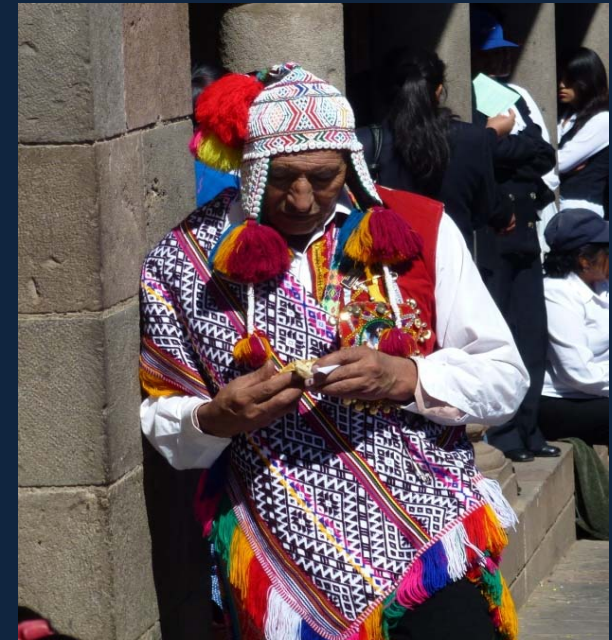


Karoon Gas Australia Ltd

Investor Review

13 February 2017



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Resource Summary



Prospective Resources Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated 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 moveable hydrocarbons. There is no certainty that any portion of the prospective resource estimated on behalf of Karoon will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated.

Internal Management Assessment					NET Contingent Resource		
Discovery	Interest	Basin	Country		1C	2C	3C
Kangaroo (S-M-1101, S-M-1165)*	100%	Santos	Brazil	Oil (mmbbls)	20	54	100
Echidna (S-M-1037, S-M-1102)*	100%	Santos	Brazil	Oil (mmbbls)	25	75	152
Total				Oil (mmbbls)	45	129	252
Independent Assessment - DeGolyer & MacNaughton					NET Un-risked Prospective Resource		
Block	Interest	Basin	Country		Low	Best	High
Block Z-38**	75%	Tumbes	Peru	Oil (mmbbls)	686	1,686	3,764

* The Kangaroo and Echidna contingent resource volumes were prepared on a probabilistic basis and have been disclosed in Karoon's announcement 'Contingent Resource Volume Update: Santos Basin Brazil', 17 September 2015. Karoon is not aware of any new information or data that materially affects the resource estimates and all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.

** Prospective resource volume estimates have been independently assessed by DeGolyer and MacNaughton on a probabilistic basis and disclosed in Karoon's 30 April 2014 announcement. Karoon is not aware of any new information or data that materially affects the resource estimates and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Australian Exploration Permits WA-482-P and WA-314-P

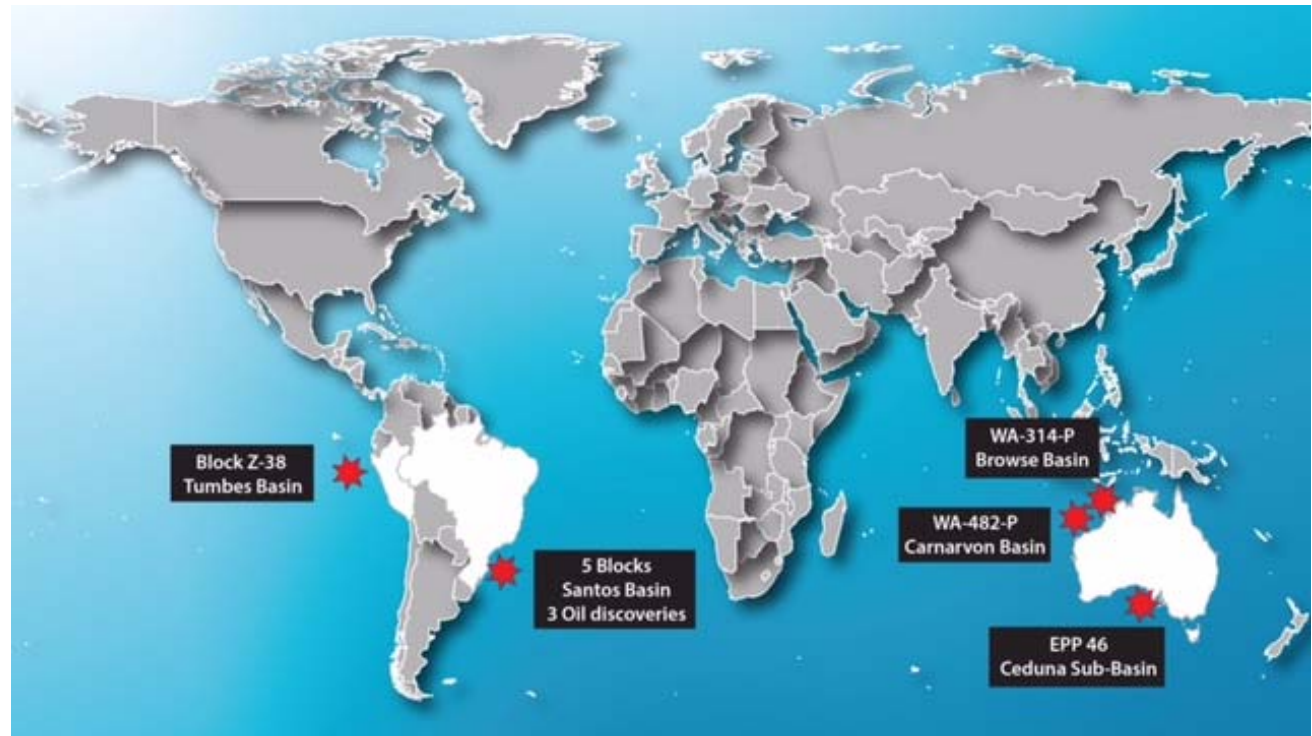
Following the drilling of Levitt-1 (WA-482-P) and thermal modelling and interpretation of the final Kraken 3D seismic survey data (WA-314-P), new data is available that could materially impact assumptions and technical parameters underpinning previously announced prospective resource estimates. Karoon needs to interpret and consider this new data prior to publishing revised prospective resources estimates.

