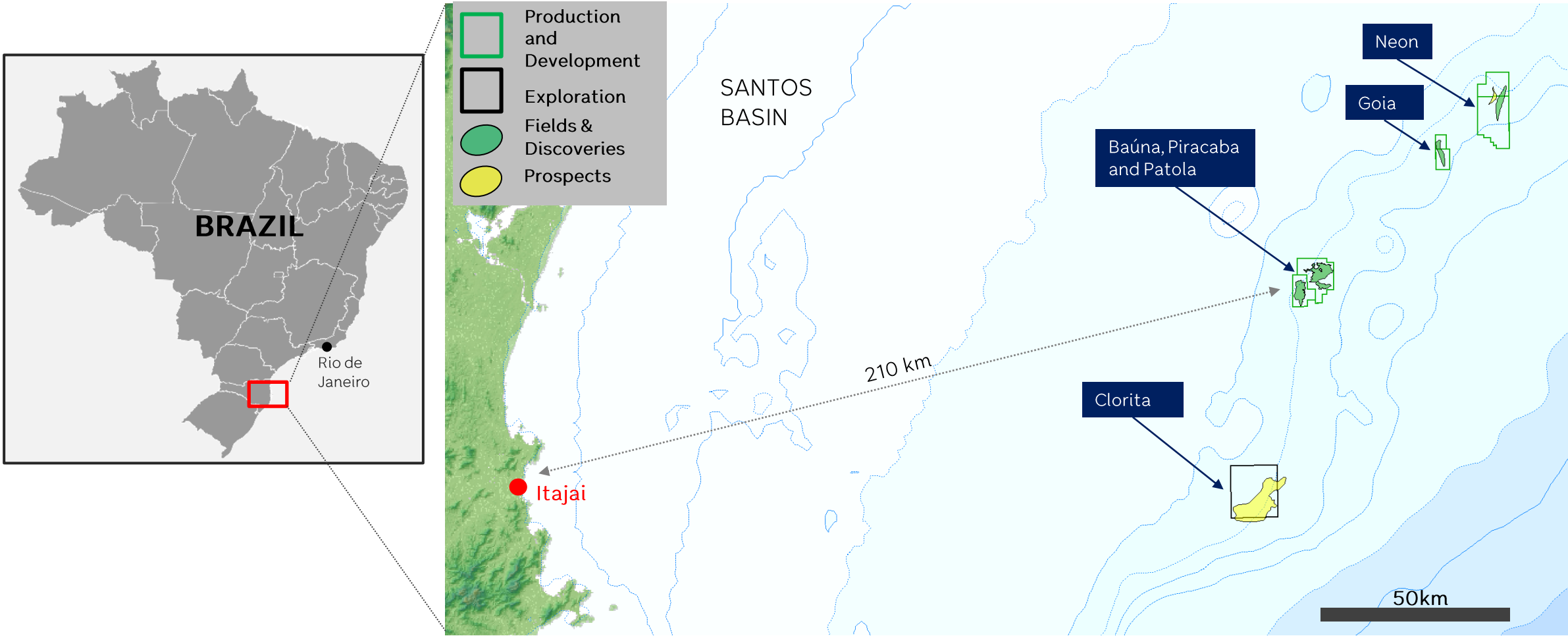
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Karoon interests in Santos Basin, Brazil



Delivering on Strategic Objectives

Creating a strong foundation for growth

- ▶ Performance above expectations from Baúna base business, with focus on safety, reliability and strict capital controls
- ▶ On track to more than double production through delivery of Baúna intervention and Patola development projects
- ▶ Pursuing organic and inorganic growth opportunities, subject to strict investment criteria:
 - ▶ Re-evaluating Neon with control well(s)
 - ▶ Assessing value-accretive producing or development M&A opportunities, leveraging existing capabilities
- ▶ Focus on sustainability, ambitious climate targets and new voluntary social projects in Brazil
- ▶ Balance sheet strengthened by cash flow from operations and expanded debt capacity
- ▶ Shareholder returns strategy being developed by management and Board



Brazil: Attractive location to invest

Prospectivity and favourable fiscal terms

- ▶ Brazil is world's 9th largest oil producer, set to become 5th by 2030 through continued development of highly productive upstream assets
- ▶ Oil and gas industry well established with stable regulator
- ▶ Long tradition of respecting contracts already in place
- ▶ Favourable tax royalty contract terms for post salt licenses
- ▶ Seeking to attract more investment in upstream sector and to diversify mix of companies
- ▶ Large petroleum sector with most major IOCs and service sector companies present
- ▶ New government in 2023 brings some uncertainty around policy direction, but upstream Industry worked very effectively with Lula Government previously



