KAROON ENERGY

16 November 2023

Company Announcements Office
ASX Limited

Dear Sir / Madam

Acquisition of interest in the US Gulf of Mexico

Enclosed is a presentation for release. This announcement was authorised by the Board of Directors.

Yours faithfully

Daniel Murnane
Company Secretary

Karoon enters US Gulf of Mexico

Acquisition of interests
in Who Dat and surrounding acreage
in the US Gulf of Mexico

16 November 2023

KAROON ENERGY

Important notice and disclaimer

This presentation is dated 16 November 2023 and has been prepared by Karoon Energy Ltd ACN 107 001 338 (Karoon or the Company) in relation to:

- The acquisition by Karoon of the assets described on page 7 of this presentation (the Acquisition)
- a placement of new fully paid ordinary shares in Karoon (New Shares) to sophisticated and professional investors (Placement) and
- an accelerated non-renounceable pro rata entitlement offer of New Shares, to be made to eligible institutional shareholders of Karoon (Institutional Entitlement Offer) and eligible retail shareholders of Karoon (Retail Entitlement Offer), under Section 708AA of the Corporations Act 2001 (Cth) (Corporations Act), as modified by Australian Securities and Investments Commission (ASIC) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (Entitlement Offer), (the Placement and the Entitlement Offer together, the Equity Raising).

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Any decision to purchase New Shares in the Retail Entitlement Offer must be made on the basis of the information to be contained in a separate offer document to be prepared and issued to eligible retail shareholders. The retail offer booklet for the Retail Entitlement Offer will be available following its lodgment with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet in deciding to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the retail offer booklet and the entitlement and application form.

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Investors should also note that Karoon's historical results are reported under Australian Accounting Standards, or AAS, which are consistent with International Financial Reporting Standards (IFRS). The historical financial information included in this presentation is, or is based on, information that has previously been released to the market. Investors should also be aware that certain financial data included in this presentation including "EBITDA", "Underlying EBITDA", "Average net working capital" , "net debt", and measures described as "core" may be "non-IFRS financial information" under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC or "non- GAAP financial measures" within the meaning of Regulation G of the US Securities Exchange Act of 1934. The non-IFRS financial information/ non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS. Although Karoon believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/ non-GAAP financial measures included in this presentation.

Information relating to LLOG and the Acquisition

This presentation contains information about LLOG and the Acquisition. Certain of this information has been sourced from LLOG as part of the sale process of LLOG. Neither Karoon nor any other person makes any representation or warranty with respect to the fairness, accuracy, completeness or adequacy of such information.

Reserves and Resources statements – Historical

The estimates of Reserves, Contingent Resources and Prospective Resources referred to in this presentation relating to Karoon prior to the Acquisition were prepared on a probabilistic and deterministic basis by arithmetic summation and are referenced to the Company's 2023 Annual Report in which the estimates were first disclosed by Karoon.

The estimates of Reserves, Contingent Reserves and Prospective Resources have been estimated in accordance with the requirements of the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS) 2018, which may differ from the requirements that apply under other reporting systems, including the rules and regulations of the US Securities and Exchange Commission (SEC). In particular, issuers are generally not permitted to disclose non-Reserve quantities of oil and gas, such as Contingent and Prospective Resources in an SEC filing.

Karoon is not aware of any new information or data that materially affects the information included in the 2023 Annual Report and Karoon considers that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Reserves and Resources Statements – Acquisition

The estimates of Reserves referred to in this presentation relating to the Acquisition were prepared on a deterministic basis by arithmetic summation at a well level. The estimates of Contingent Resources and Prospective Resources referred to in this presentation relating to the Acquisition were prepared on a probabilistic basis and by arithmetic summation at field or prospect level.

The estimates of Reserves, Contingent Reserves and Prospective Resources have been estimated in accordance with the requirements of the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS) 2018, which may differ from the requirements that apply under other reporting systems, including the rules and regulations of the US Securities and Exchange Commission (SEC). In particular, issuers are generally not permitted to disclose non-Reserve quantities of oil and gas, such as Contingent and Prospective Resources in an SEC filing.

Governance and Competent Person's Statement - Acquisition

All estimates of Reserves, Contingent Resources and Prospective Resources referred to in this presentation relating to the Acquisition have been prepared by Netherland Sewell & Associates, Inc. (NSAI). NSAI is qualified in accordance with listing rule 5.41 and has consented to the use of the reserves and resources estimates, in the form and context in which these statements appear.

NSAI is an independent consultancy specialising in, amongst other services, resources assessments. Except for the provision of professional services on a fee basis, NSAI does not have any commercial arrangements with any other person or company involved in the interests that are the subject of this presentation.

The evaluation was managed by Lee E. George, who is a Vice President of NSAI and a Licensed Professional Engineer in the State of Texas (P.E. 95018) with over 42 years of experience. The report was supervised by Lee E. George. The report was signed off by Richard B. Talley, Jr.; Lee E. George; and Edward C. Roy III. All three are permanent employees of NSAI which has extensive experience resources assessments.

Important notice and disclaimer (cont.)

Governance and Competent Person's Statement – Acquisition (cont.)

In addition, members of Karoon's Subsurface and Engineering teams have considered and assessed all proposed changes and additions to the Company's reserves and resources (as set out in this presentation), considering advice and contributions from subject matter experts and external consultants.

All Reserves, Contingent Resources and Prospective Resource statements in this presentation are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of Martin Austgulen, SVP New Business, Karoon Energy Limited. Martin Austgulen is qualified in accordance with ASX listing rule 5.41 being a member of the Society of Petroleum Engineers (SPE) and has consent in writing to the inclusion of reserves and resources in the format and context in which they appear.

Reserves and Resources Statements Disclaimer

Petroleum exploration and production 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 production operations are inherently uncertain and involve significant risk of failure. All information regarding reserve and contingent resource estimates and other information in relation to Karoon's assets is given in light of this caution. Oil and gas Reserves and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly due to new information or when new techniques become available. Additionally, by their nature, Reserves and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further data becomes available through, for instance, production, the estimates are likely to change. This may result in alterations to production plans, which may in turn, impact the Company's operations. Reserves and resource estimates are by nature forward looking statements and are the subject of the same risks as other forward-looking statements.

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The Underwriter has entered into an Underwriting Agreement in respect of the Equity Raising to which only the Underwriter and the Company are a party (refer to Appendix C). The Underwriting Agreement provides that the Underwriter will not be issued any shares that would cause them to breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). If the Underwriter was required to take up shares on issue which would otherwise cause them to breach the takeover threshold, then for the purposes of ASIC Report 612 (March 2019): (i) it will still fund the entire underwritten proceeds in accordance with and subject to the terms of the Underwriting Agreement by the completion date; (ii) the number of excess shortfall shares would be up to the number of shares offered under the Equity Raising less the number of shares that have been subscribed for and the number of shares that the Underwriter is able to take up without causing it to breach the takeover threshold when aggregated with any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after completion of the Equity Raising at the same price as the Equity Raising price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

For the avoidance of doubt, the Underwriter Parties have not made or purported to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

Accordingly, given the presentation is the Company's document, to the maximum extent permitted by law, the Underwriter Parties:

- exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Company's Equity Raising and the information in the Issuer's presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; and
- make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and take no responsibility for any part of this presentation or the Equity Raising.

The Underwriter Parties make no recommendations as to whether you or your related parties should participate in the Equity Raising nor do they make any representations or warranties to you concerning the Equity Raising, and you represent, warrant and agree that you have not relied on any statements made by any of the Underwriter Parties in relation to the Equity Raising and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Eligibility

You acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Underwriter and each of the Company and the Underwriter (and their respective advisers, affiliates, related bodies corporate, Directors, officers, partners, employees and agents) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. Further, you acknowledge and agree that any allocation of New Shares (other than pursuant to an entitlement under the Entitlement Offer) is at the sole discretion of the Company and the Underwriter and each of the Company and the Underwriter (and their respective advisers, affiliates, related bodies corporate, Directors, officers, partners, employees and agents) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Company and the Underwriter reserve the right to change the timetable in their absolute discretion without recourse to them or notice to you.

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By attending an investor presentation or briefing, or accepting, accessing or reviewing this presentation you acknowledge and agree to the terms set out in the section of this presentation entitled "Important Notice and Disclaimer".

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KAROON ENERGY

Section 1

Transaction summary

Compelling value proposition

High margin production, near term appraisal, and infrastructure-led exploration upside

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Transaction highlights

Karoon to acquire a 30% interest in offshore Who Dat and Dome Patrol oil and gas fields, associated infrastructure and adjacent exploration acreage[1]

Entry to US Gulf of Mexico

Low risk entry into a Tier 1 prolific hydrocarbon Basin with a highly experienced operator LLOG

Acquisition of high value, low emission intensity barrels

Low cost barrels (unit opex of US$5.70 per boe[2]) to deliver long term production and pre tax cash operating margin of 67%[7]

Delivers immediate financial return

Mid teens cash flow per share accretion and earnings per share accretive[3], and exceeds Karoon's IRR hurdles[4]

Low risk infrastructure-led growth

Growth from low risk, low cost near term infill development, material discovered resource upside and attractive exploration opportunities

Karoon pro-forma

Acquisition consideration of US$720m[5] funded by cash, debt and a fully underwritten equity raise

Highly strategic acquisition

Achieves Karoon's M&A objectives and establishes platform for further growth

Increases scale

Builds scale with +57-63% CY24E production, +75% 2P Reserves and +50% 2C + 2U Resources[6]

Materially diversifies business

Geographically diversifies asset base and offsets the natural decline from Baúna with a long-life asset

Robust balance sheet

Balance sheet remains strong, with peak leverage at 0.4x FY23A pro forma EBITDA and liquidity of US$80m[7]

Notes: 1. Refer to Appendix A for detailed breakdown of permits and Blocks acquired. 2. Gross Interest basis, LTM (Last Twelve Months) to July 2023. 3. Reflects the first full year of ownership. The purchase price accounting for the transaction has not been finalised, resulting in the inclusion of an estimated depreciation and amortisation charge relating to the Acquisition. The cash flow accretion analysis includes approved CAPEX and excludes debt repayments, and the one-off integration costs. The newly issued shares are calculated based on the Offer Price of $2.05. 4. Karoon's internal pre tax IRR hurdles align with industry normal practices and target an average (across all investments) in the mid teens, adjusted for geopolitical and fiscal stability risk of the region of investment. 5. Exploration is subject to carry of US$39.2 million on a 2 for 1 basis. 6. Net Working Interest basis, refer to page 8 for further detail. 7. Refer to page 30 for further detail.

Transaction summary

Transaction overview	› Karoon Energy Limited (“KAR”, “Karoon”) has entered into an agreement to acquire a 30% interest in Who Dat, Dome Patrol, Who Dat South, a ~16% interest in the Abilene fields, a 35% interest in Who Dat West and a 40% interest in Who Dat East from LLOG Exploration Offshore, L.L.C. (“LEO”), a deepwater Gulf of Mexico (“GoM”) operator, and LLOG Omega Holdings, L.L.C. (“LOH” and collectively, “LLOG”) for US$720 million (A$1.15bn) (the “Acquisition”)[1]
Expected financial impacts	› Acquisition expected to be earnings and free cash flow per share accretive from CY24 › Karoon proforma gearing (net debt / EV) of 14% and leverage (net debt / FY23A EBITDA) of 0.4x › A diversified asset and production base with increased scale is expected to improve future funding optionality › Who Dat and Dome Patrol are expected to require low capex (as mature and mid-life), providing strong cash flow to support deleveraging and future growth initiatives including exploration of newly acquired acreage › Acquisition sits under the US GoM fiscal reporting regime, where Gross Interest (“Gross”) means 100% prior to royalties, Net Working Interest (“NWI”) means Karoon’s working interest share of Gross and Net Revenue Interest (“NRI”) means Karoon’s working interest net of royalties and similar burdens on production. Refer to slide 39 for further detail

Transaction funding	› Acquisition, including US$27 million of associated costs, to be funded via:
	  › US$300 million[2] (A$480 million) equity raising by way of a fully underwritten institutional placement and accelerated non-renounceable entitlement offer (“Equity Raising”)
	  › US$274 million (A$438 million) drawdown from a new US$340m debt facility with a syndication of banks comprising Macquarie, ING, Deutsche Bank and Shell Western Supply and Trading Limited (“Debt Facility”)
	  › Existing cash of US$171 million (A$274 million) (with US$80 million cash on hand remaining post-acquisition)

Timetable and conditions	› Acquisition remains subject to customary conditions for a transaction of this nature, including a customary regulatory approval from various U.S. Governmental authorities, including the Federal Trade Commission and the U.S. Department of Interior, title and environmental review of the assets, the truth of representations and warranties (both by the buyer and seller), observance of covenants by all parties, lack of lawsuits and other proceedings to enjoin the transaction or recover substantial funds in connection therewith, and receipt of third party consents to assign and waiver of preferential purchase rights › Subject to the satisfaction of all conditions precedent, completion of the Acquisition is expected to occur in the last quarter of CY2023, with an effective date of 1 October 2023 (12:00am Houston time, Central Time GMT-6)

Notes: 1. The Acquisition includes 35% interest in Who Dat West, 30% interest in Who Dat South and 40% interest in Who Dat East exploration permits for a combined carry of US$39.2 million on a 2 for 1 basis. 2. Assumes AUD/USD = 0.625.

Acquisition overview

High margin asset with material production growth underway, development and exploration upside

Asset overview

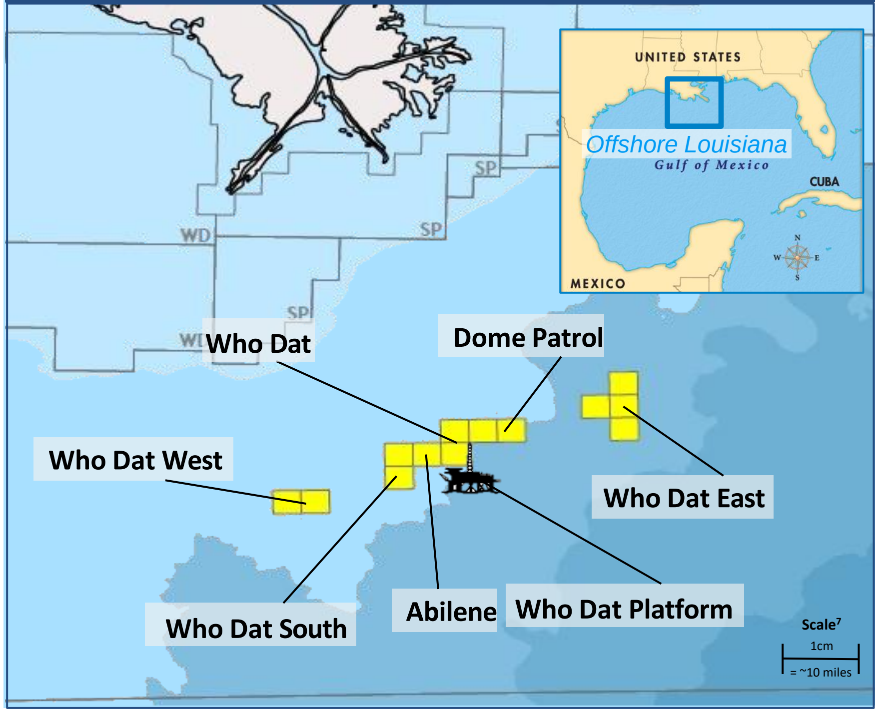
Location	Mississippi Canyon, US Gulf of Mexico (offshore Louisiana, ~800m water depth)
Current production rate[1]	~42,000 boepd Gross (ramping up through development program)
FY23 (LTM Jul23) production	~33,000 boepd - 61% oil / 39% gas
FY23A (LTM Jul23) operating costs	US$5.7/boe (Gross) / US$7.1/boe (NRI)
Nameplate capacity of Floating Production System (FPS)	40,000 bbl oil + 150 MMscf/d gas
2P Reserves[2]	129 MMboe (Gross) / 39 MMboe (NWI) / 31 MMboe (NRI)
2C Resources[2]	17 MMboe (Gross) / 7 MMboe (NWI) / 5 MMboe (NRI)
2U Resources[2,6]	143 MMboe (Gross) / 50 MMboe (NWI) / 40 MMboe (NRI)

Proforma Net Working Interests[3,4, 5]

	Producing			Exploration		
Assets	Who Dat	Dome Patrol	Abilene	Who Dat South	Who Dat West	Who Dat East
Karoon Energy	30%	30%	~16%	30%	35%	40%
LLOG exploration	45%	45%	~21%	70%	65%	60%
Westlawn	25%	25%	~12%	-	-	-
CNOOC[6]	-	-	50%	-	-	-

Location

US Gulf of Mexico – Mississippi Canyon, United States

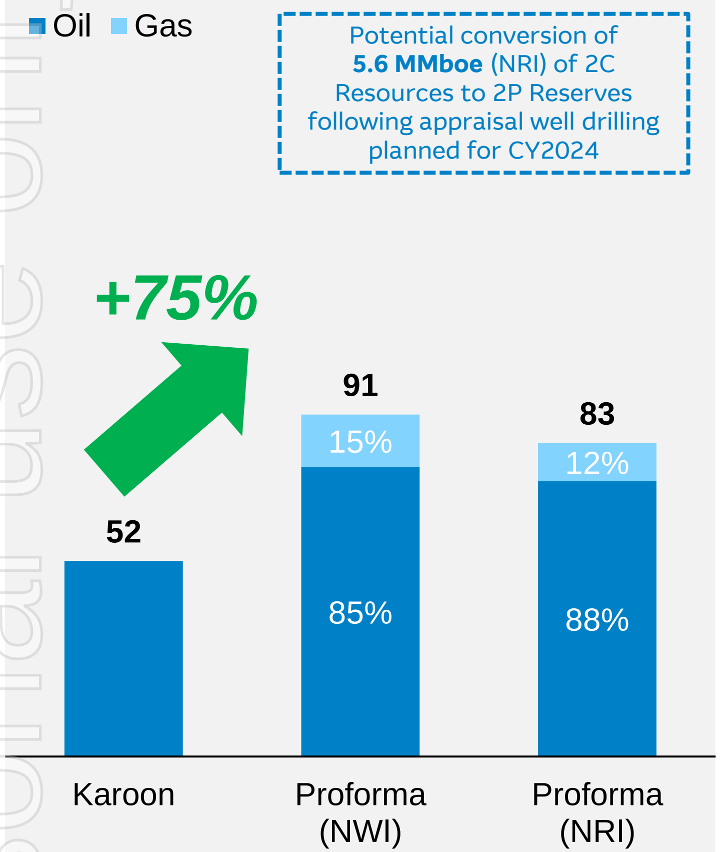


Note: Conversion of gas based on 6 mcf gas = 1 boe. 1. References oil and gas production as of 26 October 2023. 2. Reserves and Resources as at 30 June 2023, refer to Appendix A. Who Dat Reserves and Resources as at 1 August 2023. Detail on Reserves and Resources stated in Appendix A. 3. These ownership interests and percentages will be validated after signing of the PSA by way of a customary title review and defect process as set out in the PSA. 4. See Appendix A for a detailed breakdown of well area by block/lease. 5. Working Interest table as at the date of this transaction Thursday, 16 November. Ongoing discussions are expected to result in Westlawn increasing their interest in the Producing assets to 30% and to between 20% - 30% of the Exploration assets. 6. China National Offshore Oil Corporation (CNOOC). 6. Excludes Who Dat East Deep Prospect. 7. Scale is approximate.