Corporate Overview



Karoon's strategic vision is to transform into a global independent E&P with material production underpinning a highly prospective exploration portfolio

- Karoon is a global oil and gas explorer incorporated and listed in 2004
- Market cap A\$426 million (as at 09/02/17)
- A\$450 million 31 December 2016 cash at bank, no debt
- 245 million ordinary shares on issue



Looking to capitalise on current market conditions to acquire production and develop organic production opportunities

Capital Allocation



Prioritising capital resources toward the best opportunities for capital accretion

- Focused on acquiring production:
 - Looking to capitalise on the current divestment cycle and improved opportunities in our focus areas
- Echidna discovered oil resource appraisal and potential development opportunity:
 - Falling appraisal and development costs providing favourable backdrop to build
 - The majority of expected exploration and appraisal spend is focused on Echidna
- Positioning the exploration portfolio for a rebound in the investment cycle:
 - Exploration opportunities focused on the most highly prospective acreage with multi-year tenure and relatively low firm capital requirement
 - Looking to farm-out acreage to make way for drilling programs
- Refining the portfolio:
 - Aiming to prioritise capital resources toward the best opportunities for capital accretion
 - Block 144 relinquished December 2016
 - Asset commitment review currently underway to continue refining the portfolio

Acquisition Strategy



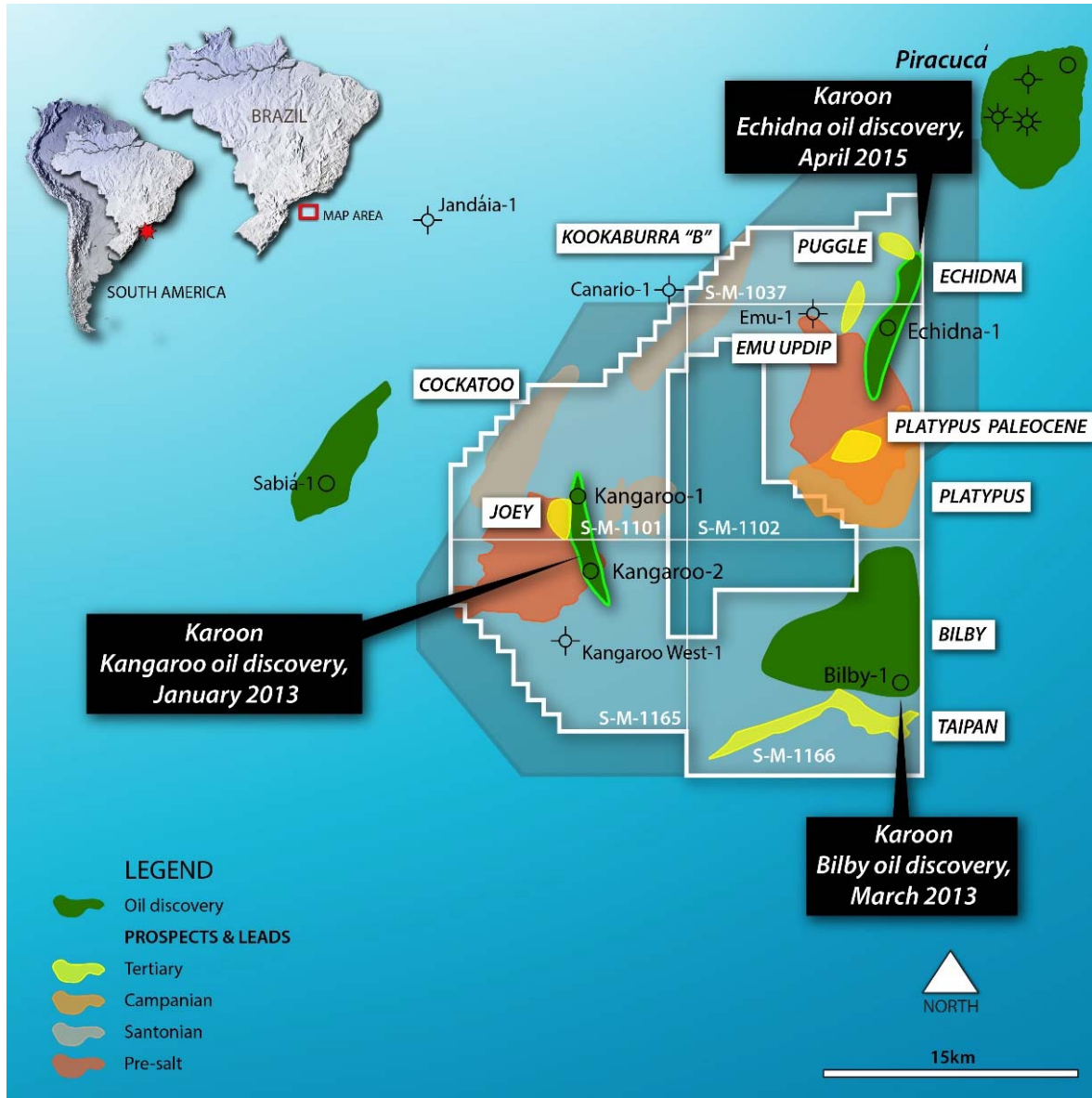
The Board is looking to use the current market to capitalise on opportunities and considers a successful acquisition of production as transformational