Baúna Operating Performance

High facilities uptime and active well management

› Core focus is on maintaining safe and reliable operations:

› TRIR of 0.77 per 200,000 hours worked in FY2022

› High operational uptime in FY2022 of 99%¹ maintained through 1Q23, despite intervention activity ongoing

› Reflects past work undertaken on the FPSO and ongoing improved proactive maintenance plan:

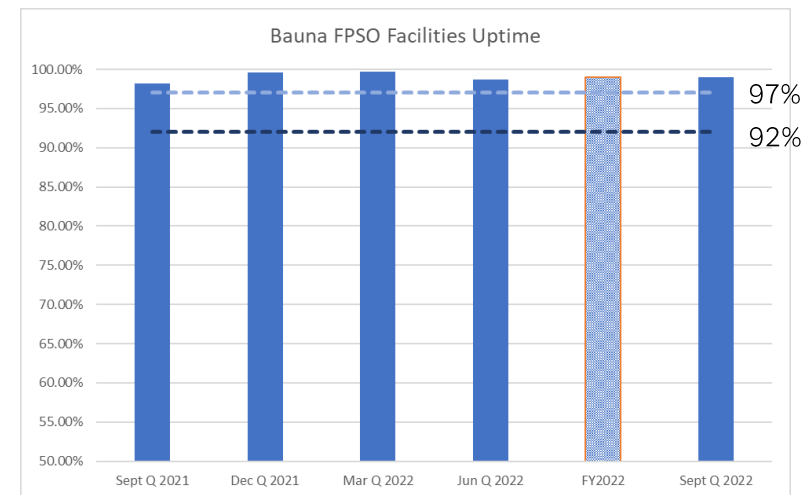
› Main gas compressor overhaul underway

› Aft offloading hose replacement completed in mid-November

› With higher throughput post interventions and Patola development and more demand on facilities, anticipate future uptime to be within 92 – 97% band, typical of similar FPSOs

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1. Excluding scheduled shutdowns for maintenance