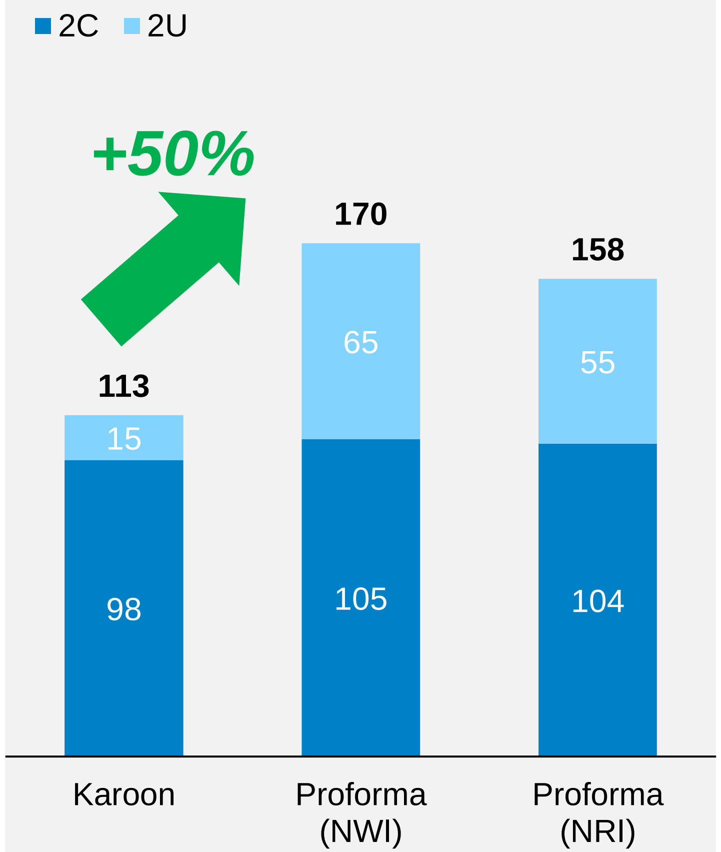
Transformational impact on Karoon's metrics

Material increase in Reserves, Resources and production

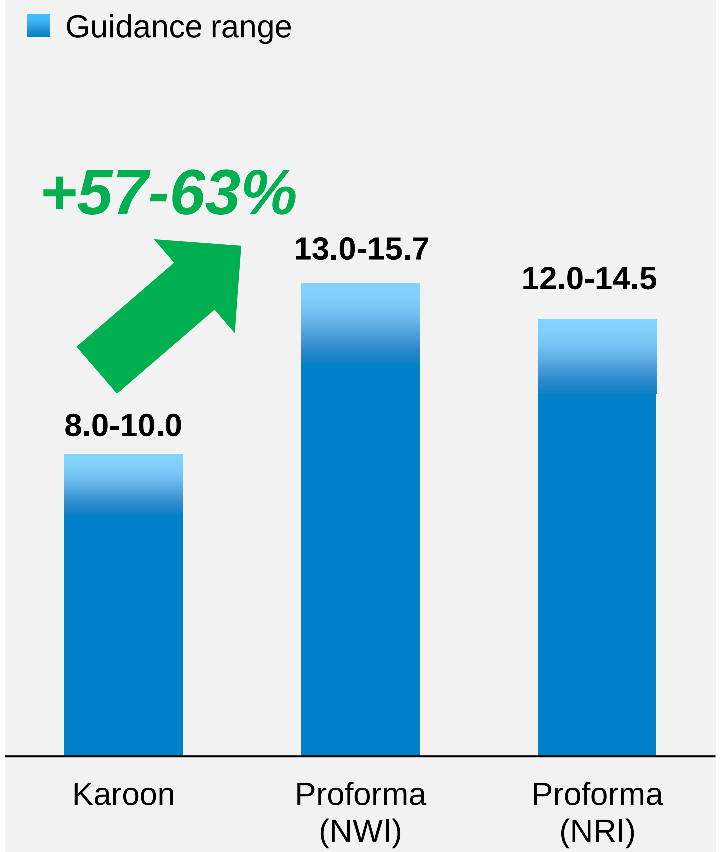
2P Reserves (MMboe)[1]



2C + 2U Resources (MMboe)[1,4]



CY24E Production Guidance (MMboe)[2,3]



Note: 1. Karoon Reserves and Resources as at 30 June 2023. Who Dat Reserves and Resources as at 1 August 2023. 2. Production ranges based on CY24E management guidance for Karoon and Who Dat. Who Dat breakdown of oil vs gas production projected based on CY23A percentages. 3. Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Refer to page 31 for further details on guidance. 4. Excludes Who Dat East Deep Prospect.

KAROON ENERGY

Section 2

Strategic rationale and investment highlights

Karoon's M&A objectives

Delivering Karoon's key strategic acquisition objectives

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Karoon's M&A objectives	Who Dat and Dome Patrol acquisition
Producing asset	✓ Adds 4.0-4.5 MMboe (NRI) production to Karoon in CY24
Generating immediate cash flow	✓ Expected to be cash flow accretive and capable of self-funding growth
Existing development opportunities and exploration upside	✓ Further infill development opportunities, near term appraisal and exploration upside
Competitive cost structure	✓ US$5.7 per boe (Gross) operating cost driving high margin barrels equating to US$48 per boe operating cash flow pre capex in LTM July 23[1]
Fundable acquisition	✓ Strong balance sheet and ample liquidity post-acquisition
Geopolitically low risk jurisdiction	✓ Stable and well-understood regulatory and fiscal regime
Ability to leverage existing capabilities	✓ Deep-water operations in similar time zone to Brazil, expected to require minimal additional corporate overhead
Aligns with carbon management objectives	✓ Provides a reduction in proforma carbon intensity, with US GoM production among lowest GHG intensity in North America[2]

Notes: 1. LTM means Last Twelve Months to July 2023. 2. Woodmac Report: *Understanding the US GoM's emissions advantage*, June 2023.

Investment highlights

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1. Transforms Karoon into a geographically diversified producer with entry into the US GoM, a Tier 1 hydrocarbon jurisdiction
2. Immediate cash flow generation from low cost, high margin offshore oil and gas asset
3. Historically stable production with high facility uptime driven by an experienced operator in LLOG
4. Production and reserve growth potential from low risk infill development, near term appraisal and high quality exploration prospects
5. Provides significant production uplift, creating an ASX oil producer of scale

1a Acquisition diversifies Karoon with long-life asset

Provides low risk geographic diversity and significantly expands the asset base

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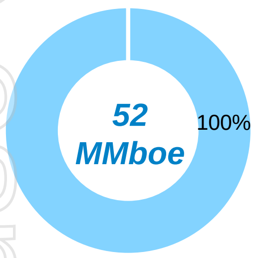
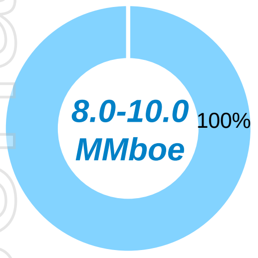
Geographic diversification overview

Karoon standalone

2P Reserves[1] (MMboe)



CY24E production (MMboe)[2,3]

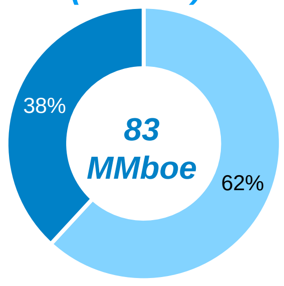


+60% 2P Reserves (NRI)

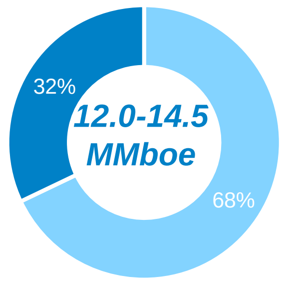
+45-50% production (NRI)

Karoon proforma

2P Reserves[1] (MMboe)



CY24E production (MMboe)[2,3]



- Located in a Tier 1 oil and gas jurisdiction in US Gulf of Mexico
- De-risks Karoon's production profile by adding a second asset
- Increases fiscal stability through exposure across two countries
- Addition of long-life asset offsets Baúna's natural decline
- Adds a deepwater, oil and gas asset which leverages existing knowledge and expertise
- Diversifies product mix with addition of gas

Note: 1. Karoon Reserves as at 30 June 2023. Who Dat Reserves as at 1 August 2023. 2. Production ranges based on CY24E management guidance for Karoon and Who Dat. 3. Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Refer to page 31 for further details on guidance.

1b Strategic entry to the US GoM

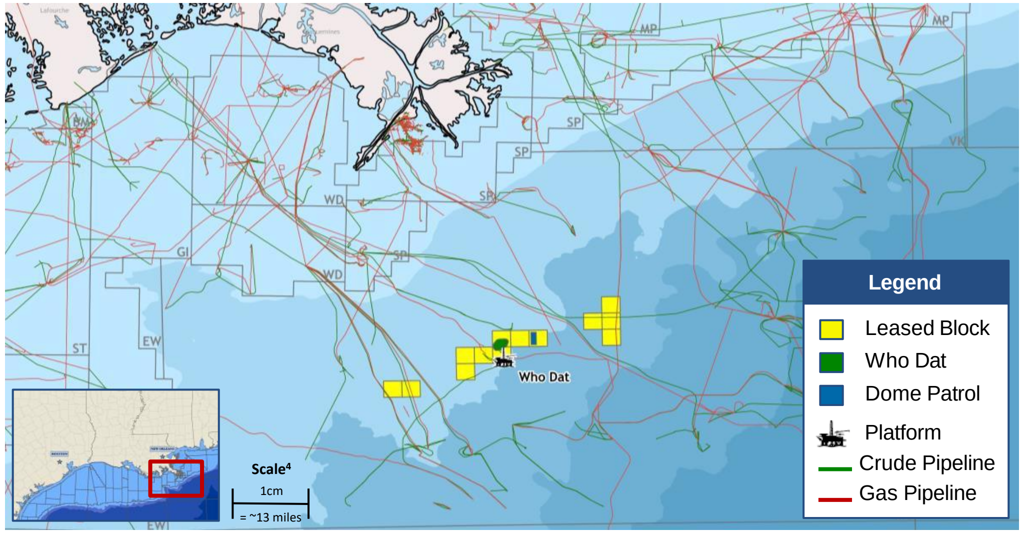
Tier 1 US jurisdiction provides a foundation for growth

KAROON ENERGY

Why invest in the US Gulf of Mexico?

1. Geological and facility similarities between US GoM and Brazil[1]
2. Low risk entry provides platform for growth
3. Low operating cost environment
4. Opportunity for non-greenfield infrastructure-led exploration
5. Lower direct carbon emissions production relative to other Basins[2]

US Gulf of Mexico surrounding infrastructure



Notable GoM operators include:

Shell, bp, Chevron, OXY, LLOG exploration, TALOS ENERGY, Woodside Energy, ExxonMobil, BEACON OFFSHORE ENERGY, FIELDWOOD ENERGY, MURPHY OIL CORPORATION, HESS, WALTER OIL & GAS CORPORATION, KOSMOS ENERGY, eni

*GoM accounts for ~**15%** of total US crude oil production and ~**97%** of all US offshore oil and gas production[3]*

Note: 1. Based on deepwater turbidite reservoirs producing to a floating production system with subsea wells. 2.Woodmac Report: *Understanding the US GoM's emissions advantage*, June 2023. 3. US Energy Information Administration – Gulf of Mexico Fact Sheet, Bureau of Ocean Energy Management. 4. Scale is approximate.

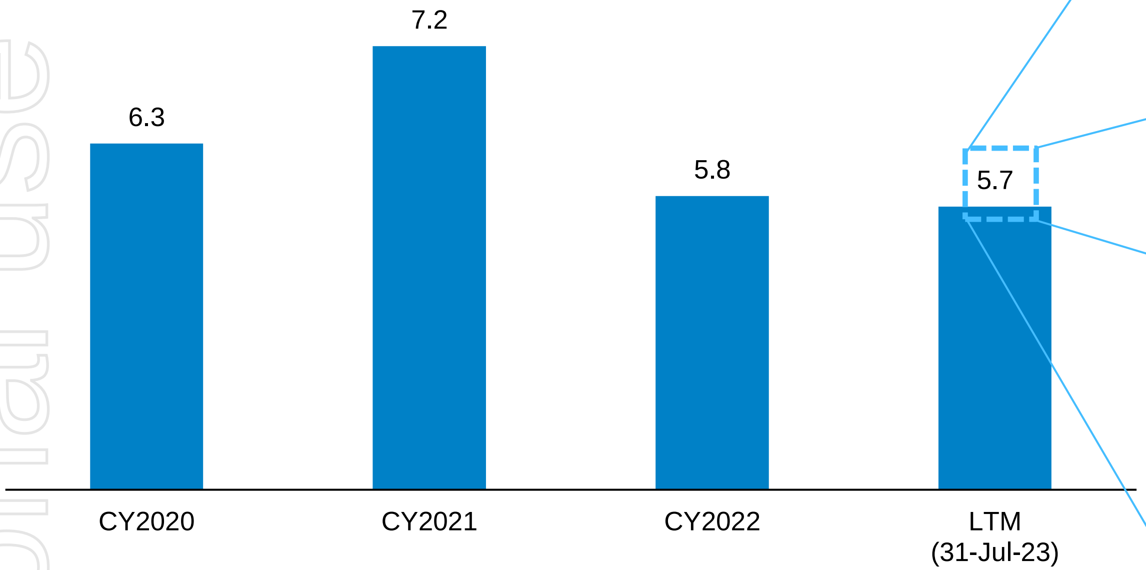
② Low cost asset driving strong margins and cash flow

High margin bbls due to low operating cost of US$5.70/boe[1] (KAR US$15.75/bbl[2])

KAROON ENERGY

Who Dat Gross operating cost and margin per barrel

Who Dat historical opex / boe Gross (US$/boe)



LTM July 2023 pre tax operating margin breakdown for Who Dat

For illustration, the following cost percentages are calculated on LTM July 2023 using gross revenue per boe as the denominator.
- This results in a 67% pre tax margin.

Note: 1. Based on 12 months to 31 July 2023. 2. Based on Karoon's FY2023 unit cost per bbl.