- Karoon continues to evaluate several acquisition opportunities.

- The primary objectives;
 - Focus cash to more valuable opportunities
 - Cash generation
 - Underlying asset value
 - Upside opportunities from operational efficiency, exploration and market position; and
 - Provide a stronger position from which to organically build a production base

- Recent Transaction;
 - Karoon has won a bid for and completed the majority of negotiations with Petrobras for the acquisition of 100% operated interest in the Baúna field, and a 50% non-operated interest in the Tartaruga Verde oil development
 - An injunction remains in place on this sales process, court hearings and processes are ongoing

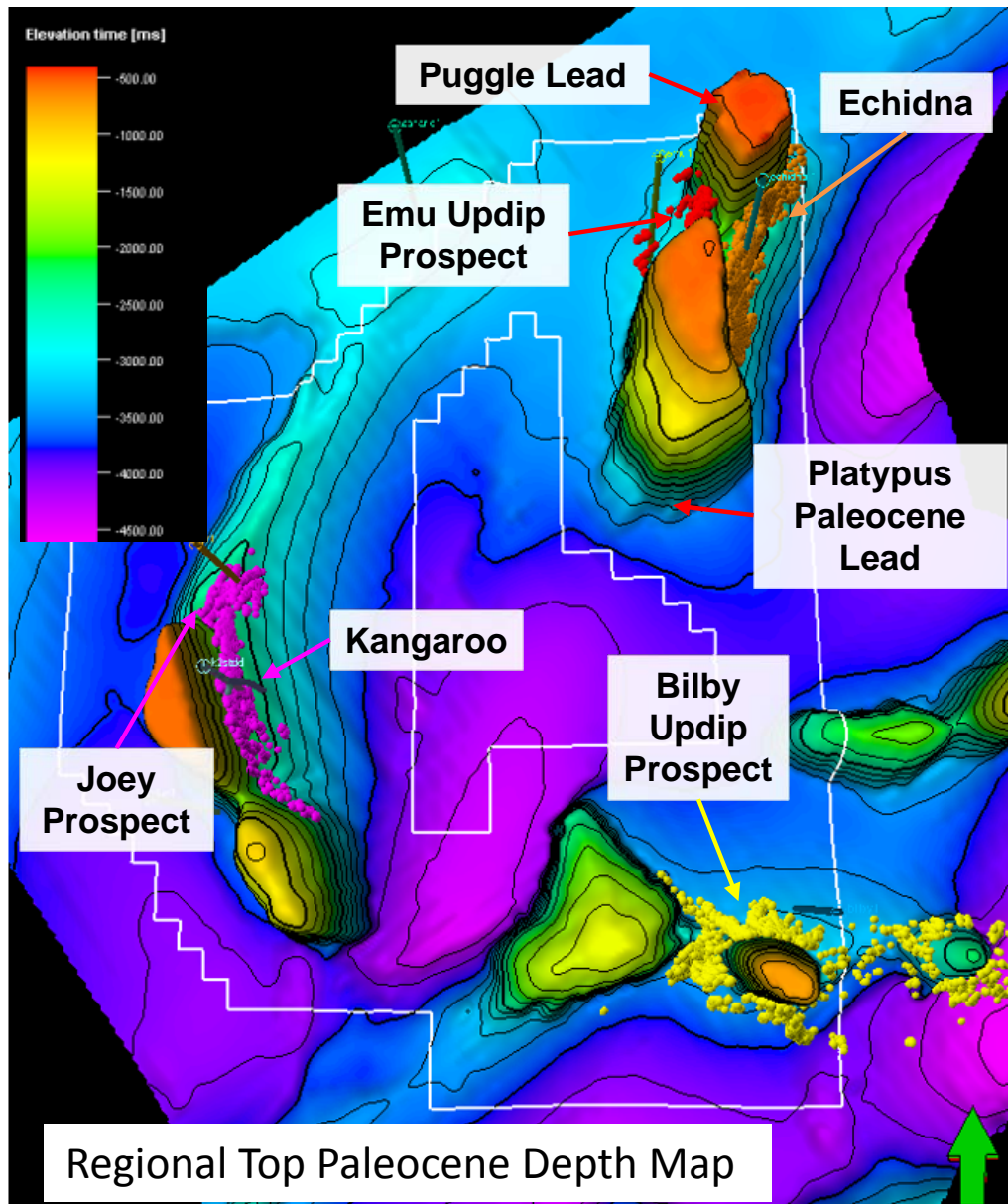