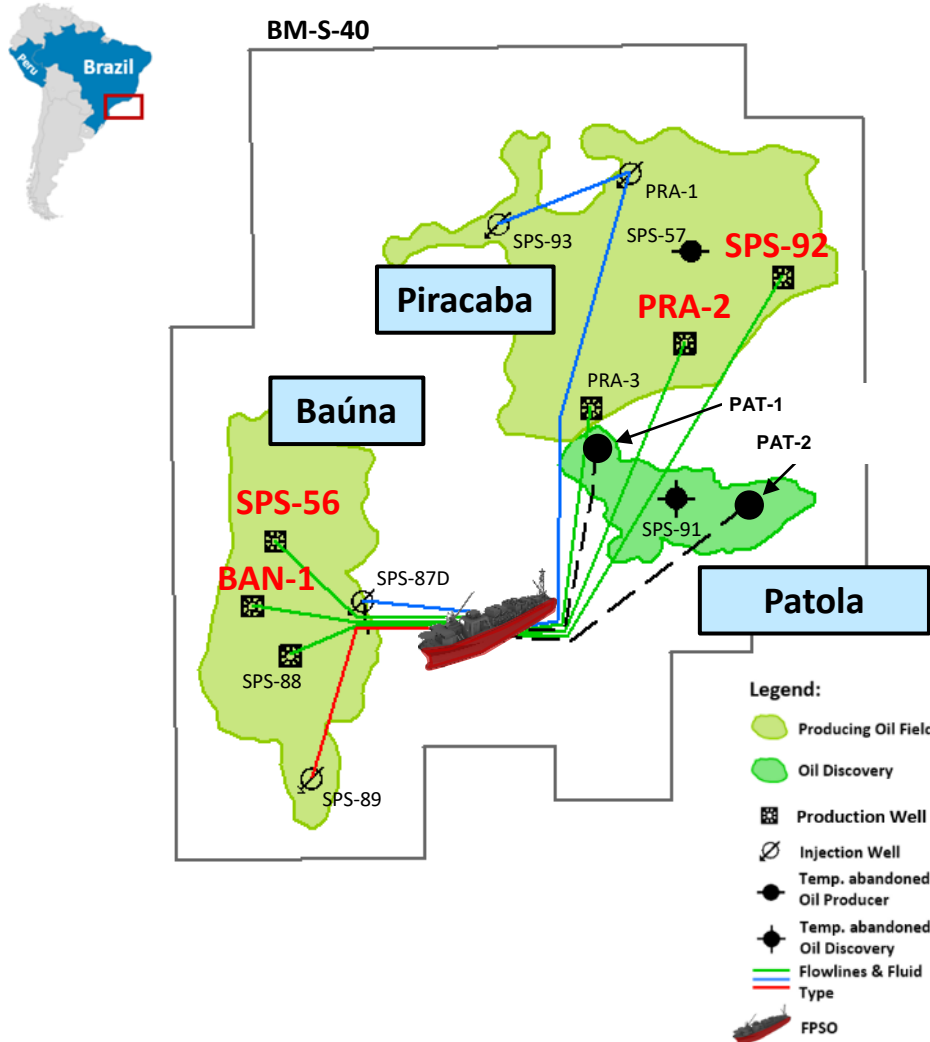


Baúna Production Unit: FPSO Cidade de Itajaí – chartered and operated by Altera & Ocyan joint venture (A&O)



Baúna Intervention Program

Results exceeding expectations

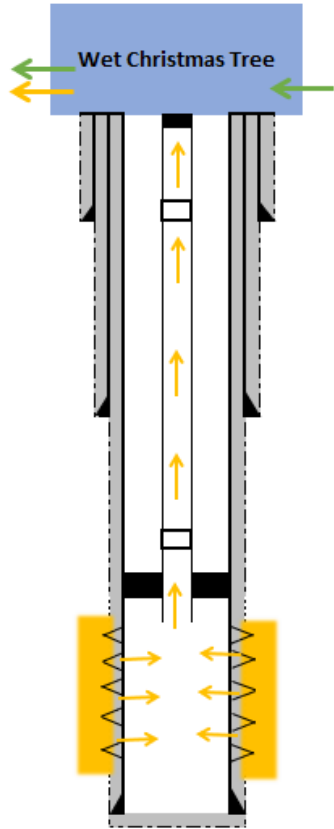


- Baúna intervention program commenced in May 2022
- Installed Electric Submersible Pumps (ESP) in PRA-2 and SPS-92 and gas lift in SPS-56
- Incremental production of >11,000 bopd (vs targeted 5,000 – 10,000 bopd) achieved from first three interventions
- Given greater than anticipated production and relative value of Patola production, have deferred final intervention (opening up oil zone in BAN-1). Potential to undertake after Patola drilling or at later stage
- Peak production of >25,000 bopd achieved in early October, stabilised at ~24,000 bopd prior to resumption of natural decline
- Baúna intervention cost still expected to be in revised range of US\$135 – 145 million