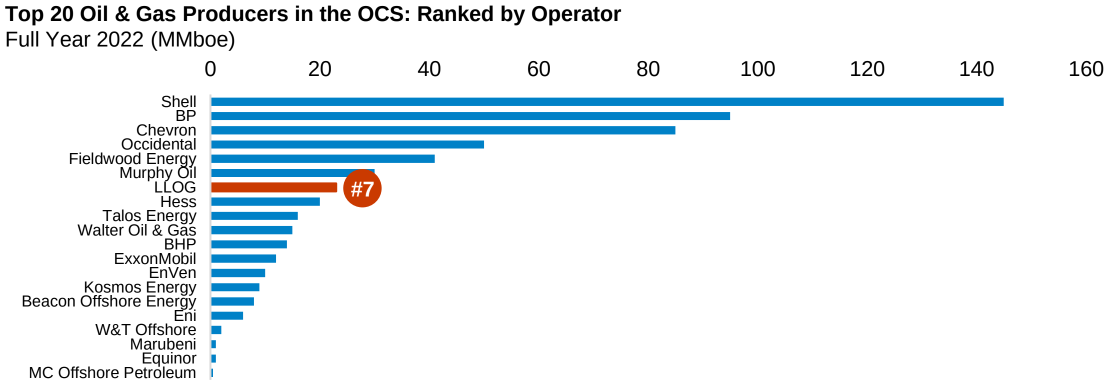
3a LLOG is a leading Gulf of Mexico operator

Strong operating track record in cost, efficiency, safety and production

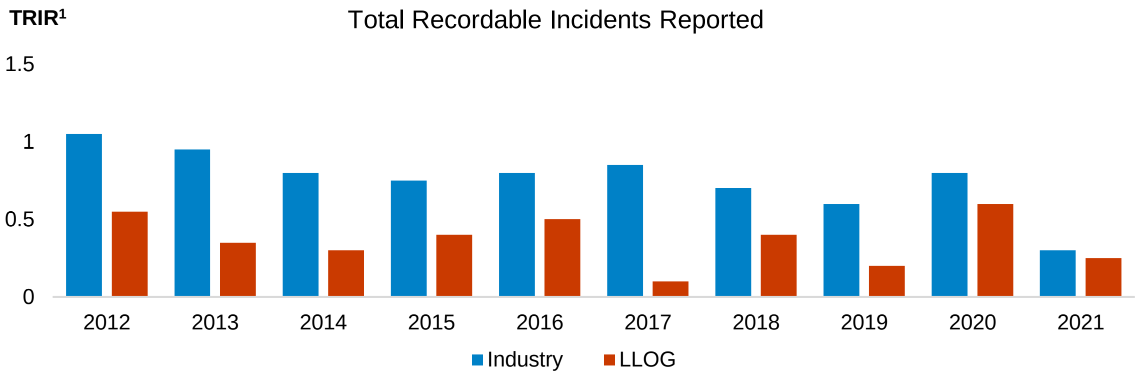
Overview

- Private company founded in 1977
- Pure-play deepwater US GoM operator with 25 producing wells (with 14 wells drilled to date at Who Dat)
- Headquartered in Covington, LA with an office in Houston, TX
- Drilled 308 wells in the Gulf of Mexico since 2002, 116 wells in deep water
- Average cycle time (discovery to first production) of 3.4 years for floating production systems compared to 7.7 years for other operators
- Average cycle time of 2.1 years in subsea tieback compared to 4.5 years for other operators

7th largest gross producer in the US GoM



LLOG safety record



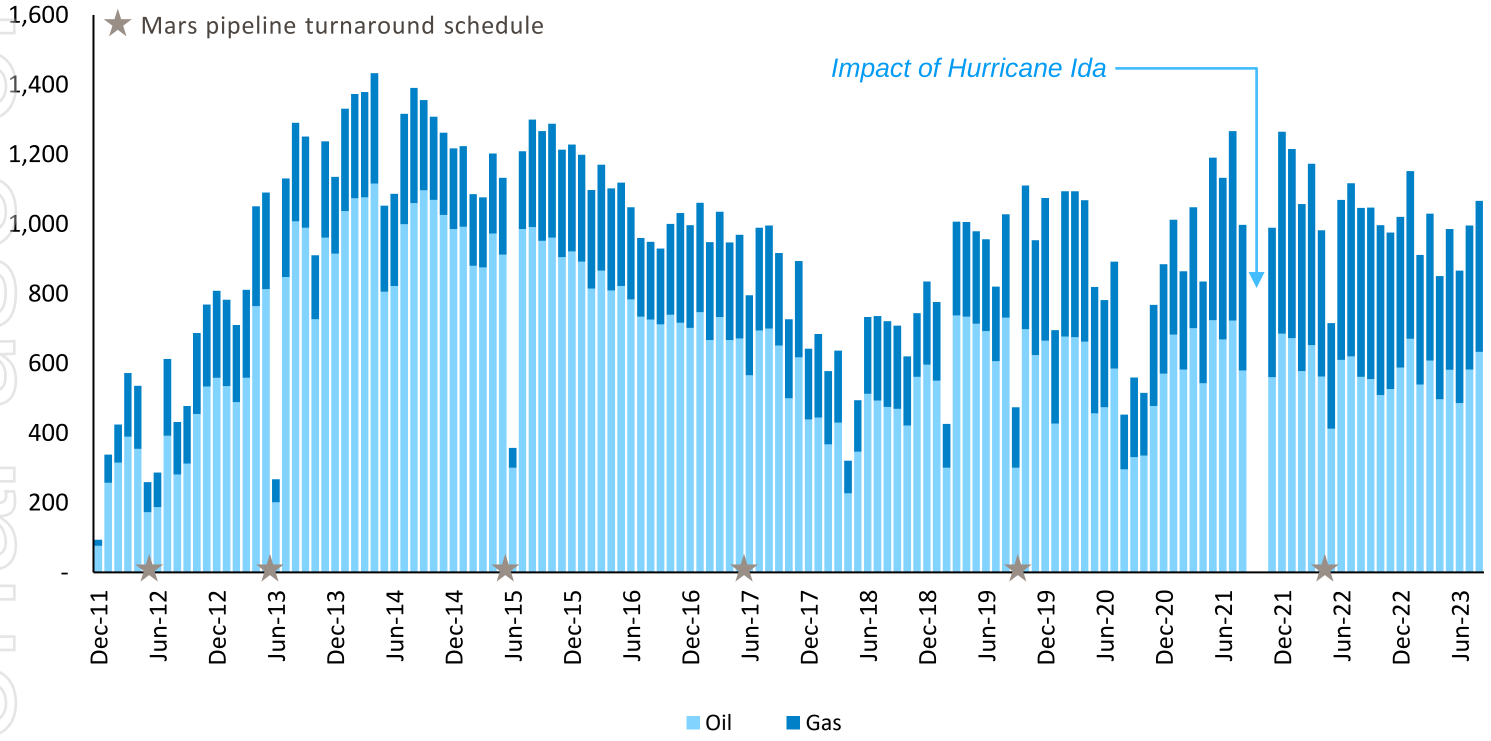
Note: 1. Welligence. TRIR is a safety metric that considers how many recordable incidents a company has per number of hours worked. Formula = (# of incidents * 200,000) / Manhours worked
Industry statistics obtained from BSEE (2021). Above statistics are for GOM incidents only.

3b Reliable operational performance and facility uptime

94% uptime since first production in 2011

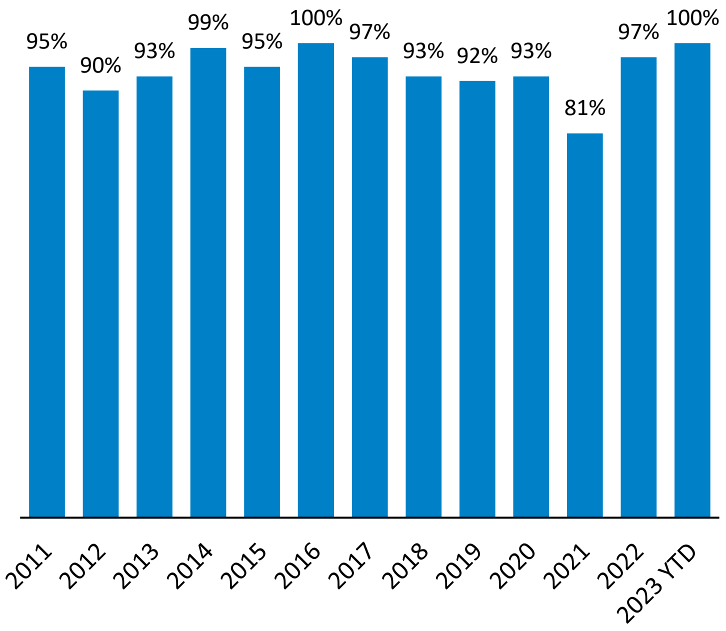
KAROON ENERGY

Gross monthly production since inception ('000 boe)[1]



Yearly average Floating Production Facility uptime (%)[2]

*Who Dat has demonstrated reliable production and facility uptime, averaging **94%** since inception[3]*



Note: 1. Data shown on a 100% Who Dat basis. 2. 2023 YTD to 31 July 2023. Each year of uptime is calculated by days producing (including maintenance days) / total days in the year. 3. Based on proportion of days with recorded production in the year.

④ Material further growth potential

Development program underway, attractive near-field exploration identified

KAROON ENERGY

Current development program

- ✓ In Sept Q 23, **E-2 and E-7** wells brought online, adding ~2,000 boepd and ~5,000 boepd (Gross), respectively
- ✓ **Subsea Pump** initial production occurred in October 2023 adding ~3,000 boepd (Gross) and performing above expectations
- **G-4** targeting initial production in December 2023 (4,000-5,000 boepd Gross)
- **G-2** targeting initial production in February 2024 (2,000-3,000 boepd Gross)

Near term appraisal

- Significant Contingent and Prospective Resources in Who Dat East with potential to tie back to the Who Dat FPS
- Appraisal well expected to be drilled in CY2024, subject to JV approval with Gross drilling costs of ~US$60m
- Other infill development opportunities being evaluated
- Potential to convert 17 MMboe (Gross) 2C Contingent Resource into 2P Reserve with additional 34 MMboe (Gross) of unrisked 2U Prospective Resource

Infrastructure-led exploration

- **Infrastructure-led exploration** with several nearby targets identified analogous to Who Dat
  - Who Dat West (unrisked 2U Resource of 77 MMboe Gross / 22 MMboe NRI)
  - Who Dat South (unrisked 2U Resource 31 MMboe Gross / 8 MMboe NRI)
- Who Dat South scheduled to be drilled in Q2 2024 and Who Dat West in Q3 2024, subject to JV approval
- Drilling costs (Gross, dry hole basis) ~US$60m/well
- **Opportunity to tieback future** developments to existing FPS, reducing development capex required

+16,000 boepd	+52 MMboe	+108 MMboe
(Gross production)[1, 2]	(Gross 2C + 2U unrisked Who Dat East Resource)[3]	(Gross 2U Prospective Resource for Who Dat West and Who Dat South)[1]

The estimate quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further, exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons

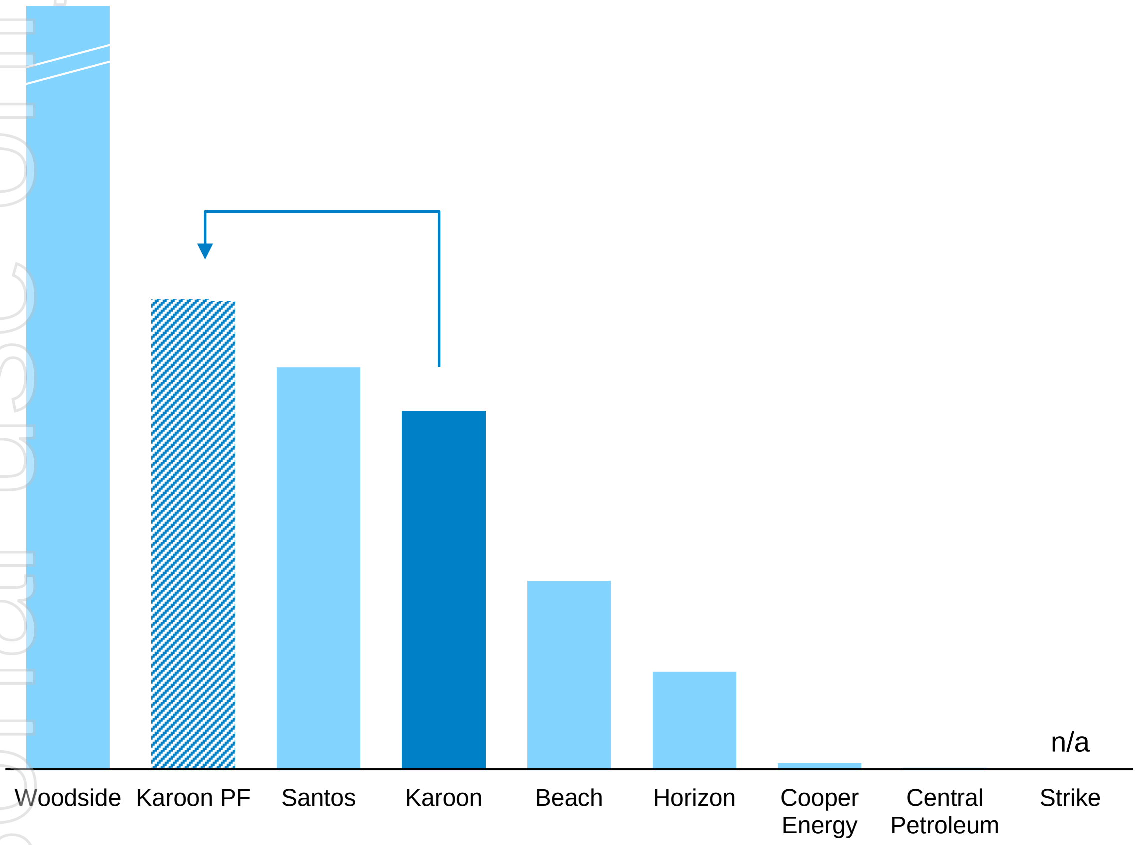
Note: 1. Excluding Who Dat East 2U Prospective Resource. 2. On a net Karoon proforma attributable 30% basis equivalent to ~10% of Karoon FY23A production. 3. Includes 17.2 MMboe of 2C Contingent Resources and 34.4MMboe of unrisked 2U Prospective Resources.

5 Significant increase in scale

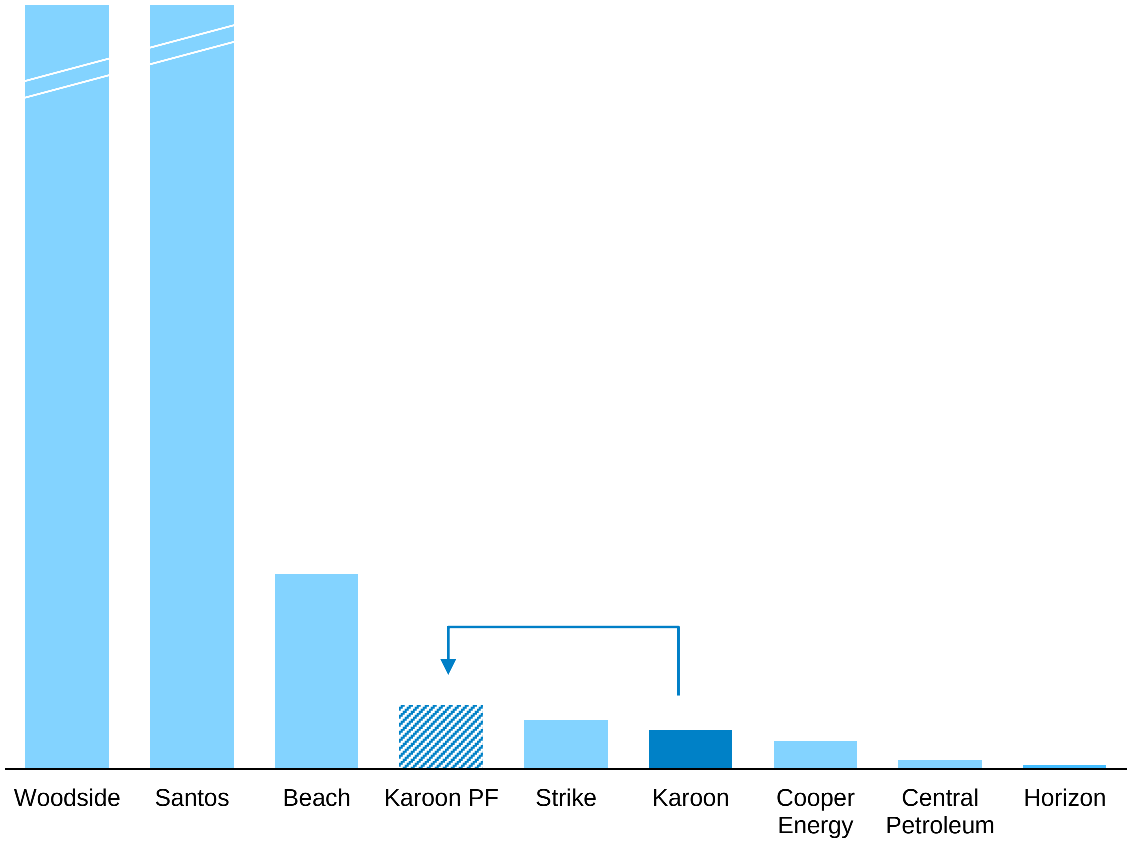
Strengthens Karoon's position as a material ASX oil producer

KAROON ENERGY

FY23A Oil Production (MMbbl)[1,3]



2P Reserves (MMboe)[2,3]



Notes: 1. 12 months to 30 June 2023 (Who Dat production shown on a net Karoon proforma attributable 30% basis). 2. As at 30 June 2023 for Beach, Karoon, Strike, Cooper Energy, Central Petroleum and Horizon. As at 31 December 2022 for Woodside and Santos. Who Dat Reserves as at 1 August 2023. 3. Not to scale.