Brazil: Santos Basin



- Acquired 100% in 5 blocks in 2008, in mid-water-depth (400m)
- Farmed-out 35% to Pacific (2012), for cash & carry on wells costs
- Three oil discoveries: Kangaroo, Bilby & Echidna
- Net 2C contingent resource estimates of 54mmbbls at Kangaroo, and 75mmbbls at Echidna*
- High quality oil, no gas, in good “post salt” sandstone reservoirs confirmed by logging and flow-rate testing
- Several undrilled prospects
- Pacific’s 35% interest acquired in Sept 2016 for up to US\$20.5 million, equating to US\$0.45/bbl of 2C contingent resource

* Refer Resource Summary, page 3

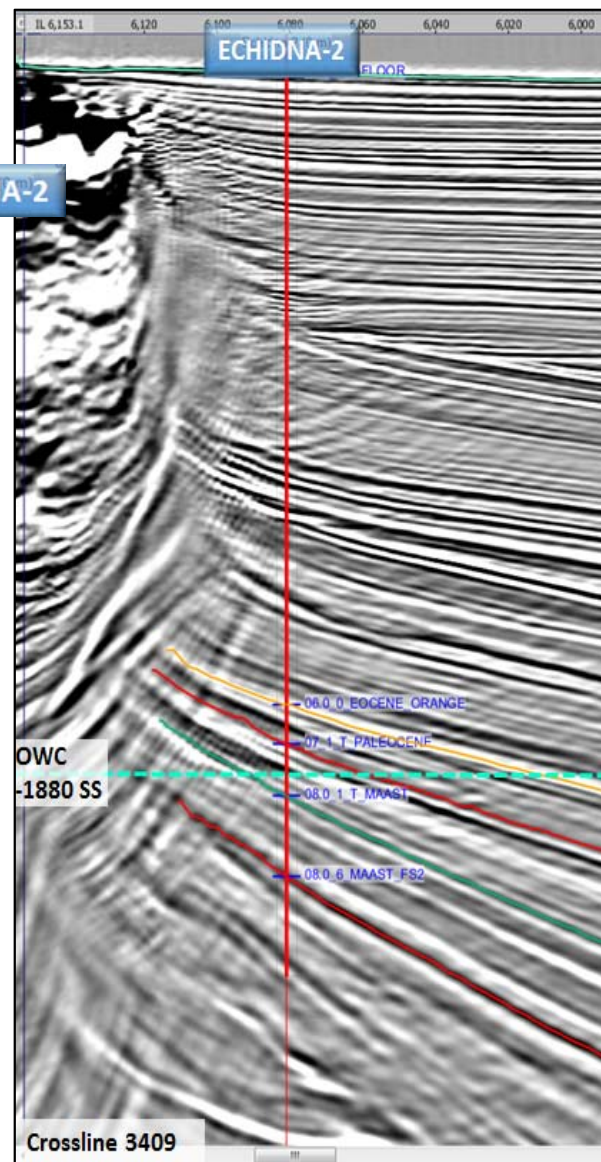
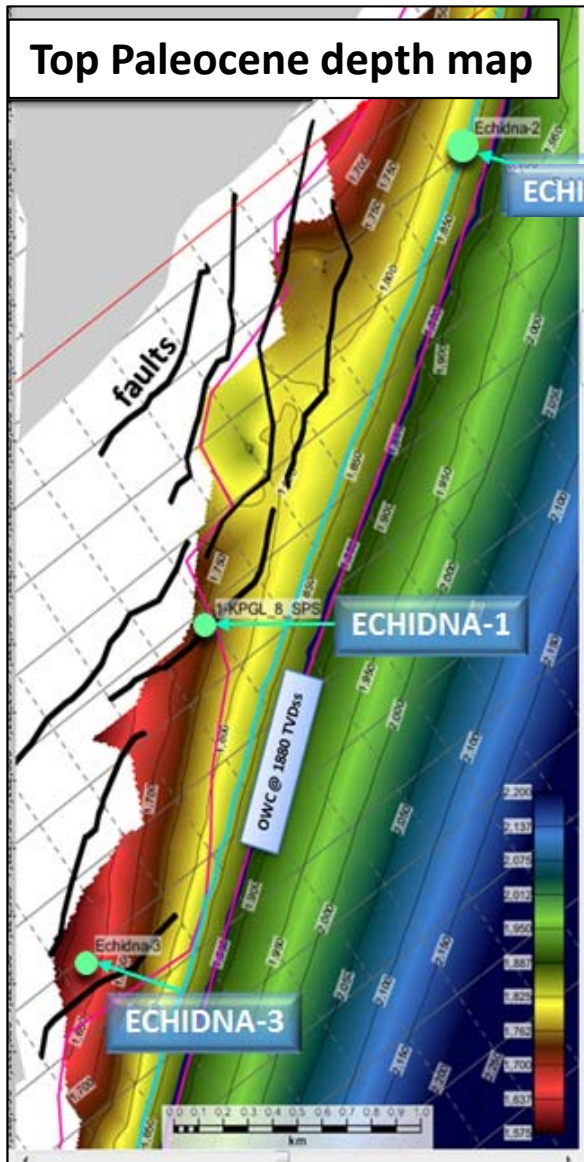
Mapping and Seismic Attributes