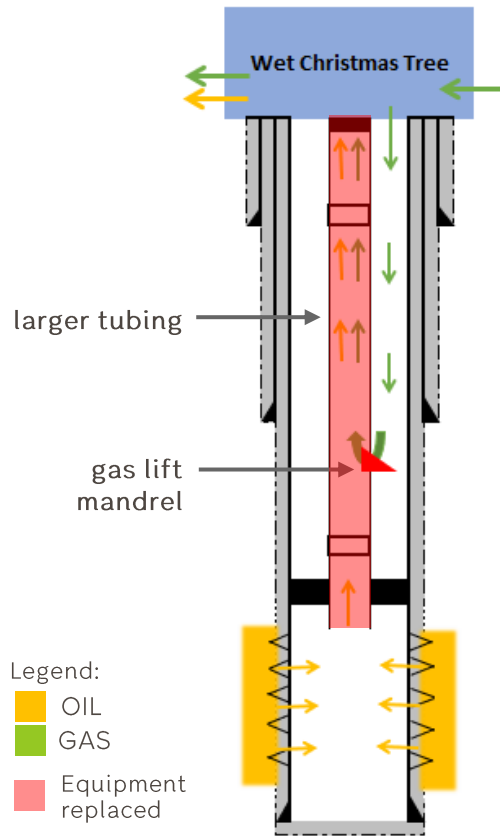
Baúna Intervention on SPS-56

Utilising Maersk Developer rig

SPS-56 WELL BEFORE INTERVENTION



SPS-56 WELL AFTER INTERVENTION



Tubing Hanger



Wet Christmas Tree

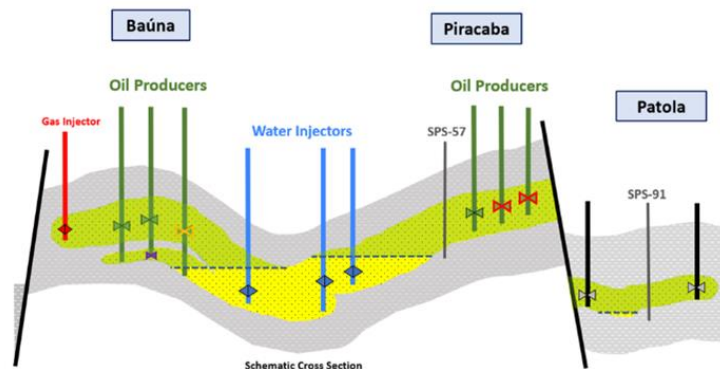
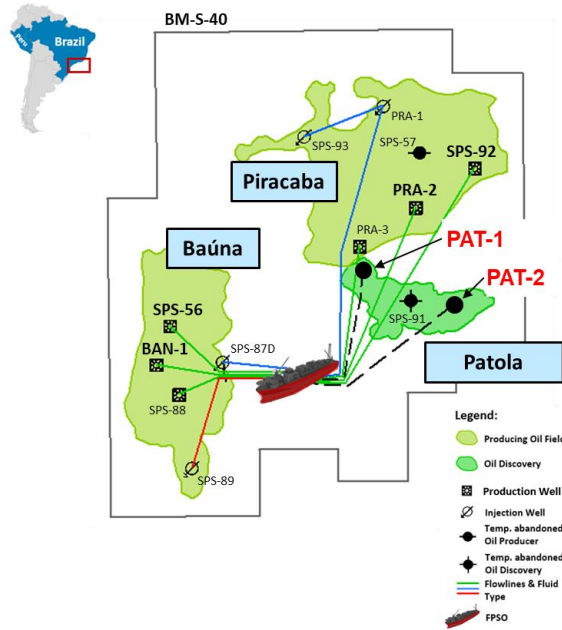


Electrical Submersible Pump (ESP)

Patola Development

Targeting >10,000 bopd, increasing total production to >30,000 bopd

- Patola development drilling complete
- Preliminary analysis of PAT-1 results indicates top reservoir depth and reservoir thickness within expected range, reservoir quality better than anticipated
- Similar results from PAT-2, with better than anticipated reservoir quality and top reservoir and thickness as expected
- Remaining activities:
 - Completion of wells
 - Installation of subsea pipeline and umbilical from Patola to Cidade de Itajaí FPSO
 - Tie-in to existing riser slots on FPSO and completion of FPSO pipework to tie wells into main production stream
 - New facilities commissioning
- First production from Patola targeted to commence in 1Q CY2023, with forecast short plateau production rate >10,000 bopd, prior to natural decline
- Estimated cost of Patola development remains in revised range of US\$180 – 205 million

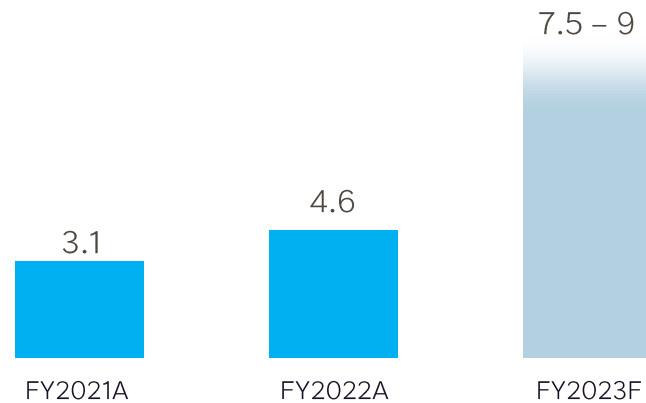


FY2023 Indicative Production and Cost Profile¹



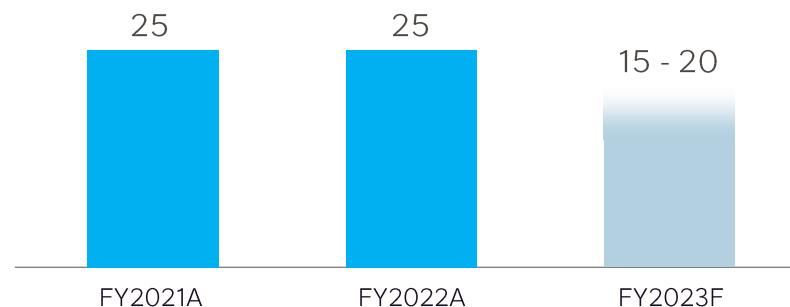
Material production growth and cost reductions expected