Section 3

Overview of Who Dat, Dome Patrol, development and exploration assets

Who Dat development milestones

Ongoing development program

KAROON ENERGY

Who Dat development timeline

- Near-term well development program with three wells expected to be online by 4Q 2023 and one expected in early 2024
- Potential further infill drilling and exploration of Who Dat East, West and South targets

2005	2007	2010	2011	2011 – 2023	2024 and beyond
LLOG acquired initial lease (MC 503) in May 2005 through Lease Sale 194	Drilling begins for the first Who Dat well in November 2007 (Who Dat A-1 API 608174113100)	Final Investment Decision (FID) achieved	Initial production in December 2011	See below	See above

First production within ~4 years of discovery

LLOG exploration

Who Dat

- 12 wells completed and brought online

Dome Patrol

- 1 well drilled, completed and brought online in December 2022

Who Dat reservoir development plan

Stacked reservoir sands allow low-cost development and reserves replacement

KAROON ENERGY

Overview

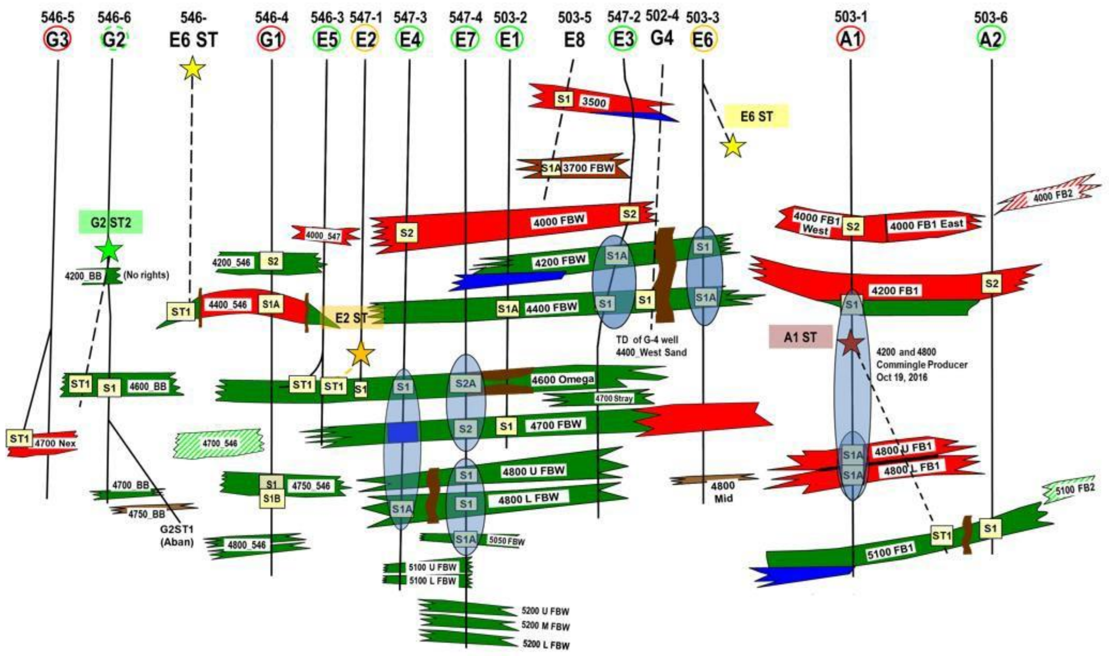
Subsurface geology

- High quality turbidite reservoirs with high net to Gross, high porosity and permeability
- Extensive production history providing calibration of forecasts
- Further infield upside potential with undrilled fault blocks supported by seismic amplitude anomalies
- All drilling opportunities are amplitude-supported and calibrated by nearby wells and proven reservoirs, leading to high drilling success rates
- 25 reservoirs penetrated in total, providing numerous additional upside opportunities

Ongoing Infill Development program

- Development program includes a subsea tieback, two sidetracks and installation of multiphase subsea pumps, with three new wells expected to be online by 4Q 2023 (E2, E7, G4)
- Wells equipped with sliding sleeves to allow wellbore access to multiple reservoirs in each well
- The development program will target adding ~56 MMboe of 2P Gross wellbore recovery
- Future infill development plans include additional recompletions and drilling of proved and discovered reservoirs

Reservoir cross section



Oil reservoir Gas reservoir

Who Dat infrastructure overview

Existing infrastructure with expansion capacity available

Overview

OptiEx Floating Production System (FPS)

- Water removed and oil and gas separated at FPS before entering export pipeline system:
  - 16 riser slots, with only eight currently in use, providing ullage that can be leveraged for future developments or tiebacks
- FPS has been in operation since 2011, designed to withstand 100 year hurricanes and 100 year winter storms
  - Held in place by a 12-point mooring system

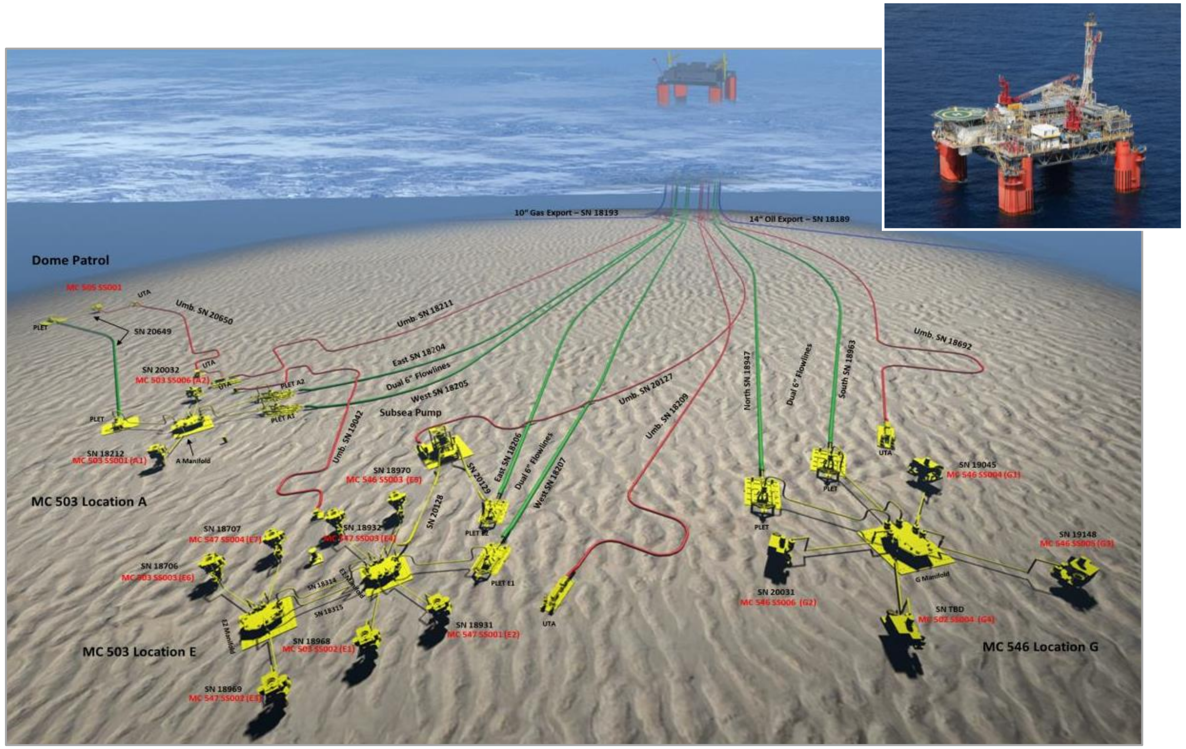
Subsea infrastructure

- Includes nine producing wells with associated flowlines
- Wells include smart completions connected to the FPS via umbilicals
- Two lateral export pipelines connecting to the Mars Pipeline (oil) and Canyon Chief pipeline (gas)

Environmental advantages

- Produced water is treated onsite and discharged overboard within regulatory limits
- All production is transported via a network of flowlines, pipelines and the production facility
- Produced gas is processed and piped to sales points, minimising waste, CO_2 and methane emissions during normal operations, with flaring only in emergency

Subsea infrastructure

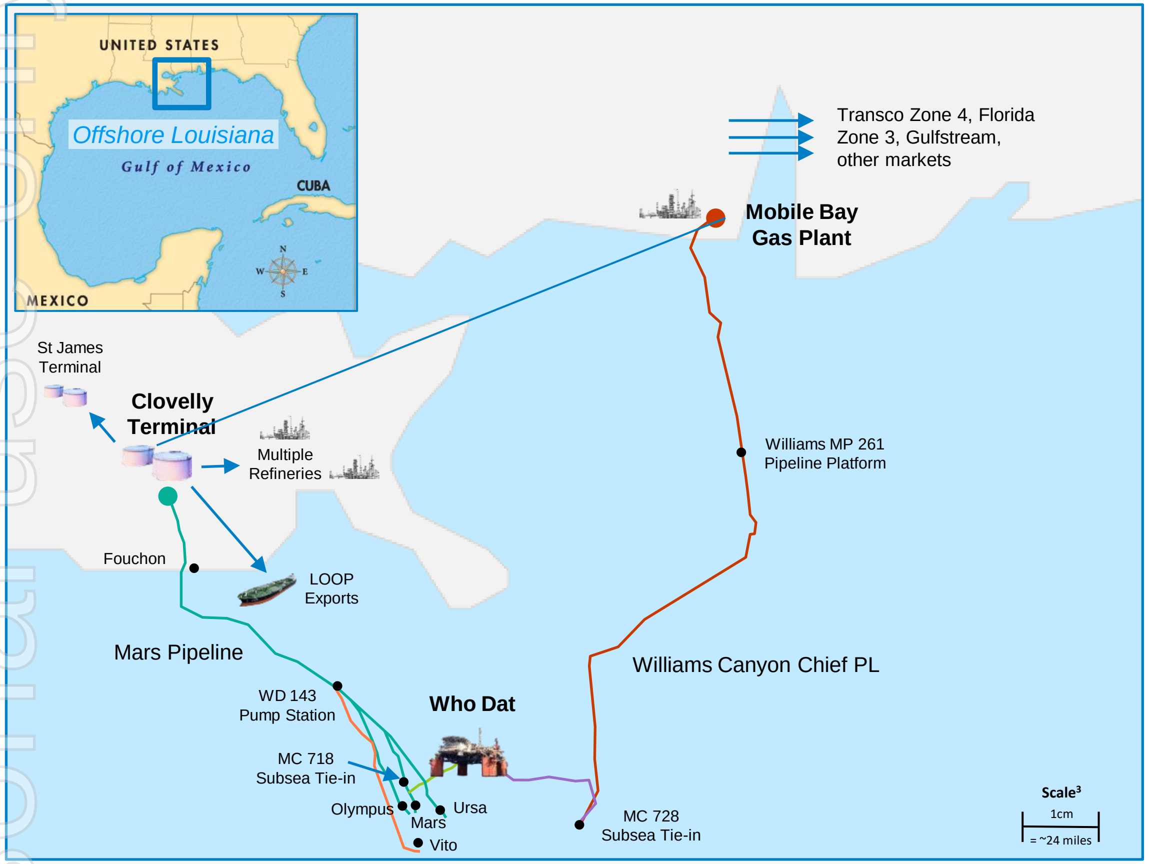


Pathway to market

Existing pipelines provide access to Gulf Coast markets

KAROON ENERGY

Access to market



Overview

Oil transport

- Oil exported via the Mars Pipeline from a Who Dat owned lateral pipeline
- The Mars Pipeline, operated by Shell, is a common carrier system with published rates to multiple terminals, refineries and Louisiana Offshore Oil Port (LOOP) for exporting
- Oil from Who Dat is marketed as a Mars grade and priced on a Mars Argus index (currently a small premium to WTI)[1]

Gas transport

- Gas exported into Canyon Chief pipeline via a Who Dat owned lateral pipeline
- The Canyon Chief pipeline, operated by Williams[2], is an offshore gathering system which delivers gas into Transco
- Transco pipeline provides service through the Williams Mobile Bay Gas Plant, and then into multiple onshore markets
- Who Dat gas typically priced off Platt's Florida Zone 3 or Transco Zone 4 index (typically a small premium to Henry Hub/NYMEX)

Note: 1. Mars/WTI basis Argus spot price as of 15 November 2023. 2. Williams is a Fortune 500 energy infrastructure corporation headquartered in Tulsa, Oklahoma. 3. Scale is approximate.

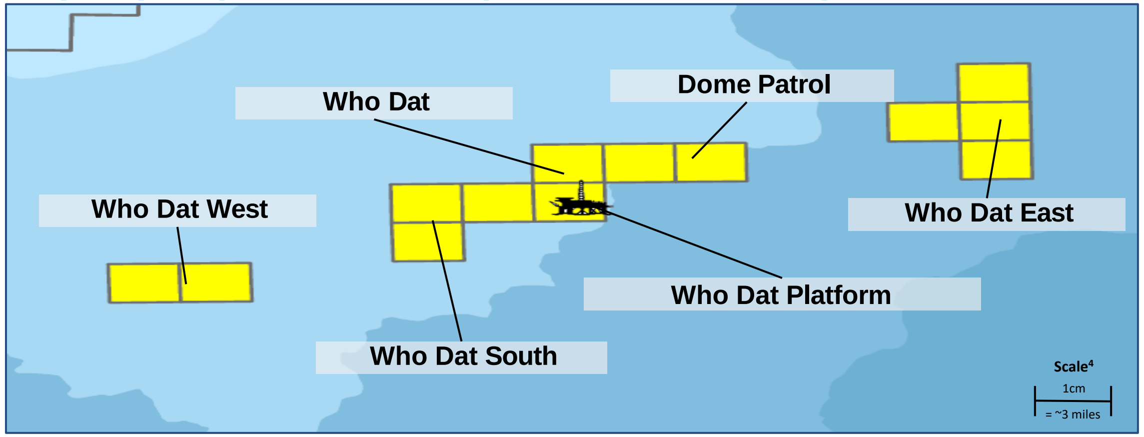
Reserve growth opportunities

Significant potential upside from potential subsea tiebacks

Overview

Who Dat East	› Discovered 2C Continent Resource of 17 MMBoe (Gross) and 2U Prospective Resource of 35 MMBoe (Gross)[1,2] › Appraisal well expected to be drilled in CY2024, subject to JV approval › Successful appraisal well to be tied back to Who Dat (17 miles) › Targeting discovered pay in the Upper Miocene › The deeper Cretaceous target has 2U Prospective Resource (unrisked) 168 MMBoe Gross › No other well penetrations in this play in this part of the basin › Further seismic studies ongoing to mature and de-risk the prospect
Who Dat West	› Estimated 2U Prospective Resource of 77 MMBoe (Gross) based on seismic imaging and analogs[1,2] › Targets are two Upper Miocene Amplitudes between 17,000 – 20,000' subsea › Exploration plan and unitisation are approved; well expected Q3 CY24 › Successful development would tieback to Who Dat (19 miles)
Who Dat South	› Estimated 2U Prospective Resource of 31 MMBoe (Gross) based on seismic imaging and analogs[1,2] › Targets are supported by numerous analogs in the Who Dat Field › Exploration plan approved for multiple locations for both surface and bottom hole › Development plan would include one to two well tieback to G Manifold (4 miles) or Who Dat (7 miles)

Map of prospect locations (offshore Louisiana)



Key prospect information

Prospect	Gross Resource[3]		Target
	2C (MMboe)	2U (MMboe)	
Who Dat East	17	35	Mid Miocene and Cretaceous 4-way
Who Dat West	-	77	Two upper Miocene Amplitudes
Who Dat South	-	31	Two Miocene Amplitudes
Total	**17**	**143**	

Note: 1. Reserves and Prospective Resources as at 1 Aug 2023. 2. Refer to cautionary statement relating to Prospective Resources on slide 18. 3. Karoon's NWI and NRI in the Resources are set out in the Who Dat Resources per Appendix A. 4. Scale is approximate.

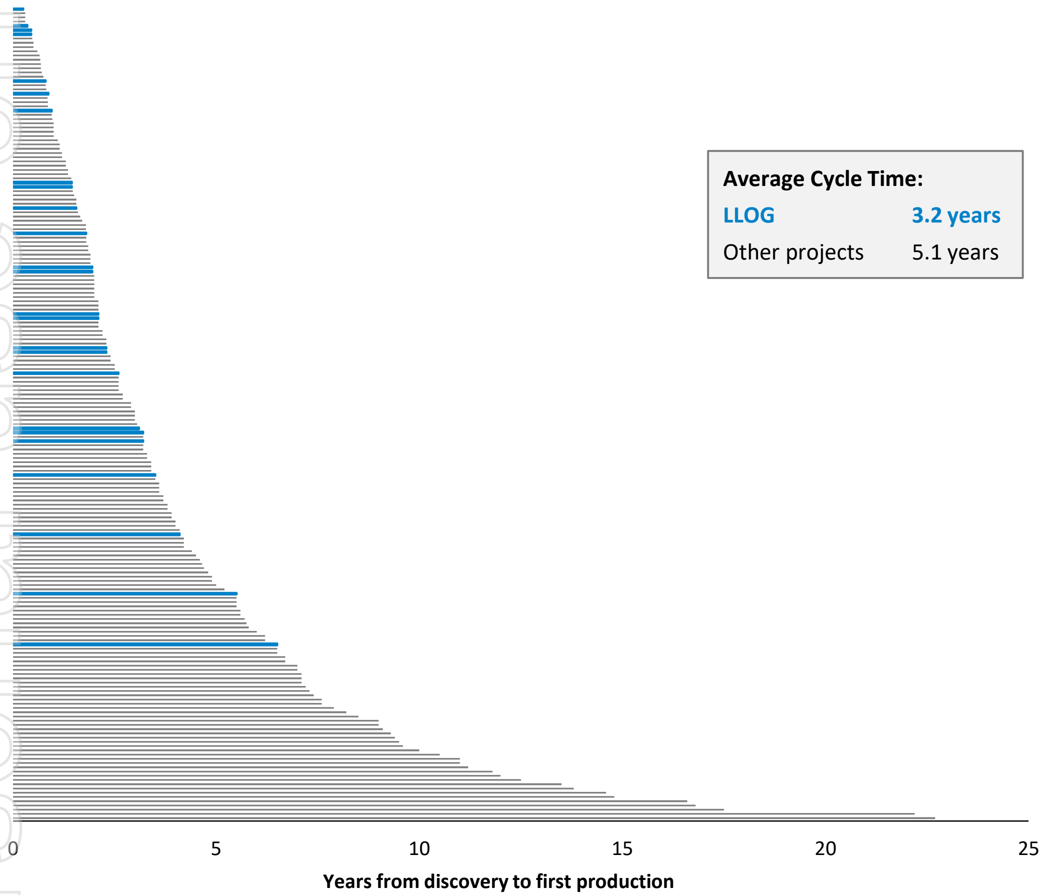
LLOG has a proven track record

Leading exploration returns alongside highly efficient development and drilling

KAROON ENERGY

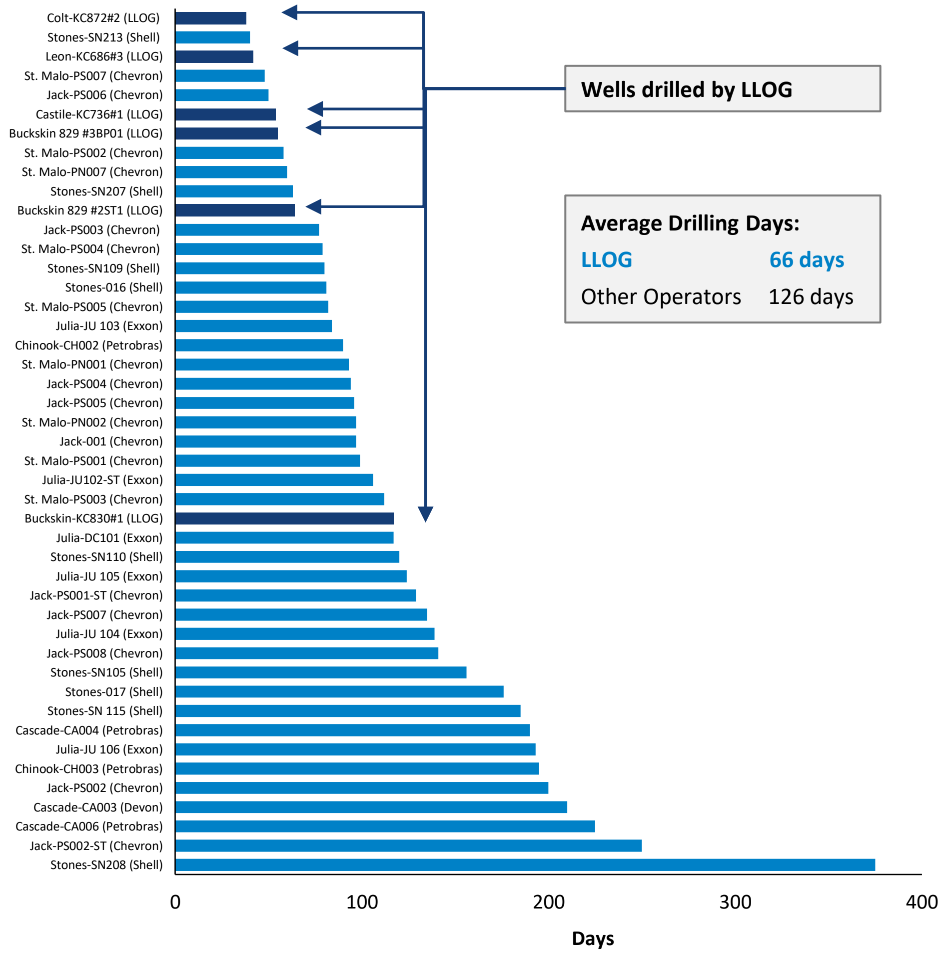
Value added through cycle time efficiency[1]