AVO (amplitude versus offset) calibrated at Paleocene level shows:

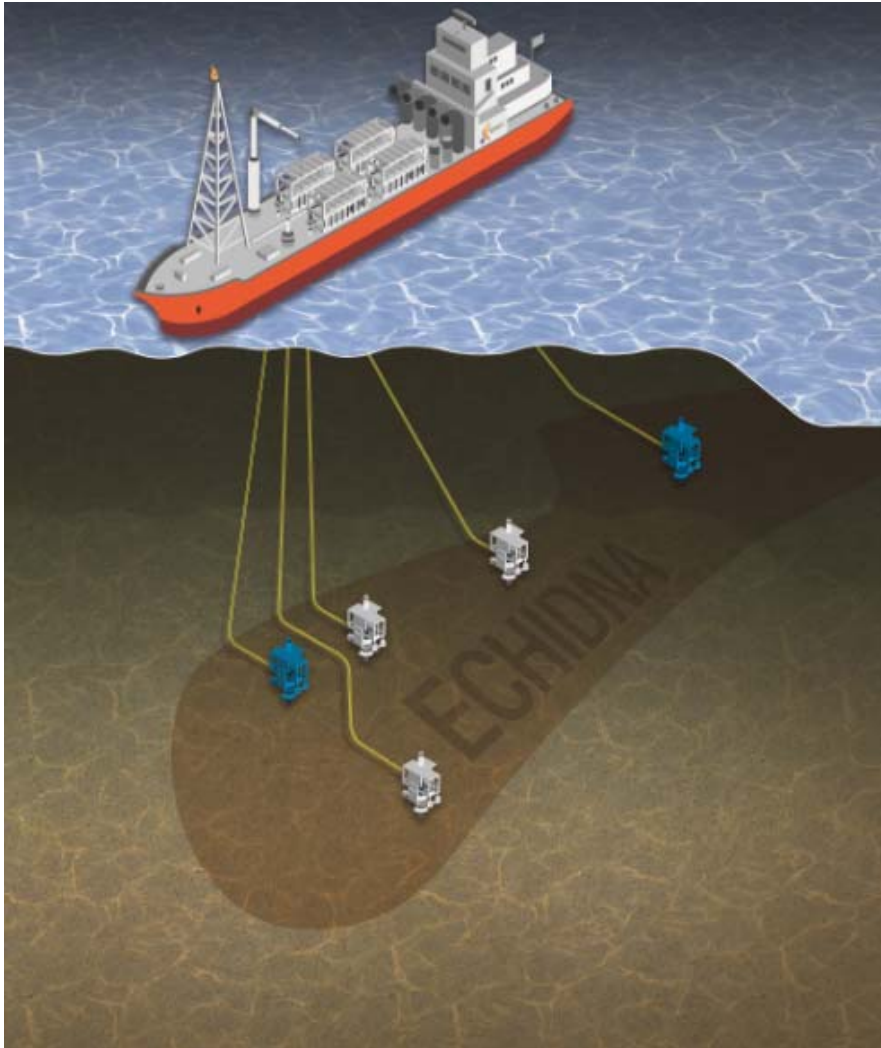
- Excellent match of AVO anomaly results with mapping and pressure data defining the distribution of oil at Echidna and Kangaroo
- Additional potential identified at the Emu Updip, Joey and Bilby Updip prospects to date
- Additional prospectivity possible at Puggle Lead and Platypus Paleocene Lead