INDICATIVE PRODUCTION PROFILE (MMBBL)



- › Interventions and Patola targeting increase in total production to >30,000 bopd
- › With operating costs largely fixed, increased production following interventions and Patola expected to reduce operating cost per barrel materially in FY2023
- › Tiered royalty reduction on incremental production recently agreed with Government:
 - › 10% on base production profile
 - › 7.5% on incremental production up to 50% higher than base production profile
 - › 5% for incremental production more than 50% above base production profile
- › Special Participation levy of 10% on net income from production above ~21,000 boepd and 1% Research & Development levy on gross revenue will be incurred

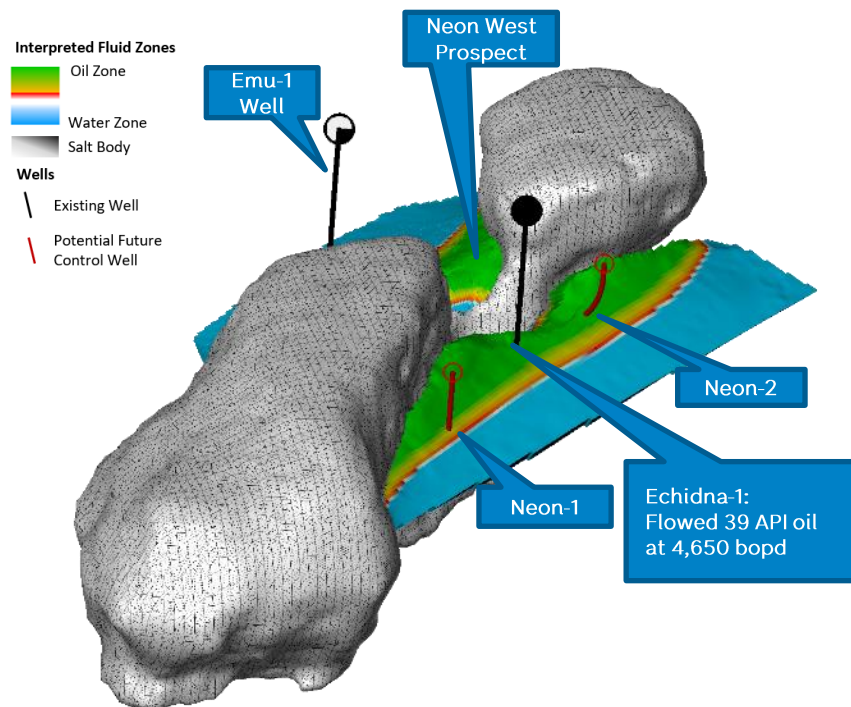
INDICATIVE UNIT OPERATING COST (US\$/BBL)



1. Production profile and cost outlook in FY2023 indicative only and assume Patola development is delivered within updated target timeframe.

Potential Neon Development

Control well drilling aimed at de-risking development



- Neon, Goiás light oil discoveries 50-60km NE of Baúna
- One, potentially two, control wells, Neon-1 and Neon-2, to be drilled after Patola development drilling²
- Well(s) designed to address subsurface uncertainty (OWC, reservoir quality and distribution) and better constrain resource estimates
- If successful, will move to next phase in gated decision process
- Potential development concepts include subsea wells tied into a standalone FPSO, or tieback to existing Baúna FPSO or a new Neon-optimised FPSO at Baúna. Engineering studies ongoing to expedite timeline in success scenario
- Potential initial oil plateau flow rates >30,000 bopd
- Neon success will partly de-risk Goiás and Neon West

FIELD	CONTINGENT RESOURCES ¹		
	1C (MMbbl)	2C (MMbbl)	3C (MMbbl)
Neon	30	55	92
Goiás	16	27	46

1. Contingent resource volume estimates presented for Neon and Goiás were disclosed in the 8 May 2018 ASX announcement “Resources Update” and published in the 2022 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.