US Gulf of Mexico deepwater: subsea tiebacks



Leader in drilling efficiency[1]

Drilling days for deepwater wells



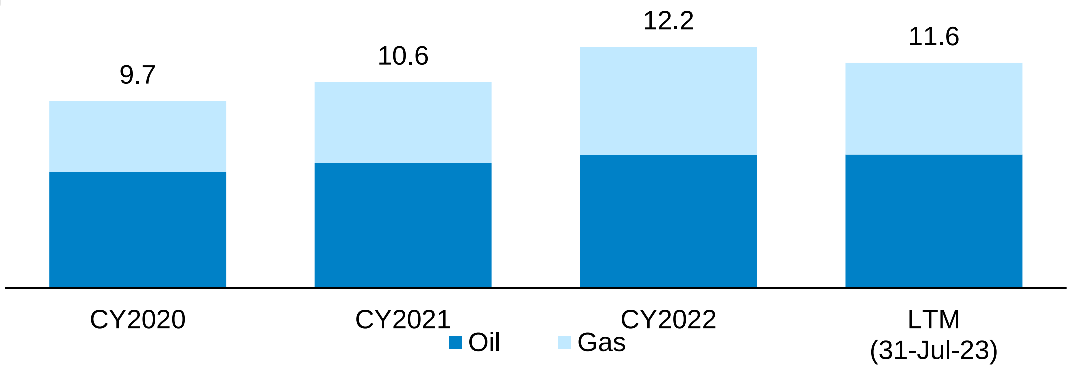
Source: OWL. Note: 1. Drilling days are calculated from spud to total depth.

Who Dat asset historical performance

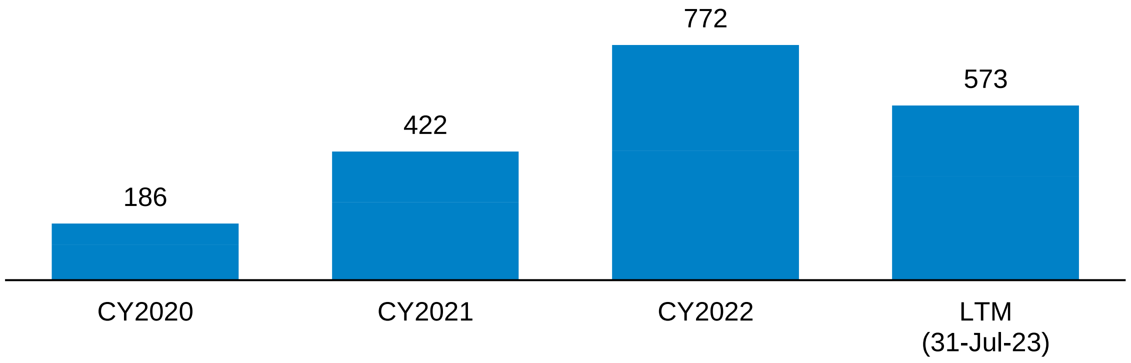
Strong production and earnings results

KAROON ENERGY

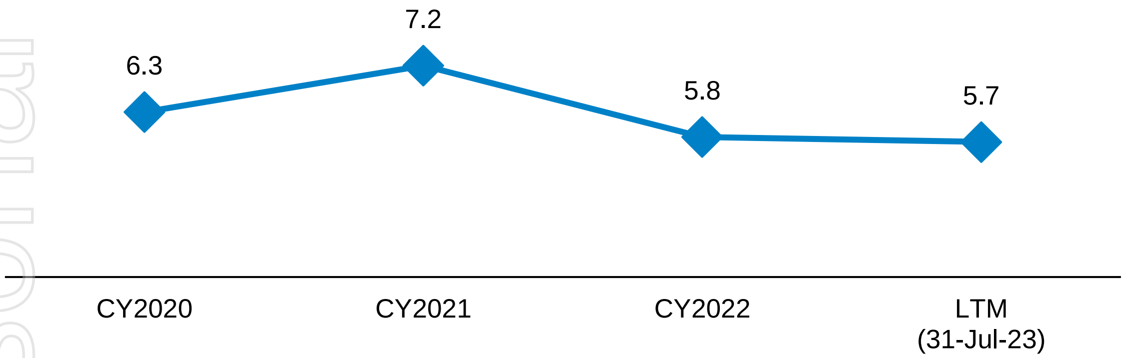
Production Gross (MMboe)[1]



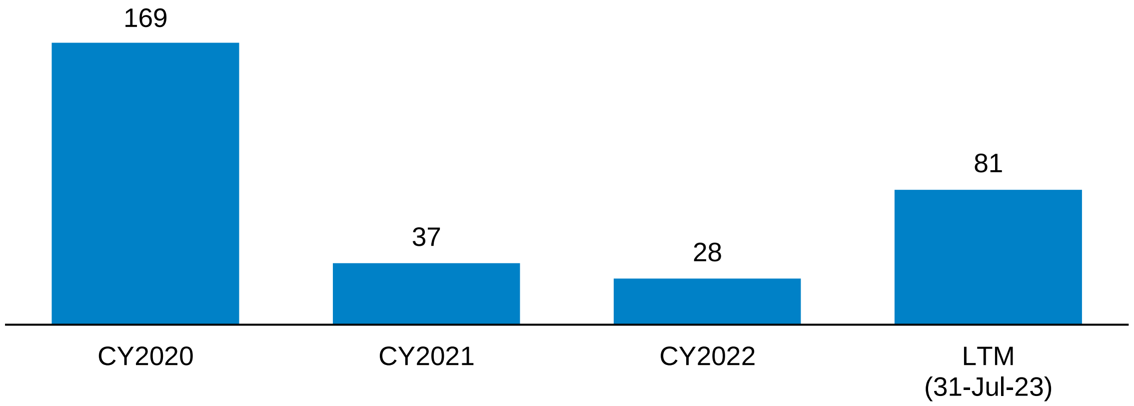
EBITDA Gross (US$m)[1,2]



Operating cost Gross (US$/boe)[1]



Capital cost Gross (US$m)[1]



Note: 1. Refer to Appendix A for net working interest to Karoon. 2. Operating cash flow used as an indicative EBITDA.

Section 4

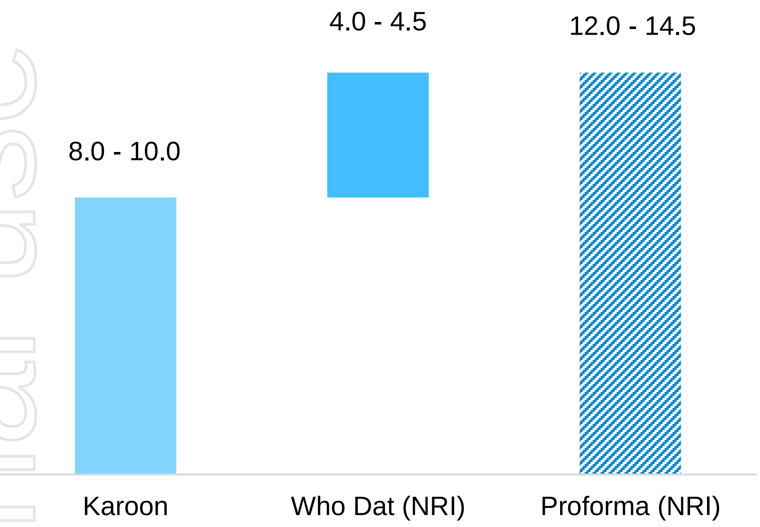
Karoon proforma summary

Karoon proforma earnings and scale uplift

The acquisition materially increases Karoon's scale

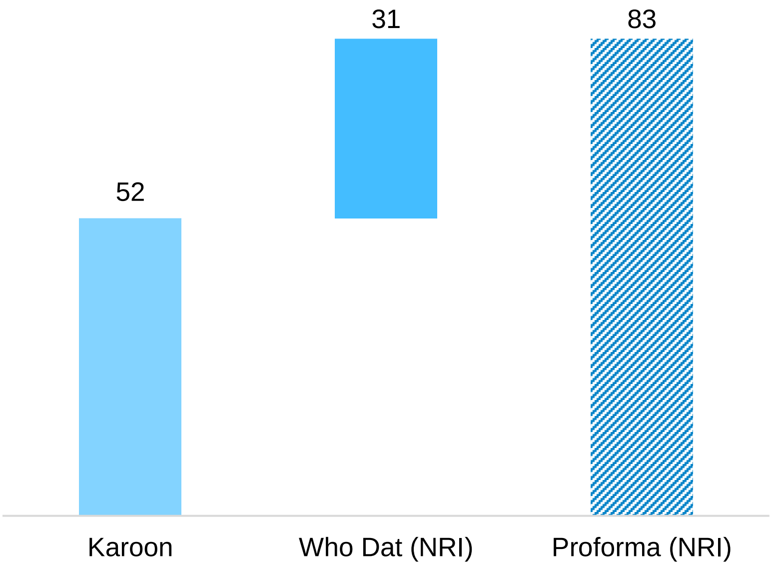
Proforma CY24E production guidance (MMboe)[1,2,3,4]

+45-50%
production growth



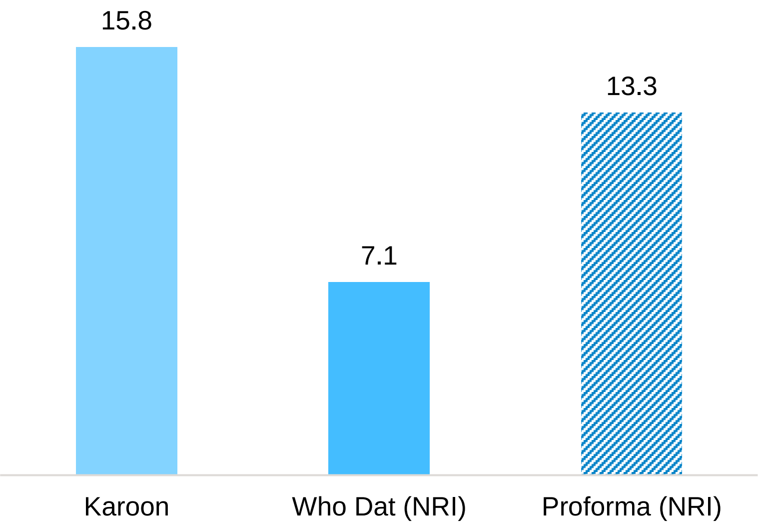
Proforma 2P Reserves (MMboe)[3]

+60%
2P Reserves growth



FY23A operating cost (US$/boe)[3]

~15%
reduction in cost/boe



Notes: 1. Karoon estimate shows management CY24 guidance range (midpoint charted for demonstration). 2. Who Dat shown on a 30% net Karoon proforma attributable basis. 3. Refer to slide 31 for guidance assumptions. 4 Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Refer to page 31 for further details on guidance.

Well-capitalised post completion

Strong balance sheet and liquidity to support post-acquisition growth

KAROON ENERGY

Karoon's proforma capital structure[1,2]

		Karoon Standalone	Transaction Adjustments	Karoon Pro Forma
Share price[3]	*A$/shr*	2.40	2.05	2.30
Shares on issue	*#m*	567	234	801
Market Capitalisation (indicative)	*A$m*	1,360	480	1,840
Market Capitalisation (indicative)	*US$m*	850	300	1,150
(-) Cash (as at 31 October 2023)[4]	*US$m*	251	(171)	80
(+) Debt (as at 31 October 2023)[5]	*US$m*	-	274	274
Enterprise Value (indicative)	*US$m*	599	745	1,344
Net Debt / (Cash)	*US$m*	(251)	445	194
Gearing (Net Debt / Enterprise Value)	*%*	Net cash		14%
FY23A EBITDA	*US$m*	322	143	465
Leverage (Net Debt / FY23A EBITDA)	*X*	Net cash		0.4x

Balance sheet commentary

- Strong balance sheet post Acquisition, with proforma net debt at completion of US$194m translating to gearing of ~14% and US$80m cash on hand post Acquisition plus Brazil free cash flow in the period from 1 November 2023
- Transaction will result in a Karoon leverage of 0.4x FY23A EBITDA6
- Post transaction leverage sized in consideration of Q1 2024 expected tax and Petrobras payments
- Strong proforma EBITDA is expected to provide flexibility for accelerated debt repayment
- Uplift in proforma EBITDA allows for potential capital allocation towards balance sheet flexibility, organic growth, acquisitions and returns to shareholders
- Oil price hedging currently in place consists of 25-31% of pre Acquisition volumes (US$65/bbl floor) out to 31 March 2024[7]
- Post Acquisition hedging requirements are based on a laddering approach according to the level of collateral coverage[8]

Notes: 1. Market data as at Tuesday 14 November 2023. 2. Assumes AUD/USD = 0.625. 3. Karoon last close share price as at Tuesday 14 November 2023. TERP includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer and is based on the closing price of $2.40 as at Tuesday, 14 November 2023. TERP is a theoretical calculation only and the actual price at which KAR shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. KAR's last traded price on Wednesday, 15 November 2023 was $2.15. 4. 31 October 2023 closing cash of US$281m less US$30m to repay existing debt drawdown of US$30m. 5. Assume nil drawn debt due to US$30m cash repayment prior to establishment of new Debt Facility. 6. Leverage defined as Proforma Net Debt / Proforma FY23A EBITDA. 7. Oil price hedging includes a mix of bought put options and collars (consisting of a bought put and sold call) over Brent. 8. Collateral coverage according to the new Debt Facilitates is determined as the value of the borrowing base divided by borrowings.

Guidance[1]

Period		Proforma CY24 12 months to 31 Dec 24	
		Low	High
Production[2]			
Brazil	*MMboe*	8.0	10.0
Who Dat (NRI)	*MMboe*	4.0	4.5
Total Production	***MMboe***	**12.0**	**14.5**
Costs			
Unit Production Costs[3]	*US$/boe*	9.0	14.0
Business Development, share-based payments & Neon studies	*US$m*	11.0	12.0
Finance costs and interest[4]	*US$m*	27.0	31.0
Other Operating Costs[5]	*US$m*	31.0	35.0
Investment Expenditure			
Neon	*US$m*	13.0	14.0
Other capex	*US$m*	12.0	13.0
Who Dat[6]	*US$m*	15.0	20.0
Total Capex	***US$m***	**40.0**	**47.0**
Petrobras consideration[7]	*US$m*	85.0	87.0

BASIS OF GUIDANCE

1. Guidance is subject to various risks (including “Key Risks” set out in Appendix C of this Presentation and 2023 Annual Report)
2. Production assumes drilling results and expected future development and appraisal projects being delivered in accordance with their currently expected schedules
3. Unit Production Costs: based on daily operating costs associated with Baúna and Who Dat Production, and Baúna FPSO lease costs (Pre AASB 16)
4. Finance costs and interest include fees and debt interest
5. Other Operating costs: includes staff costs, IT, other corporate costs and non-oil and gas related depreciation. This excludes royalties and other government take, social investment/sponsorships in lieu of tax and foreign exchange gains/losses
6. Excludes exploration capex that is yet to be approved by the JV
7. Contingent consideration payable to Petrobras which is dependent on future oil prices

Guidance to 6 months to TY23 on an underlying basis excluding the impact of the transaction and associated costs remains unchanged

Note: Prospective financial information is predictive in character, may be affected by inaccurate assumptions or by known or unknown risk and uncertainties and may alter materially from results ultimately received. Unit DD&A subject to the finalisation of the transaction and subsequent purchase price allocation.