Echidna Appraisal Well Locations



- Farm-out planned prior to appraisal drilling
- Two appraisal sites selected
- Echidna-2, positioned downdip and designed to penetrate and define the OWC
- Possible shallower onlap sands not penetrated in Echidna-1 may be seen in this well
- Echidna-3, designed to penetrate reservoir in an updip position on the southern flank of Echidna

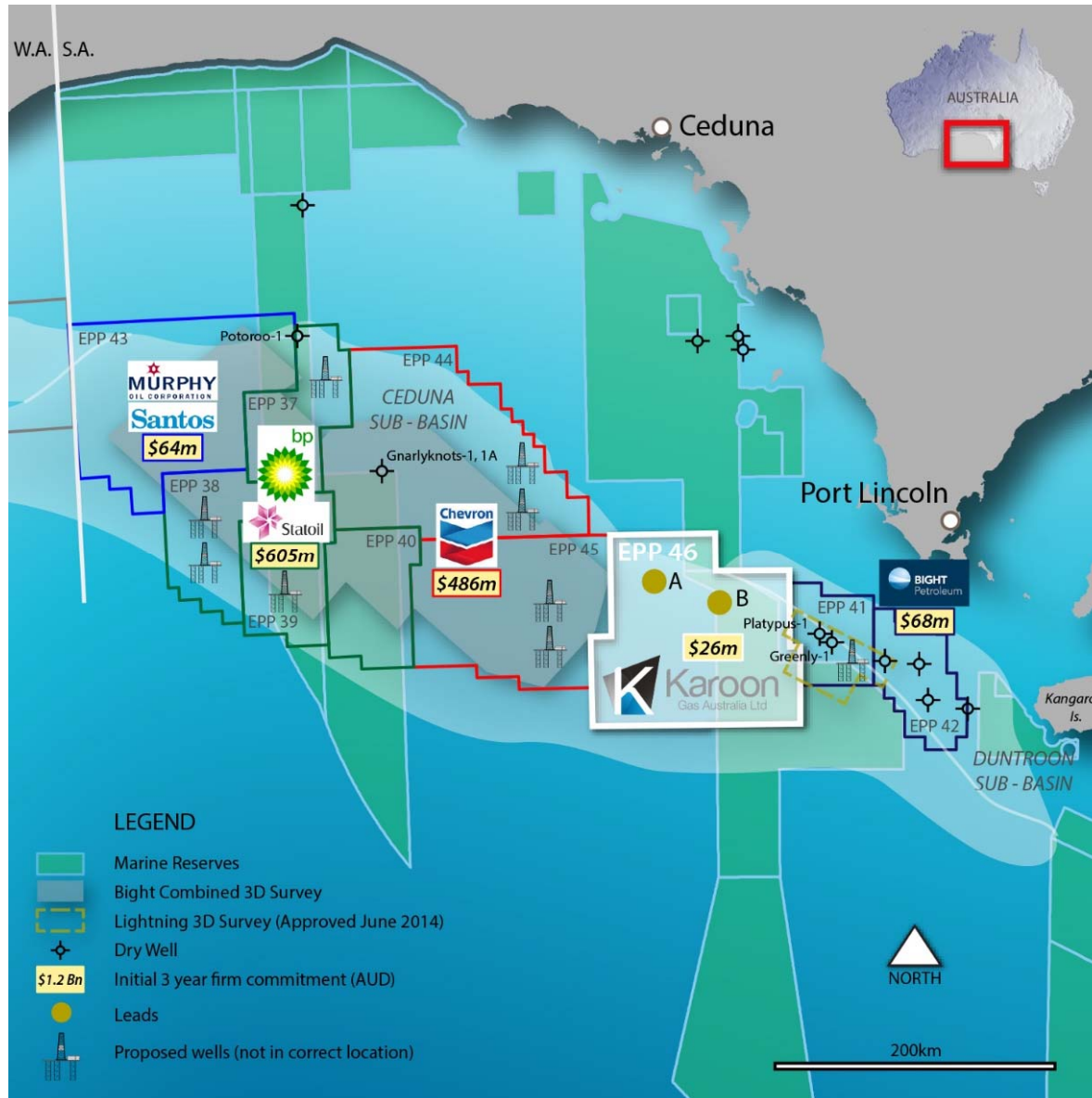
Development Concept Optimisation



Current Echidna Development Concept

- Looking to take advantage of low utilisation rates and falling cost environment for the development, this supports a full field development without using an Early Production System
- 3x production wells, utilising extended reach horizontals (from 5 wells). Estimated costs US\$90 million per well
- 2x injection wells, utilising combined water and gas injection (from 4 wells). Estimated cost US\$75 million per well
- Leased FPSO: suitable FPSO's identified which require limited investment. OPEX estimate US\$350,000 per day.
- Targeted peak production ~30kbopd