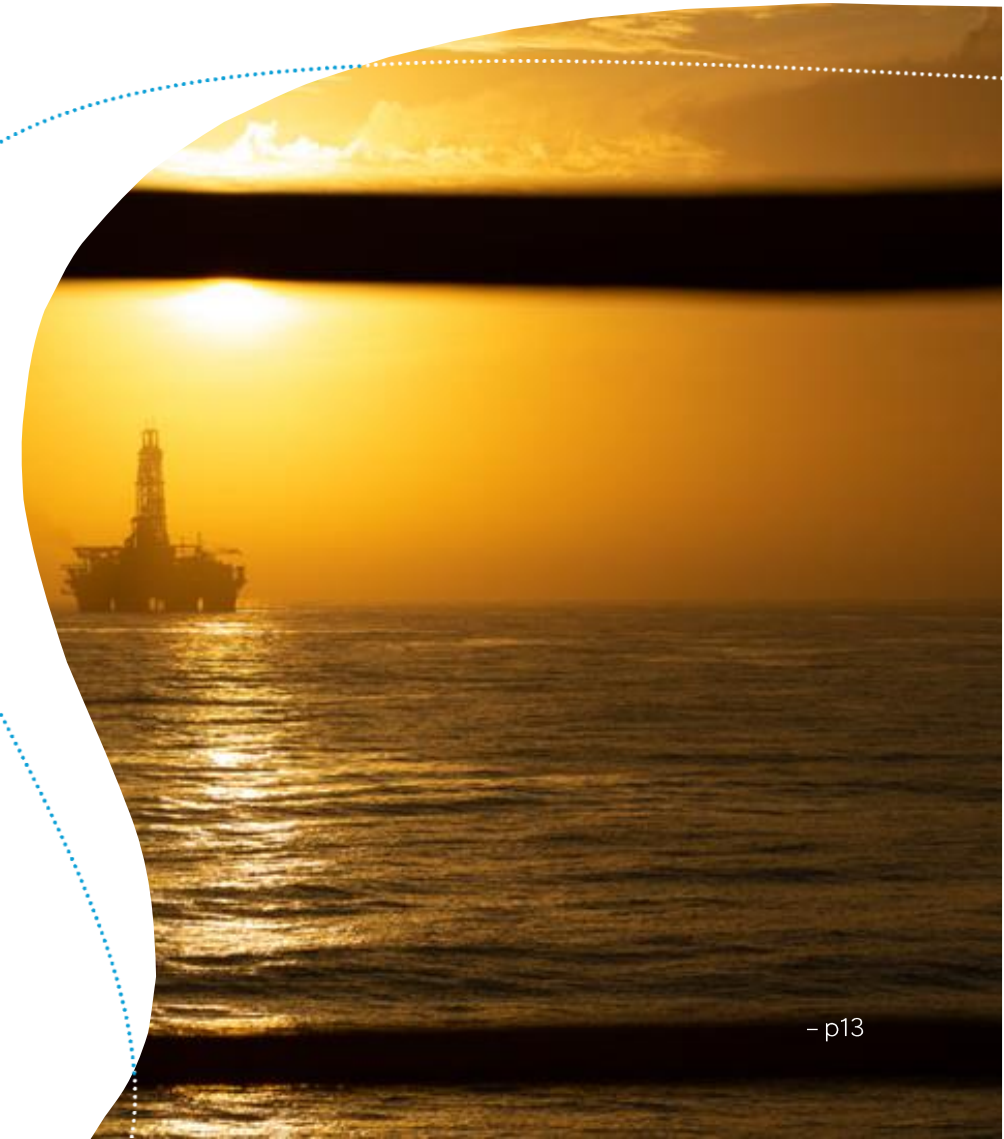
2. Subject to receiving necessary approvals

Assessing Inorganic Growth Options

Disciplined process to identify value-accretive growth opportunities



- ▶ Continuing to actively screen inorganic growth opportunities
 - ▶ Focus on oil assets located in Brazil and the Americas
- ▶ Rigorous and disciplined screening process used, with key criteria including:
 - ▶ Value accretive, with acceptable risk profile
 - ▶ Fundable
 - ▶ Producing, post FID or close to FID
 - ▶ Complementary to Karoon's footprint and/or capabilities
 - ▶ Can be accommodated within Karoon's GHG management strategy
- ▶ Any acquisition to enhance returns to shareholders