KAROON ENERGY

Section 5

Transaction funding

Sources and uses of funds

KAROON ENERGY

Sources and uses of funds[1]

Sources	A$m	US$m
Equity	480	300
Drawn Debt (current borrowing base limit)[2]	438	274
Existing Cash	274	171
Total sources	**1,192**	**745**

Uses	A$m	US$m
Consideration	1,152	720
Adjustments (Acquisition effective date offset)	(3)	(2)
Transaction costs[3]	43	27
Total uses	**1,192**	**745**

Transaction funding structure

Equity Raising

- Fully underwritten Equity Raising of approximately A$480m comprising:
  - A$170m placement. and
  - A$310m entitlement offer
- Offer Price of A$2.05 per New Share

Debt Facility

- 5-year Reserve Based Lending (RBL) revolving Debt Facility
  - RBL is secured against Baúna only, with a borrowing base of US$274 million
  - US$340 million of capacity represents a significant uplift in commitments from a high quality lender group
  - The intention is to add the acquired assets into the borrowing base during 1H 2024, accessing the higher facility amount and boosting liquidity
  - Covenants include minimum cash requirements, DSCR, liquidity ratio and Karoon group wide leverage ratio
  - The Debt Facility includes hedging commitments
- General purpose to support operations and growth
- US$274 million drawdown of new debt facilities results in a Karoon leverage ratio of ~0.4x[4]

Note: 1. Assumes AUD/USD = 0.625. 2. Existing drawn debt of US$30m assumed to be repaid with cash on balance sheet prior to establishment of new Debt Facility. 3. Transaction costs include equity underwriting and associated raising fees, debt establishment, legal fees and diligence fees. 4. Leverage defined as Proforma Net Debt / Proforma FY23A EBITDA.

Equity raising details

Offer size and structure	› Fully underwritten Equity Raising of approximately A$480 million, including: › A$170 million institutional placement to eligible investors (“Placement”) › A$310 million 1-for-3.75[1] pro rata accelerated non-renounceable entitlement offer (“Entitlement Offer”) › Approximately 234 million new fully paid ordinary shares (“New Shares”) to be issued under the Placement and Entitlement Offer, representing approximately 41% of existing shares on issue
Offer price	› The Placement and Entitlement Offer will be conducted at a price of A$2.05 per New Share (“Offer Price”), representing: › approximately 10.8% discount to the theoretical ex-rights price (“TERP”[2]) of A$2.30 per share[5] › approximately 12.4% discount to the 5 day VWAP of A$2.34 per share as at 14 November 2023 › approximately 14.6% discount to the close price of A$2.40 per share as at 14 November 2023
Placement and Institutional Entitlement Offer	› Placement and Institutional Entitlement Offer to be conducted by way of bookbuild process that will open on Thursday, 16 November 2023 and close on Friday, 17 November 2023
Retail Entitlement Offer[2]	› The Retail Entitlement Offer will open at 9:00am on Thursday, 23 November 2023 and close at 5:00pm on Wednesday, 6 December 2023 › Under the Retail Entitlement Offer, eligible retail shareholders[3] that take up their full Entitlement may also apply for additional New Securities in excess of their Entitlement, up to a maximum of 55% of their Entitlement at the Offer Price (Additional Securities)
Ranking	› All New Shares issued under the Equity Raising will rank pari passu with existing shares on issue
Underwriting	› The Equity Raising is fully underwritten
Underwriter	› Macquarie Capital (Australia) Limited is the Underwriter and Bookrunner to the Offer[4]
Record Date	› Monday, 20 November 2023 (7:00pm Sydney time)

Notes: 1. Fractional entitlements to New Shares will be rounded up to the nearest whole number. 2. TERP includes shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer and is based on the closing price of $2.40 as at Tuesday, 14 November 2023. TERP is a theoretical calculation only and the actual price at which KAR shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. 3. Only certain retail shareholders including those registered in Australia or New Zealand will be eligible to participate in the Retail Entitlement Offer. 4. Karoon has entered into a underwriting agreement pursuant to which Macquarie Capital (Australia) has Agreed to underwrite the Equity Raising. The underwriting agreement is subject to customary conditions precedent and termination events. Refer to “Equity financing” in the “Key Risks” on slide 48 of this presentation and Appendix C “Underwriting Agreement Termination Events” on slide 51 of this presentation for further information. If the conditions precedent are not satisfied (or waived) or the underwriting agreement is terminated, Karoon would need to seek alternative sources of funding in order to complete the Acquisition. 5. Karoon’s last traded price immediately prior to entering trading halt on Wednesday, 15 November 2023 was A$2.15 following media speculation of an imminent transaction.

Equity raising timetable

KAROON ENERGY

Event	Date[1]
Announcement of Acquisition and Equity Raising, trading halted and Institutional Entitlement Offer and Placement opens	Thu, 16 November 2023
Announcement of completion of Institutional Entitlement Offer and Placement	Fri, 17 November 2023
Trading halt lifted and shares recommence trading	Fri, 17 November 2023
Record date under the Entitlement Offer	Mon, 20 November 2023
Lodge Retail Offer Booklet on ASX announcement platform	Thu, 23 November 2023
Retail Entitlement Offer opens and Retail Offer Booklet dispatched	Thu, 23 November 2023
Settlement of Institutional Entitlement Offer and Placement	Fri, 24 November 2023
Allotment and trading of New Shares issued under the Institutional Entitlement Offer and Placement	Mon, 27 November 2023
Retail Entitlement Offer closes	Wed, 6 December 2023
Announce results of Retail Entitlement Offer	Mon, 11 December 2023
Settlement of Retail Entitlement Offer	Tue, 12 December 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Wed, 13 December 2023
Trading of New Shares issued under the Retail Entitlement Offer	Thu, 14 December 2023
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Mon, 18 December 2023

Notes: 1. The above timetable is indicative only and subject to change without notice. All dates and times are Sydney time. Karoon reserves the right to vary these dates or withdraw the Equity Raising at any time.

KAROON ENERGY

Appendix A

Supporting information

Who Dat Reserves & Resources

KAROON ENERGY

As at 1 August 2023		1P			2P			3P			
Reserves		**Gross**	**NWI**	**NRI**	**Gross**	**NWI**	**NRI**	**Gross**	**NWI**	**NRI**	
Who Dat, Dome Patrol and Abilene	Oil (mmbbl)	60.5	18.1	14.5	83.1	24.9	19.9	121.7	36.5	29.2	
	NGL (mmbbl)	-	-	0.8	-	-	1.3	-	-	1.5	
	Gas (bcf)[1]	179.6	53.9	39.0	278.2	83.5	60.4	345.7	103.7	74.5	
	Oil Equivalent (mmboe)	**90.4**	**27.1**	**21.8**	**129.4**	**38.8**	**31.2**	**179.4**	**53.8**	**43.2**	
		1C			**2C**			**3C**			
Contingent Resources		**Gross**	**NWI**	**NRI**	**Gross**	**NWI**	**NRI**	**Gross**	**NWI**	**NRI**	
Who Dat East	Condensate (mmbbl)	2.0	0.8	0.6	6.3	2.5	1.9	21.2	8.5	6.6	
	Gas (bcf)[1]	28.3	11.3	8.8	65.9	26.3	20.5	151.6	60.6	47.1	
	Oil Equivalent (mmboe)	**6.7**	**2.7**	**2.1**	**17.2**	**6.9**	**5.4**	**46.5**	**18.6**	**14.4**	
		1U			**2U**			**3U**			**PoS**
Prospective Resources[2]		**Gross**	**NWI**	**NRI**	**Gross**	**NWI**	**NRI**	**Gross**	**NWI**	**NRI**	
Who Dat East	Oil Equivalent (mmboe)	24.1	9.6	7.5	34.4	13.7	10.7	48.1	19.2	14.9	43-68%
Who Dat West	Oil Equivalent (mmboe)	45.4	15.9	12.7	76.9	26.9	21.6	143.3	50.2	40.2	32-37%
Who Dat South	Oil Equivalent (mmboe)	18.3	5.5	4.4	31.3	9.4	7.6	50.1	15.0	12.2	43-54%
Who Dat East Deep	Oil Equivalent (mmboe)	61.5	24.6	19.1	167.8	67.1	52.1	330.3	132.1	102.6	7%
Total	**Oil Equivalent (mmboe)**	**149.3**	**55.6**	**43.8**	**310.4**	**117.2**	**92.0**	**571.9**	**216.6**	**169.9**	

1. The conversion factor of 6 mcf = 1 boe has been used to convert from gas to oil equivalent. 2. Refer to cautionary statement relating to Prospective Resources on slide 18.

Land Overview

Joint Venture	Blocks	Lease effective date	Lease expiry date
Who Dat	MC 502	1 May 2005	HBP (longhorn unit)
	MC 503	1 May 2005	HBP
	MC W/2 504	1 July 2014	30 June 2024
	MC E/2 546	1 July 2003	HBP (Who Dat and Longhorn Unit)
	MC E/2 547	1 July 2008	HBP
Dome Patrol	MC E/2 504	1 July 2014	30 June 2024
	MC E/2 505	1 July 2016	HBP
Abilene	MC W/2 546	1 July 2003	HBP
Who Dat South	MC 545	1 October 2017	30 September 2024
	MC 589	1 August 2017	31 July 2024
Who Dat West	MC 629 & 630	MC 629 – 1 December 2017 MC 630 – 1 December 2018	MC 629 - 30 November 2024 MC 630 – 30 November 2023
Who Dat East	MC 509 & 421	MC 509 - 1 July 2018 MC – 421 - 1 June 2017	MC 509 - 30 June 2025 MC 421 – 31 May 2024
	MC 464	1 June 2017	31 May 2024
	MC 465	1 June 2017	31 May 2024

Fiscal regime comparison

US Deepwater Gulf of Mexico

Net working interest (NWI) oil and gas production

- **Less: ONRR[(1)] royalty** — *12.50% (18.75% for post-2022 leases)*
- **Less: third party royalties**

Net revenue interest (NRI) oil and gas production — ***PRMS compliant Reserves, Resources and production***

- **Less: transport and processing fees**

Net revenue

- **Less: opex and other allowable deductions[(2)]**

Taxable income

- **Less: State income tax** — *0% to 5.925% of taxable income[(3)]*
- **Less: Federal income tax** — *21% of taxable income*

Karoon share

Brazil

Net working interest (NWI) oil and gas production — ***PRMS compliant Reserves, Resources and production***

- **Less: ANP[(4)] royalty share** — *10%*
- **Less: Research & development levy** — *1% (applicable alongside Special Participation)*

Post-royalty and R&D levy revenue

- **Less: transport and processing fees**

Net revenue

- **Less: opex and other allowable deductions[(5)]**

Income before special participation

- **Less: Special participation** — *Up to 40% of pre-tax net earnings based on quarterly production*

Taxable income

- **Less: income tax** — *34% of taxable income*

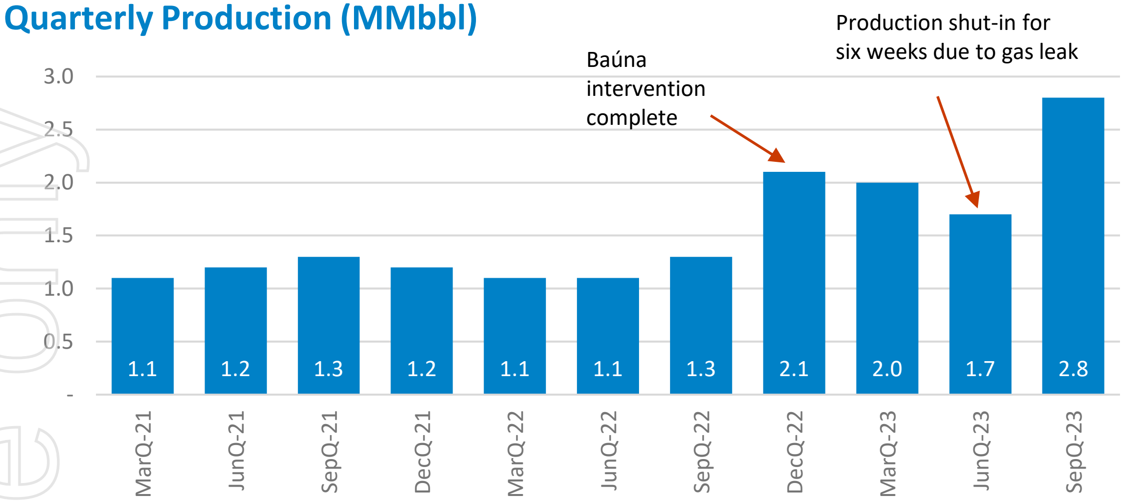
Karoon share

Notes: 1. Office of Natural Resources Revenue, being a unit of the United States Department of the Interior. 2. Intangible drilling can be immediately deducted whilst other costs are subject to either the modified accelerated cost recovery system or units of production method. 3. Prospective liability depends upon detailed assumptions regarding the destination of marketed goods and the way production is marketed. 4. The Brazilian National Agency for Petroleum, Natural Gas and Biofuels. 5. Depreciation is typically recorded using the straight-line method.

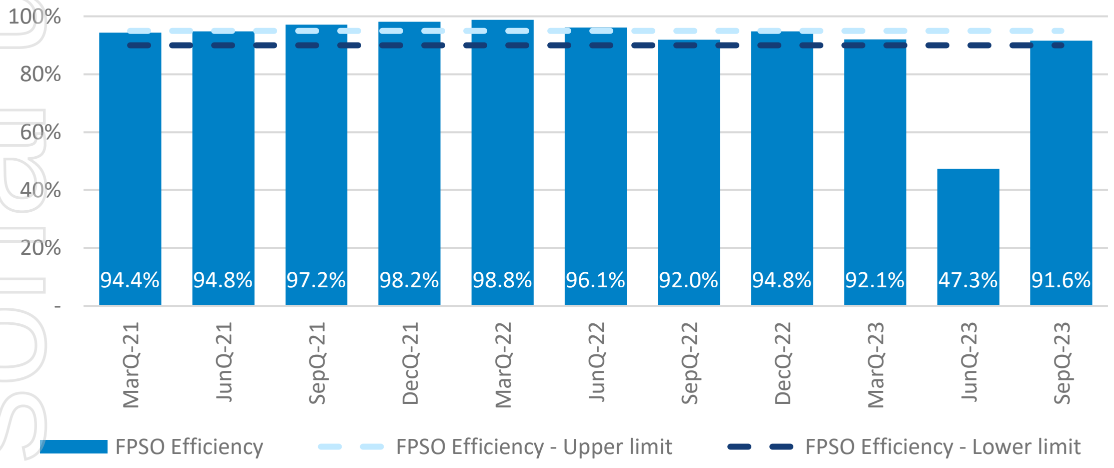
Baúna operating performance

Focus on maintaining uptime on facilities and active well management

Quarterly Production (MMbbl)



Quarterly FPSO Efficiency (%)



- Key priority is maintaining safe and healthy work environment, and minimising environmental impact
- September quarter 2023 was first full quarter of production following Baúna Intervention campaign and Patola development
- Higher fluids production rates (oil, water and gas), allows Karoon to use both processing trains, leading to lower equipment redundancy
- FY23 average FPSO efficiency of 82% (including unplanned shutdown), Sept 23 Q 92%, within projected range of 90-95%[1]
- Next planned maintenance shutdown scheduled for March 2024, including valves, tanks and hull inspections, subject to FPSO performance
- Excluding planned and unplanned downtime, natural decline rate over next twelve months expected to be ~15%

Notes: 1. FPSO efficiency is defined as the proportion of actual production to potential production.

Appendix B

Key risks

Key risks

KAROON ENERGY

- This section sets out some key risks associated with an investment in Karoon, which may affect the value of shares in Karoon. The risks do not constitute an exhaustive list of all risks involved with an investment in Karoon.
- Before investing in Karoon you should be aware that a number of risks and uncertainties, which are both specific to Karoon and of a more general nature, may affect the future operating and financial performance of Karoon and the value of the shares. You should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on Karoon (such as that available on the ASX website), and consult their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.
- Key risks include: (a) Operational and business risks (including as relevant following the Acquisition); (b) Acquisition risks; and (c) General risks.

Operational and business risks

Oil price	› The financial performance of Karoon is significantly influenced by oil prices. Oil prices are volatile and affected by numerous factors beyond Karoon's control, including consumer demand, industry supply trends, international financial market conditions, uncertainty in commodity markets, OPEC actions, global economic conditions, government pricing regulations, and competing fuel sources. › Increases or decreases in oil prices will affect Karoon's profits, interim net cash flows from the Acquisition and cash flow available for debt service and funding capital expenditures and may impact Karoon's ability to borrow money or raise additional capital. Lower oil prices may reduce oil and gas reserves. › Karoon's cashflow forecasting is based on what management considers to be achievable Brent price through the budget period. Karoon may from time to time, enter into hedging arrangements to reduce its exposure to movements in oil price risk. There is no guarantee that any hedging arrangements will be effective in reducing Karoon's exposure to movement in oil prices and may introduce forward delivery risk if production is insufficient to meet hedge volumes.
Estimation quantities of Reserves and Contingent Resources and recovery of Resources	› The estimation of hydrocarbon Reserves and Resources is not precise and is subject to significant uncertainties associated with hydrocarbon reservoir geology and the interpretation of seismic and well data, as well as assumptions regarding recovery factors, future oil prices and development and operating costs. Estimates may change significantly if new information becomes available. Changes in the level of Resources recoverable may adversely affect the economics of any given project and/or Karoon's financial performance. › There is no guarantee that estimated hydrocarbon reserves are able to be successfully recovered or that contingent or prospective hydrocarbon resources are able to be converted to reserves.
Operational interruptions	› There are a number of risks associated with operating in the oil and gas industry, including fire, explosions, blow outs, pipe failures, unexpected maintenance (including capital repairs), abnormally pressured formations, asset loss, production disruption, possible regulatory interventions, personnel safety and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. Standard risks associated with offshore marine operations and workforce matters are also relevant. The occurrence of any event associated with these risks could result in production interruptions and/or substantial losses to Karoon. These events may have a material adverse effect on Karoon's performance. As a single asset company these risks are currently heightened for Karoon. › To the extent that it is reasonable and possible to do so, Karoon mitigates the risk of losses associated with operating events through insurance contracts, monitoring and risk planning and mitigation. Karoon also relies on third parties to act as operators (under contract) of its assets.