Climate strategy

Carbon neutral¹ in FY2021, targeting Net Zero² by 2035

- › Climate targets:
 - › Carbon neutral¹ on Baúna operations from FY2021 - achieved for FY2021 and planned to be achieved for FY2022, with Net Zero by 2035²
 - › Scope 1 and 2 emissions in FY2022 of 82,870 tCO₂e (82,805 tCO₂e Scope 1, 65 tCO₂e Scope 2), reflecting first full year of production and onset of intervention operations
 - › Emissions intensity of 18.3 kgCO₂e/bbl in FY2022, expected to decline to <12 kgCO₂e/bbl by end CY2023

1 Carbon neutral refers to having a balance between emitting and offsetting GHG emissions. Achieved through acquiring carbon offsets in respect of Scope 1 and 2 GHG emissions.

2 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, for Karoon equity positions.

GHG mitigation

Implementing our Carbon Management Action Plan

- ▶ Priority to reduce emissions where possible. Emissions reduction projects implemented:
 - ▶ Optimisation of support vessel movements avoided ~1,000 tCO₂e Scope 1 emissions
 - ▶ Mooring buoy project, allowing vessels to anchor safely while at FPSO, reduced emissions by ~1,850 tCO₂e
 - ▶ Reduced diesel usage through investment in process improvements eg restart processing facility with gas instead of diesel
- ▶ Active review of potential investment in high quality projects with social benefits to offset residual emissions, including MOU with Shell to investigate equity and/or development opportunities in Nature Based Solution offset projects
- ▶ Two carbon offset purchase agreements signed, including purchase of >480,000 Verified Emission Reductions (VERs) from Shell between 2022 and 2030



Social Projects

Aiming to generate lasting benefits for communities

- › In addition to regulatory social projects, committed to four voluntary social projects in Brazil, focused on Education, Sustainable Economic Development and Biodiversity:
 - › Pro-CREP – comprises container production warehouse and waste recycling centre, allowing waste to be repurposed/recycled. Provides work for socially vulnerable families and reduces landfill solid waste by ~25 tonnes per month
 - › Atelie Tabuleiro project – raises awareness of local indigenous culture and traditions by providing educational tours of Serra do Tabuleiro State Park
 - › Preá-de-moleques-do-sul – environmental education program for conservation of Santa Catarina's native guinea pig, Cavia Intermedia, which is critically endangered
 - › Music and Citizenship project – sponsorship of network of music schools within disadvantaged communities



Karoon's five pillar sustainability plan

Other achievements in FY2022

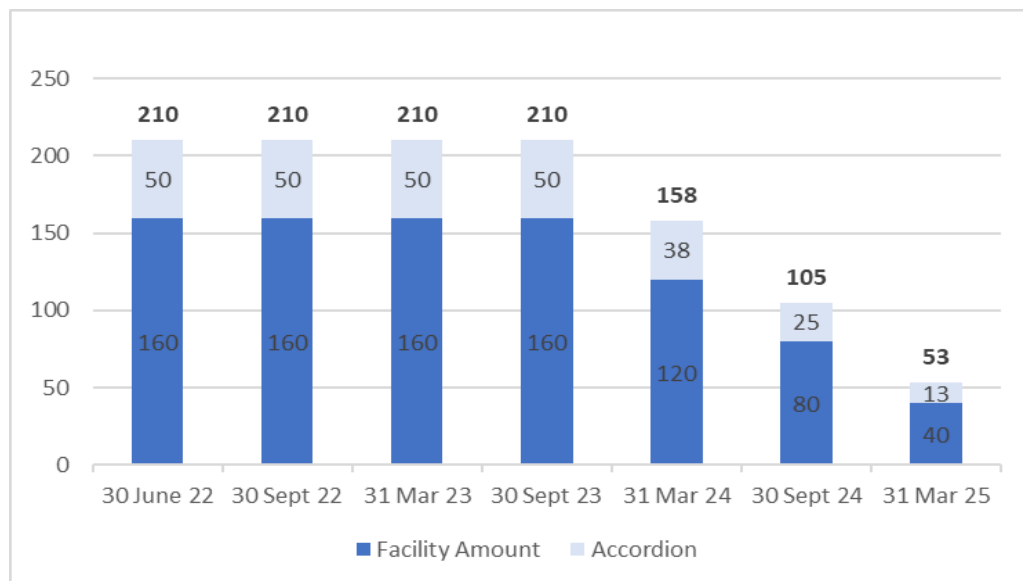
- › First standalone Sustainability Report released in August 2022
- › First Modern Slavery Statement submitted in December 2021
- › Major investment in cyber security upgrades
- › Scope 3 emissions reported for first time
- › 46% female employees across Karoon at 30 June 2022, target of 30% female participation across Board, senior management and Karoon Group by 2025
- › Brazil sustainability team expanded
- › Sun Coral research project ongoing, aiming to protect biodiversity in waters around Baúna
- › No significant environmental incidents recorded, with <2% associated gas flaring