Key risks

Operational and business risks

Laws, regulations and government policies	› Karoon's business is subject to extensive laws, regulations and government policies in the jurisdictions where Karoon operates its assets and carries out its business. Failures to comply may result in reputational harm, operations being suspended or delayed, permits, licenses and concessions being cancelled, and fines and penalties being imposed.
	› Changes in laws, regulations or government policies cannot be predicted with any certainty. Such changes may result in the imposition of additional or onerous requirements resulting in delays to operations and additional cost. Karoon is aware that:
	  › The U.S. Bureau of Ocean Energy Management (BOEM) is currently engaged in public consultation regarding a proposed rule entitled "Risk Management, Financial Assurance, and Loss Prevention" (RIN 1010-AE14) (Rule). Although not currently effective, the Rule if enforced would change the current bonding arrangements for decommissioning obligations associated with the Acquisition assets. Aspects of the Rule being consulted on, include the provision of decommissioning bonds, backed by surety's or other instruments to cover a P70 decommissioning estimate. Given the current stage of the public consultation, neither the timing, the exact terms of, nor the effects of the Rule which ultimately becomes effective can be stated at this time, including whether the surety capacity is available at reasonable costs or at all to satisfy the security obligations in the proposed rule.
	  › Constitutional Amendment Bill (PEC) No. 45/2019 is currently before the Brazilian Congress, having been passed by the Senate already. The bill may result in changes to Brazilian tax law, which could impact on the extractive industries including Karoon. The proposal is generally focused on the establishment of a regulated carbon marketing in Brazil, via a cap and trade system. Given the current stage of the legislative process, the ultimate scope, timing and likelihood of any such tax change is currently unknown.

Decommissioning	› Karoon may not have accurately anticipated required decommissioning costs and obligations, including due to higher standards being imposed in the future. › In relation to the Acquisition, the BOEM requires that lessees demonstrate financial strength and reliability according to its regulations or provide acceptable financial assurances to assure satisfaction of lease obligations, including decommissioning activities. If Karoon fails to comply with any orders of the BOEM to provide additional surety bonds or other financial assurances, the BOEM could commence enforcement proceedings or take other remedial action, including assessing civil penalties, suspending operations or production, or initiating procedures to cancel leases, which, if upheld, would have a material adverse effect on Karoon's business, properties, results of operations and financial condition. See also the 'laws, regulations and government policies' risk above.
Availability of parts, labor and logistics	› Maintenance of operations, including the FPSO and FSO and development work, including the Neon Project, if sanctioned requires significant capital and ongoing operational maintenance and expenditure. These works may be delayed or unsuccessful for many reasons including drilling outcomes, reservoir performance, regulatory approvals, technical requirements, weather events, cost overruns, equipment availability, contractor performance and labour shortages and industrial action.
Cyber security	› Karoon's operations, including the assets acquired from the Acquisition, are and will continue to be reliant on various computer systems, data repositories and interfaces with networks and other systems. Failures or breaches of these systems (including by way of virus, ransomware, artificial intelligence fraud and hacking attacks) have the potential to materially and negatively impact Karoon. Whilst Karoon has barriers, contingency plans and risk management approaches in place to mitigate this situation, there is no guarantee that such plans will be effective. Karoon is also reliant on the operators of its assets to maintain similar barriers, plans and risk mitigation approaches. Karoon monitors performance under these material contracts, including enforcing legal rights and remedies to mitigate these risks however there is no certainty that such remedies will be sufficient to protect Karoon's business from material damages.
Insufficient cashflow	› Insufficient cash flows to meet debt servicing and/or hedging obligations and/or day to day operational commitments may result in either a default or review event under the Debt Facility as described on page 33 of this slide pack. › In circumstances where no funding was available to Karoon, Karoon could seek to raise capital via an equity raising in a short time frame (subject to its placement capacity at the time), however there is no guarantee that such funding would be available at the time, or on terms satisfactory to Karoon.

Key risks

KAROON ENERGY

Operational and business risks

Health & Safety	› Exploration and production of oil and gas may expose Karoon's staff and contractors to potentially dangerous working environments. Health and safety legislation and regulations differ in each jurisdiction. If any of Karoon's employees or contractors suffer injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on Karoon's business and reputation.
Environment	› Oil and gas exploration, development and production activities may damage the environment. If Karoon is responsible, it will be required to remediate the damage which may involve substantial expenditure and adversely affect Karoon's reputation. A failure to comply with environmental legislation and regulations may result in reputational harm, operations being suspended or delayed, permits, licenses and concessions being cancelled, and fines and penalties being imposed. › In respect of the assets acquired under the Acquisition, oil and natural gas operations in the United States are subject to stringent federal, state and/or local laws and regulations relating to the release or disposal of materials into the environment or otherwise relating to environmental protection. These laws and regulations require the acquisition of a permit or other approval before drilling or other regulated activity commences. restrict the types, quantities and concentration of substances that can be released into the environment in connection with drilling and production activities. limit or prohibit exploration or drilling activities on certain lands lying within protected areas or that may affect certain wildlife, including marine species and endangered and threatened species and impose substantial liabilities for pollution resulting from operations. Additionally, the threat of climate change continues to attract considerable attention in the U.S., and the combat of climate change has been made a focal point of the Biden Administration's agenda. One or more of these developments that impact Karoon's oil and natural gas exploration and production activities in the Gulf of Mexico could have a material adverse effect on its business and results of operations.
Key personnel	› The ability of Karoon to achieve its objectives depends on the engagement of key employees, Directors and contractors with appropriate experience and expertise. If Karoon cannot secure required personnel there is risk of additional costs and delays which may adversely affect Karoon's financial performance.
Climate policies and the energy transition	› Policies related to climate and the energy transition in the countries in which Karoon operates and also in which it products are consumed may adversely affect oil demand, oil prices and oil industry investment and funding behaviour. Changes in these factors may adversely impact the Karoon's financial performance.
Weather conditions	› Karoon's operating results may be adversely affected by weather conditions. Karoon's assets, particularly those acquired from the Acquisition, are particularly vulnerable to significant risk from hurricanes and tropical storms in the U.S. Gulf of Mexico. Karoon is unable to predict what impact future hurricanes and tropical storms might have on its future results of operations and production. Adverse weather may result in a loss or production, including a complete cessation of production, where either the facility or downstream infrastructure is impacted by adverse weather conditions. If the level of production from these properties substantially declines, it could have a material adverse effect on Karoon's overall production level and revenue. › Karoon (via asset operators as appropriate) manages the impact of adverse weather conditions by carefully monitoring weather patterns and forecasts to ensure precautions can be taken to protect people and assets as necessary, ensuring appropriate allowance for weather disruption in operations planning and implementing contingency planning for weather-related disruptions. Karoon also considers opportunities for investment in physical climate change risk analysis studies for specific operating location(s).
Farm-out and Joint Venture Partners /Counterparts	› Karoon may enter into farm-out or joint venture agreements in relation to particular assets, including the assets acquired under the Acquisition. Farm-out or joint venture partners may be unable to pay for their share of applicable costs. Karoon cannot guarantee the financial performance or financial viability of its farm-out or joint venture partners.

Key risks

Operational and business risks

Insurance	› Karoon's insurance does not comprehensively cover all risks that may materialise and some insurances are prohibitively expensive making them not commercially viable. The occurrence of events which are uninsurable, not insured or partly insured may have a material impact on Karoon's financial performance.
Litigation risk	› There is a risk that Karoon may have claims made against it and be the subject of litigation or be required to commence litigation, including with respect to its other contracting parties. The impact of such actions may have a material adverse impact on Karoon.
Currency risk	› Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Karoon carries on part of its business outside of Australia and trades primarily in US dollars and intends to continue to do so. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian or US dollar.
Requirement to raise additional funding	› Karoon may be required to raise additional funds in the future. There is no guarantee that Karoon will be able to raise such additional capital when it is required, or on terms satisfactory to Karoon. If Karoon is unsuccessful in obtaining funding when required, Karoon may need to delay, scale down or cease its operations.
Industry competition	› Karoon conducts its business in a highly competitive industry in which there are a number of competitors who have greater resources and capabilities. Karoon's financial performance, the future prospects of the business and the value of Karoon's shares could be materially adversely affected if Karoon cannot compete with its competitors.

Key risks

Acquisition risks

Risks related to operating in the U.S. Gulf of Mexico	› Oil and gas drilling and production activities are subject to numerous risks, including the risk that no commercially productive oil or natural gas reserves are found. The cost of drilling and completing wells is often uncertain, particularly in the U.S. Gulf of Mexico. In addition, the geological complexity of the areas where the acquired assets are located may make it more difficult to sustain historical rates of drilling success. Furthermore, reserve replacement needs in the U.S. Gulf of Mexico may be greater than those of properties with longer-life reserves in other producing areas. › Drilling and production activities in the U.S. Gulf of Mexico may be shortened, delayed or canceled as a result of a variety of factors, many of which are beyond Karoon's control. These factors include: unexpected drilling conditions. pressure or irregularities in formations. equipment failures or accidents. hurricanes and other adverse weather conditions. shortages in experienced labor. and shortages or delays in the delivery of equipment. Karoon cannot assure you that the wells it drills will be productive or that it will recover all or any portion of its investment.
US asset title risk	› Title to oil and gas assets in the United States Outer Continental Shelf is complex, derived from multiple sources (including the records of BOEM and the adjacent county or parish real property records, none of which is necessarily determinative of title). Karoon and its advisors are in the process of reviewing title to the assets, as such review in the United States is customarily performed after the signing of a purchase and sale or other definitive agreement. Failure of title is not covered by representations and warranties in the purchase and sale agreement, and, other than a limited right to adjust the purchase price for title defects, any such failure would be borne by Karoon. › Further, title to assets in the United States Outer Continental Shelf is frequently divided by depth or stratum. Title may vary by depth, and ownership by Karoon of title to a certain depth does not guarantee title to all depths. As noted above, Karoon and its advisors are in the process of reviewing title to the assets, but have not, at this time finished such review and cannot definitively determine whether the reserves included in the Acquisition assets noted herein will actually be owned by Karoon in the quanta set forth herein (or at all).
PSA risk allocation	› If the Acquisition closes, Karoon will become responsible for the asset from the effective date and time of 1 October 2023 at 12:00 a.m. Central Time GMT -6 (and, with respect to decommissioning liabilities and environmental liabilities, before, on or after the effective time), subject to the risk allocation in the purchase and sale agreement. The purchase and sale agreement may not adequately compensate Karoon for materialised risks, including due to the warranty and indemnity regime not being exhaustive, liability limits and time bars on claims.
Integration risks, including new jurisdictional requirements	The success of the Acquisition will be dependent on, among other things, the effective and timely integration of the assets into Karoon. Risks to achieving successful integration include: › Higher than anticipated integration costs. › Integration of marketing, accounting and internal controls. › Availability of resources required. › Timeliness and terms provided by counterparties to contracted services and revenue arrangements. › Unforeseen material costs relating to the integration of the acquired assets into the Karoon group may arise, including acquiring additional systems, processing, plant, equipment and licences. › Unforeseen costs may be incurred in the short-term integration and management of the acquired assets, including familiarization and discharge of marketing and jurisdictional specific requirements, which may not be currently known or identified as part of due diligence. › It is possible that the process of integrating the acquired assets may divert senior management's attention from the management of daily operations, or could result in the loss of key employees, customers, providers, vendors or business partners, inconsistencies in standards, controls, procedures and policies, potential unknown liabilities and unforeseen expenses, delays, or regulatory conditions associated with and following completion of the Acquisition or higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. › Even where the assets acquired in the Acquisition are successfully integrated into Karoon's operations, it may not be possible to realise the full benefits Karoon anticipates or Karoon may not realise these benefits within the expected timeframe. If Karoon fails to realise the benefits anticipated from the Acquisition, its business, results of operations and financial condition may be adversely affected.

Key risks

KAROON ENERGY

Acquisition risks

Completion

- The Acquisition may not close or may not achieve closing within the expected timing due to a failure to satisfy the conditions precedent in the purchase and sale agreement, which include a) approval from the regulators, including the expiration of the waiting period (and any extension of such period) under the Hart Scott Rodino (HSR) Act, b) no breach of the warranties, covenants, and agreements, and c) no material title or environmental failure.
- If the Acquisition is not completed for any reason, Karoon may be required to forfeit its deposit under the purchase and sale agreement as liquidated damages (or, if the deposit has not yet been paid, fund the deposit to the seller). In addition, the ongoing business of Karoon may be materially adversely affected and, without realising any of the benefits of having completed the Acquisition, Karoon would be subject to a number of risks, including: negative reactions from the financial markets (such as negative impacts on the price of Karoon's shares). negative reactions from Karoon's customers, distributors, suppliers, vendors, landlords, joint venture partners and other business partners. the loss of substantial time committed by Karoon's management, which may have resulted in the distraction from ongoing business operations and pursuing other opportunities that could have been beneficial to Karoon.
- Completion of the Equity Raising is not conditional on the completion of the Acquisition. If the Equity Raising completes but the Acquisition is not consummated, Karoon intends to use the proceeds from the Equity Raising to fund further acquisition opportunities.

Product transportation

- Subject to where Karoon sells its product, Karoon will rely on continued access to upstream infrastructure in the form of pipelines and associated infrastructure to facilitate the ongoing sales of crude oil and sales gas (Upstream Infrastructure). Access to this infrastructure is gained via a range of private tariff (access agreements) and common carrier arrangements. Fees and tariffs in respect of the Upstream Infrastructure are variable and changes to these fees or the imposition of surcharges for repairs or other additional costs may have an adverse effect on Karoon’s business and the results of operations.
- Various risks arise from reliance on Upstream Infrastructure, including access, proration of capacity, interruption of supply due to weather, mechanical and other events outside of Karoon’s control. The occurrence of any of these events, particularly subject to the duration, could have a material impact on Karoon’s finance performance and the contribution of the Acquisition.
- Karoon will, as part of Upstream Infrastructure be required as a shipper to participate in a quality bank(s). The purpose of a quality bank is to mitigate material increases or decreases in each shipper’s respective oil value due to the commingling of oil in the pipeline common stream. The quality bank charges or pays each shipper depending on the comparison of the quality of the pipeline common stream and the quality of each shipper’s oil. Each shipper may be required, as a condition of tendering its oil, to participate in the quality bank depending on the pipeline’s requirements.

Due diligence

- Karoon undertook a due diligence process in respect of the Acquisition, which relied in part on the technical, financial and other information provided by the seller and its advisors. Although Karoon considers the due diligence process undertaken to be customary and appropriate for transactions of this nature, Karoon has not been able to verify the accuracy or completeness of all information provided or all of the effects of the matters disclosed in the information provided. Further, such information was provided and reviewed on an accelerated timeline and is still being provided. If any of the data or information provided to, and relied upon by, Karoon in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual performance of the assets relating to the Acquisition may be materially different to the performance expected by Karoon and reflected in this presentation. The information reviewed by Karoon included forward-looking information. While Karoon has been able to review some of the foundations of the forward-looking information relating to the Acquisition, forward-looking information is inherently unreliable and based on assumptions that may change in the future.
- Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified and avoided or management appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Karoon. This could adversely affect the operations, financial performance or position of Karoon.
- Similarly, Karoon has made a number of technical, financial and other assumptions and has carried out analysis based on the available information. Karoon’s assumptions and analysis may be inaccurate including due to incorrect or missing information, flawed analysis methods or incorrect assumptions.
- As a result, the due diligence process may not have exhaustively or accurately identified or responded to all material risks, and actual performance or circumstances may differ from Karoon’s conclusions.

Key risks

Acquisition risks

Joint venture activities	› As is common in the oil and gas industry, Karoon will as a consequence of the acquisition become a party to various unincorporated joint ventures and accordingly is subject to joint venture risks, which include devolved management control and disagreements with joint ventures partners regarding operational and financial matters. Joint venture partners may have economic or other business interests or goals that are inconsistent with the business interest or goals of Karoon and may be in a position to take actions contrary to Karoon's objectives or interests. There is also a risk that joint venture partners might become bankrupt or default on or fail to fulfill as expected their obligations thereby frustrating the performance of the joint venture and adversely affecting Karoon or its interests in the joint venture or resulting in the joint venturer's interest in the joint venture become subject to external administration, transferred to creditors or sold to third parties. Failure of joint venture partners to meet their financial and operational obligations may have an adverse impact on Karoon's performance. Decisions made in accordance with operating agreements may also deprive Karoon of the ability to exploit opportunities. › Among other things, joint operating agreements governing joint ventures associated with the assets do not provide for annual binding work programs and budgets, but rather decisions are made through periodic approval of authorisations for expenditure (AFEs), with no prior plan or budget therefor. › Voting mechanics in the relevant joint operating agreements may permit approval by the operator without Karoon's vote or approval or a vote or approval pass mark that allows an operation to take place without Karoon's approval. In some cases, Karoon's failure to approve a matter may result in the loss of its interest in one or more wells or operations. In others, a pass mark vote may be binding on Karoon, and failure to participate may be a default, resulting loss of production or interest in one or more assets. › A joint venture partner is not obligated to either act in the interests of the joint venture or in the interest of Karoon. The Acquisition Assets are not held in the same working interests. joint venture partners' interest be they economic or otherwise may not be aligned across each Asset. Such misalignment may adversely affect Karoon's business, asset performance and the overall results of operations.
Debt financing	As outlined in more detail on slide 33, Karoon has today announced entry into a new Debt Facility to provide part of the funding for the Acquisition. The new Debt Facility has a capacity of A$340 million. Availability of the facility at the point in time when funding of the Acquisition is required is subject to customary conditions precedent. If any of those conditions are not satisfied then the financiers will not be required to provide funding under those facilities (including any funding proposed to be applied towards the funding of the Acquisition). If Karoon cannot complete the Acquisition, it may be required to forfeit its deposit under the purchase and sale agreement as liquidated damages. Failure to comply with the covenants of the new Debt Facility could limit financial flexibility or enable Karoon's financiers to terminate or withdraw the facility and/or accelerate repayment of the debt obligations which may adversely affect Karoon's financial performance. If repayment under the new Debt Facility is accelerated and Karoon does not satisfy its payment obligations, then the security for the facility could be enforced and demands made under the guarantees provided by members of the Karoon group. Any sale of assets on enforcement of the security may yield a return to Karoon (and ultimately its shareholders) which is significantly lower than that which could have been achieved by Karoon had those assets been otherwise sold in the ordinary course. Following draw down under the Debt Facility, Karoon's debt levels will increase. As a consequence, Karoon may be more exposed to risks associated with gearing and leverage. In addition, the new debt financing may leave Karoon more exposed to interest rate movements to the extent such financing arrangements are not adequately hedged.
Equity financing	Karoon has entered into an underwriting agreement under which MCAL (the **Underwriter**) has agreed to underwrite the Equity Raising (**Underwriting Agreement**), subject to the terms and conditions of the Underwriting Agreement. The Underwriter's obligation to underwrite the Equity Raising is conditional on certain customary matters, including Karoon delivering certain certificates, sign-offs and opinions. Further, if certain events occur, the Underwriter may terminate the Underwriting Agreement. Those events are summarised in Appendix C. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Equity Raising. If the Underwriting Agreement is terminated, Karoon will remain bound to complete the Acquisition. In these circumstances, Karoon would need to utilise alternative funding to meet its obligations to complete the Acquisition. Termination of the Underwriting Agreement could materially adversely affect Karoon's business and financial condition.