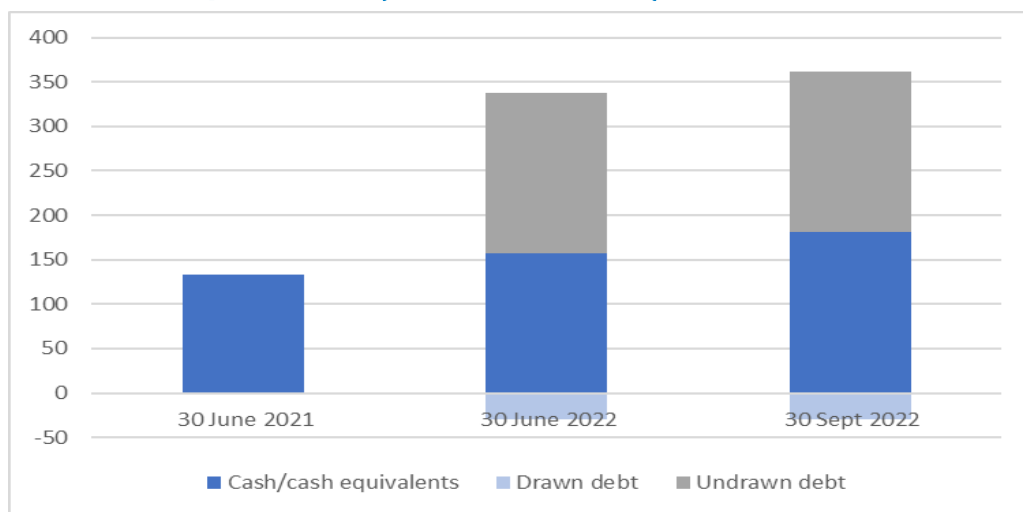
Cash and Available Liquidity



FACILITY TENURE (US\$ MILLION)



LIQUIDITY (US\$ MILLION)



- At 30 September 2022, total liquidity of US\$361.8 million, comprising US\$181.8 million cash/cash equivalents and US\$180 million in undrawn available debt
- Debt facility comprises US\$160m reserve-based, non-recourse loan facility, 425bps margin over SOFR, of which US\$30m drawn, plus US\$50m accordion facility
- Oil hedging through to March 2024 in line with debt facility requirements, providing liquidity support against lower oil prices
- Strong cash flows from operations. Capex on Baúna interventions and Patola largely being funded from cash flows and existing cash
- US\$63.5 million placed into escrow account in Sept Q for Petrobras contingent payment, with US\$85 - 86 million expected to be payable in January 2023 based on Karoon's CY2022 oil price expectations

Summary: Well Positioned to Deliver Shareholder Value

Strong base business with organic and inorganic growth potential

- ▶ One of the few ASX listed companies with pure oil exposure
- ▶ Three-well Baúna intervention program has added ~11,000 bopd to production, stabilised at ~24,000 bopd prior to natural decline of ~15% pa resuming
- ▶ With Patola development, expect production to reach >30,000 bopd by early CY2023, with material reduction in unit operating costs, prior to natural decline resuming
- ▶ Evaluating both organic and inorganic growth opportunities, subject to strict capital discipline
- ▶ Solid financial position with robust balance sheet and demonstrated ability to access debt financing. Current favourable oil prices continuing to provide significant cash flows
- ▶ Focus on being a responsible and sustainable operator
- ▶ Returns to shareholders expected to be available following completion of investment in Baúna interventions and Patola development, subject to Board approval at the time