Key risks

General risks

Risks associated with an investment in shares and general economic conditions	› There are general risks associated with investments in equity capital in general and oil and gas stocks in particular such as Karoon shares. Events may occur within or outside Australia, including in the jurisdictions where Karoon operates or plans on operating that could have an adverse effect on the global economies and Karoon's share price. This may result in the market price for the New Shares being less or more than the Offer Price.
	› Karoon operates in certain markets (for example, Brazil) and the Gulf of Mexico after the Acquisition is complete, where economic policies and conditions can have a direct impact on Karoon's business. Karoon's future performance and the market price for its shares may be affected by the following factors that are beyond Karoon's control:
	  › general movements in Australia and international stock markets.
	  › investor sentiment.
	  › Australian and international economic conditions and outlooks.
	  › changes in interest rates and the rate of inflation.
	  › currency fluctuations.
	  › changes in government legislation and policies, in particular taxation laws.
	  › announcement of new technologies.
	  › geo-political instability, including international hostilities and acts of terrorism, civil wars or labour strikes.
	  › outbreaks of disease.
	  › natural disasters or other man-made disasters
	  › demand for and supply of Karoon shares.
	  › announcements and results of competitors. and
	  › analyst reports.
	› No assurance can be given that the New Shares will trade at or above the Offer Price. None of Karoon, its Directors or any other person guarantees the performance of the New Shares. The operational and financial performance and position of Karoon and Karoon's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. The equity markets have in the past and may in the future be subject to significant volatility.

Access to debt capital markets	› Karoon's activities require Karoon to obtain significant funding from domestic and international bank, capital and equity markets. Any material restriction on the ability of Karoon to source capital may restrict its operations and growth preventing Karoon from acquiring new assets and taking advantage of new development opportunities or delaying the commencement or completion of projects in which Karoon is involved. › Karoon may require capital in addition to the Equity Raising in order to fund exploration or development activities. Failure to obtain such finance in a timely manner could impact its ability to secure additional acquisition opportunities or the execution of required JV work programs. There is no assurance that the capital or debt markets will provide additional funding on reasonable terms or at all. Uncertainty in domestic and international credit markets could materially affect Karoon's ability to access sufficient capital for its capital requirements and as a result may have a material adverse effect on Karoon's ability to execute its business strategy and on its business, financial condition, results of operations and prospects. The possibility of material dilution for shareholders also exists if future equity raisings are completed during ap period of general market or company share price weakness.

Key risks

General risks

Risk of dilution	› Investors who do not participate in the Entitlement Offer, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in Karoon diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by future capital raisings by Karoon. Karoon may issue new shares to finance future acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. Karoon will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short term detriment caused by the potential dilution associated with a capital raising.
Taxation and Australian Accounting Standards risk	› Changes to the rate of taxes imposed on Karoon or changes in tax legislation or changing interpretations enforced by taxation authorities, whether in Australia or such other foreign jurisdictions in which Karoon may operate, may lead to an increase in Karoon's taxation obligations and a reduction in potential shareholder returns › Personal taxation liabilities are the responsibility of each individual shareholder, Karoon is not responsible either for taxation or tax penalties incurred by investors. › Australian Accounting Standards are set by the AASB and are outside the Directors' and Karoon's control. Changes to accounting standards issued by the AASB may have a material adverse impact on the financial performance and position of Karoon as reported in its financial statements.
Force majeure events	› Events may occur within or outside one or more of the jurisdictions in which Karoon operates that could impact upon the global and/or economies in one or more of those jurisdictions, Karoon's operations and the price of its shares. › These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on Karoon and its business and operations.
Unforeseen risk	› There may be other risks of which the Company is unaware at the time of issuing this Offer Document which may impact Karoon, its operations and/or the valuation and performance of its shares. The above list of key risks ought not to be taken as exhaustive of the risks faced by Karoon or by investors in Karoon. The above risks and others not specifically referred to above may in the future materially affect Karoon, its financial performance or the value of its shares.

Appendix C

Underwriting Agreement termination Events

Underwriting Agreement Termination Events

KAROON ENERGY

Termination events

Below is a summary of the termination events set out in the Underwriting Agreement.

- a statement contained in the offer materials prepared in connection with the Equity Raising is or becomes misleading or deceptive in a material respect (including by omission) or likely to mislead or deceive in a material respect, or the materials omit any information they are required to contain by applicable laws.
- an obligation arises on Karoon to give ASX a notice in accordance with section 708AA(10), 708AA(12) or 709A(9) of the Corporations Act.
- any Government agency commences, or gives notice of an intention to commence, any action, investigation, enquiry, hearing or proceedings in relation to the Company, the Equity Raising or the offer materials or prosecutes or commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, the Company, including under Part 9.5 of the Corporations Act and Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth).
- ASX announces that the Company will be removed from the official list or that the Shares will be removed from official quotation or suspended from quotation by ASX for two or more trading days.
- approval (subject only to customary conditions) is refused or not granted to the official quotation of all the New Shares.
- there are certain delays in the timetable without the prior approval of the Underwriter.
- Karoon fails to deliver certain certificates required under the Underwriting Agreement when required.
- the Company or Karoon Energy International Pty Ltd is insolvent or there is an act or omission, or circumstance that arises which is likely to result in the Company or a Karoon group member becoming insolvent.
- there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government agency which makes it illegal or commercially impossible for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Equity Raising.
- Karoon, any of its Directors or the Chief Executive Officer or Chief Financial Officer of Karoon is charged in relation to any fraudulent conduct or activity whether or not in connection with the Equity Raising.
- any of the following occur: (a) a Director or the CEO or CFO is charged with an indictable offence. (b) any Government agency charges or commences any court proceedings or public action against Karoon or any of its Directors in their capacity as a Director of Karoon, or announces that it intends to take action, or commences or gives notice of an intention to commence a hearing or investigation into Karoon. (c) any Director is disqualified from managing a corporation under the Corporations Act. Or (d) the CEO or CFO resign or are terminated.
- Karoon withdraws the Equity Raising or notifies the Underwriter that is does not intend to, or is unable to, proceed with the Equity Raising;
- Karoon is prevent from allotting and issuing the New Shares (i) within the times required by the timetable for the Equity Raising (other than as permitted by the term of the Underwriting Agreement) or (ii) under the ASX Listing Rules, applicable laws, an order for a court of competent jurisdiction or a Government agency;
- any aspect of the Equity Raising does not comply with the Corporations Act 2001 (Cth), the ASX Listing Rule or any other applicable laws and regulations;

Underwriting Agreement Termination Events

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Termination events (cont.)

- any one of the following events occur, and the occurrence of such event has or is likely to have a material adverse effect on the success, settlement or marketing of the Equity Raising, the willingness of investors to subscribe for or settle the New Shares or will, or is likely to, give rise to a liability of the Underwriter or its affiliates under, or give rise to, or result in, a contravention by the Underwriter or its affiliates or the Underwriter or its affiliates being involved in a contravention of, any applicable law:
  - a statement in any certificate delivered under the Underwriting Agreement is false, misleading, deceptive, untrue or incorrect;
  - a representation, warranty or undertaking or obligation contained in the Underwriting Agreement is breached or misleading or deceptive or not true or correct when given or taken to be given by Karoon or Karoon fails to perform or observe any of its obligations under the Underwriting Agreement;
  - any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of the Company to the Underwriter for the purposes of the due diligence for the Equity Raising is or becomes false, misleading or deceptive or is likely to mislead or deceive (including by omission);
  - the offer materials or Karoon do not comply with or contravenes any provision of the Corporations Act, its constitution, any of the ASX Listing Rules or any other applicable law;
  - there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Karoon group including, but not limited to: (a) any material adverse change in the earnings or future prospects of the Karoon group from those disclosed in the offer materials. or (b) any material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Karoon group from those respectively disclosed in the offer materials;
  - there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia, the Congress of the United State of America or any State of the United States of America, the National Congress of Brazil or any State of Brazil, a new law or regulation, or the Reserve Bank of Australia, or any Government agency, adopts or announces a proposal to adopt a new policy (other than a law, regulation, or policy which has been announced prior to the date of the Underwriting Agreement);
  - trading of all securities quoted on ASX, the London Stock Exchange, the Hong Kong Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading;
  - a general moratorium on commercial banking activities in Australia, the United States, Hong Kong, Brazil, or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - there is any adverse change or disruption to the financial markets of Australia, the United States or Brazil or any change involving a prospective adverse change in any of those markets;
  - a national emergency not existing at the date of the Underwriting Agreement is declared by any one or more of Australia, the United States of America or Brazil;
  - hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war or a national emergency has been declared or not), in either case, involving any one or more of Australia, New Zealand, Hong Kong, the People's Republic of China, South Korea, Japan, Israel, Iran, Brazil, the United States of America, the United Kingdom, any member of the European Union, or a major terrorist act is perpetrated in any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world or nuclear weapons of any sort are used in connection with, or the military of any member state of the North Atlantic Treaty Organization becomes directly involved in, the Ukraine conflict that is ongoing at the date of the Underwriting Agreement;
  - the Company fails to perform or observe any of its obligations under the Underwriting Agreement; and
  - Karoon contravenes any provision of the Corporations Act 2001 (Cth), its constitution, any of the ASX Listing Rules or any other applicable law.

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Appendix D

International offer jurisdictions

International offer jurisdictions

Bermuda	› No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.
Brazil	› The New Shares have not been, and will not be, registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários or CVM) or any other authority in Brazil and may not be offered or sold, directly or indirectly, to the public in Brazil. This document and any other document relating to an offer of New Shares may not be distributed in Brazil except to "professional investors" (within the meaning of Resolution 160 of the CVM) or otherwise in compliance with Brazilian law. › This document has not been approved by any Brazilian regulatory authority and does not constitute an offer to sell, or a solicitation of any offer to buy, any securities to the public in Brazil. › The Company's ordinary shares are not listed on any stock exchange, over-the-counter market or electronic system of securities trading in Brazil.
Cayman Islands	› No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.
Canada (British Columbia, Ontario and Quebec provinces only)	› This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators. › No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence. › No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the Equity Raising will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares. › The Company as well as its Directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its Directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

International offer jurisdictions

Canada (British Columbia, Ontario and Quebec provinces only) (cont.)	› Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars. › Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser. › Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces. › Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.
European Union (excluding Austria)	› This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation"). › In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).
Hong Kong	› WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance). › No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. › The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Equity Raising. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International offer jurisdictions

Malaysia	› This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of New Shares. The New Shares may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.
New Zealand	› This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). › The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. › Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: › is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act. › meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act. › is large within the meaning of clause 39 of Schedule 1 of the FMC Act. › is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act. or › is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.
Norway	› This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).
Singapore	› This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA. › This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. › Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International offer jurisdictions

KAROON ENERGY

Switzerland	› The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland. › No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA). › Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.
United Arab Emirates (excluding financial zones)	› This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE. › No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to "professional investors" (as defined in the SCA Board of Directors' Decision No.13/RM of 2021, as amended). › No offer of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.
United Kingdom	› Neither this document nor any other document relating to the Equity Raising has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. › The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom. › Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company. › In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

International offer jurisdictions

KAROON ENERGY

United States	
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Appendix E
Glossary

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Term	Definition	Term	Definition
A$ or AUD	Australian Dollars	**Concession**	The geographic area in which the government allows a company to operate.
AASB	Australian Accounting Standards Board	**Contingent Resources**	Those quantities of hydrocarbons estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable (as evaluation of the accumulation is insufficient to clearly assess commerciality). 1C- Denotes low estimate scenario of Contingent Resources. 2C- Denotes best estimate scenario of Contingent Resources. 3C- Denotes high estimate scenario of Contingent Resources
AFE	Authorizations For Expenditure	**DD&A**	Depreciation, Depletion and Amortization
Amplitude	In a seismic survey, seismic amplitude is a measure of the contrast in properties between two layers.	**Director**	Director means the directors of the Company
API	The American Petroleum Institute gravity, or API gravity, is a measure of how heavy or light a petroleum liquid is compared to water.	**EBITDA**	Earnings before cash, interest on debt, interest on the lease liability recognised under AASB 16, income tax expense, depreciation and amortisation.
ASX	ASX Limited (ACN 008 624 691), trading as Australian Securities Exchange.	**EV**	Enterprise Value
barrel or bbl	Barrel of oil, inclusive of condensate. A quantity of 42 United States gallons. equivalent to approximately 159 litres	**Field**	An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area although it may refer to both the surface and underground productive formation.
Basin	A natural depression on the earth's surface in which sediments, eroded from higher surrounding ground levels, accumulated and were preserved.	**FPS**	Floating Production System
Baúna	Concession BM-S-40 containing the producing Baúna, Piracaba and Patola light oil fields in Brazil.	**FPSO**	Floating production, storage and off-loading facility.
Block	A license or concession area. It may be almost any size or shape, although usually part of a grid pattern.	**GHG**	Greenhouse gas emissions
BM-S-40	Concession BM-S-40, containing the Baúna, Piracaba and Patola oil fields, southern Santos Basin, offshore Brazil.	**GoM**	Gulf of Mexico
Boe	Barrels of oil equivalent	**Hydrocarbon**	An organic compound consisting entirely of hydrogen and carbon.
BOEM	U.S. Bureau of Ocean Energy Management	**Infill drilling**	The process of increasing the number of wells in an area by drilling wells in spaces between existing wells.
Brent index	A benchmark crude that serves as a quotable reference price for buyers and sellers of crude oil.	**ING**	ING Bank NV - a Dutch multinational banking and financial services corporation headquartered in Amsterdam.
Company	Karoon Energy Ltd.	**Intervention**	Any operation carried out on an oil or gas well during, or at the end of, its production life that alters the state of the well or well geometry, provides well diagnostics, or manages the production of the well.

Glossary (cont.)

Term	Definition	Term	Definition
Joint venture	A business entity created by two or more parties, generally characterised by shared ownership, shared returns and risks, and shared governance.	**Petrobras**	Petróleo Brasileiro S.A.
Karoon	Karoon Energy Ltd and its subsidiaries.	**PoS**	Probability of Success
LTM	Last Twelve Months	**Porosity**	Percentage of pore volume or void space or that volume within rock that can contain fluids.
m	Metres	**Prospect**	A geological or geophysical anomaly that has been surveyed and defined to the degree that its configuration is fairly well established, and on which further exploration such as drilling can be recommended.
MM	Million.	**Prospective Resources**	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Low – Denotes the unrisked low estimate qualifying as Prospective Resources Best – Denotes the unrisked best estimate quality as Prospective Resources High – Denotes the unrisked high estimate qualifying as Prospective Resources
Mbbl	Thousand barrels (1,000 barrels).	**Reserves**	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions 1P- Denotes low estimate of Reserves (Proved Reserves) 2P- Denotes the best estimate of Reserves (Proved plus Probable Reserves) 3P- Denotes the high estimate of Reserves (Proved plus Probable plus Possible Reserves)
MMbbl	Millions of barrels (1,000,000 barrels).	**Reserve based lending**	A type of financing where a loan is secured by the undeveloped Reserves of Oil and Gas of a borrower. The facility is repaid using the proceeds that derive from sales in the field or portfolio of fields in production.
MMboe	Millions (106) of barrels of oil equivalent	**Reservoir**	A porous and permeable rock formation to store and transmit fluids such as hydrocarbons and water
NTM	next twelve months	**Resources**	Term used to encompass all quantities of petroleum (recoverable and unrecoverable) naturally occurring in an accumulation on or within the Earth's crust, discovered and undiscovered, plus those quantities already produced. Further, it includes all types of petroleum whether currently considered conventional or unconventional.
NRI	Net Revenue Interest	**Risk (geological)**	Prospect risk or geologic risk is the assessed chance that the drilling of the prospect will be successful in finding significant volumes of hydrocarbons. The risk is calculated by multiplying the chance of success of each of the petroleum system elements involved in the prospect.
NWI	Net Working Interest	**TERP**	Theoretical ex-rights price
Permeability	The ability or measurement of a rock's ability to transmit fluids.		

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