Australia: Ceduna Basin, EPP46



- KAR 100% Operator, awarded Oct-2016
- Large 17,649 square kilometre permit, in lightly explored emerging frontier
- Prospective for oil and gas
- Industry majors have committed approximately A\$1.2 billion to drill 9 exploration wells in the surrounding permits during the next 24 months
- Initial 3-year firm commitment, indicatively A\$26 million, requires the acquisition of 2D and 3D seismic surveys and no well commitment

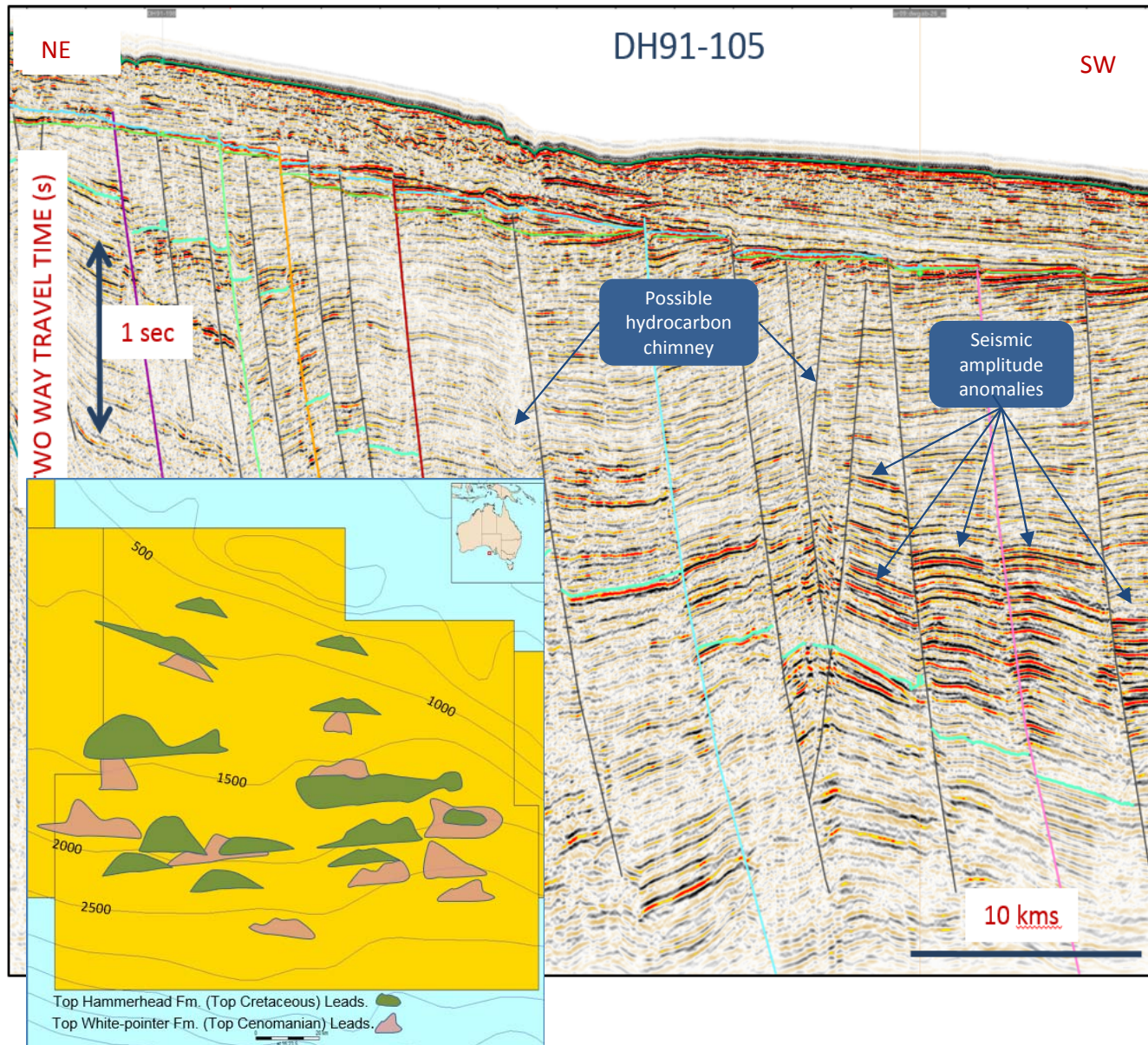
Ceduna Sub-Basin: EPP46



Sticking to our knitting: Exploration led growth

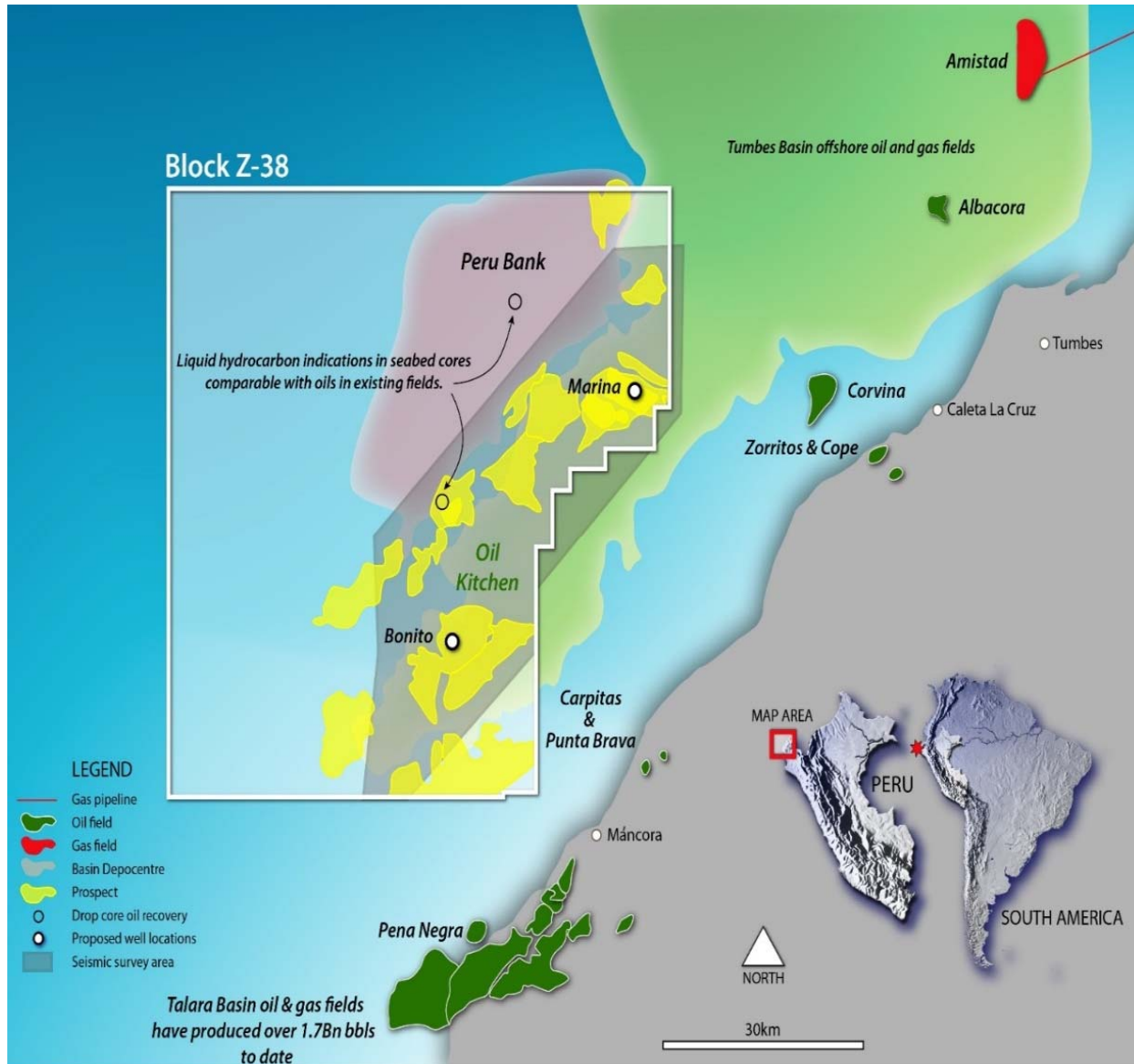
- Exploration permit EPP46 awarded during October 2016
- Australia's most prospective and active frontier oil exploration province
- 3 year firm commitment estimated A\$26 million (comprising 2D and 3D seismic acquisition)
- Preliminary geological studies underway, 2D seismic acquisition proposed 1H 2018
- Karoon has a track record of upholding high standards with respect to its regulatory, environmental and social obligations in regions in where Karoon operates. All operational plans are designed to minimise any impact on the environment and local fishing industry

Australia: Ceduna Sub-Basin



- Multiple trap types
- Seismic amplitude anomalies possibly indicating hydrocarbons at multiple levels
- Oil shows recorded in wells drilled in adjacent acreage
- Large leads over 80 sq. km
- Large fault blocks up to 8km wide
- Potential for large multi-TCF accumulations
- Possible hydrocarbon chimneys
- Good reservoir and seal packages correlated from offset wells and seismic character

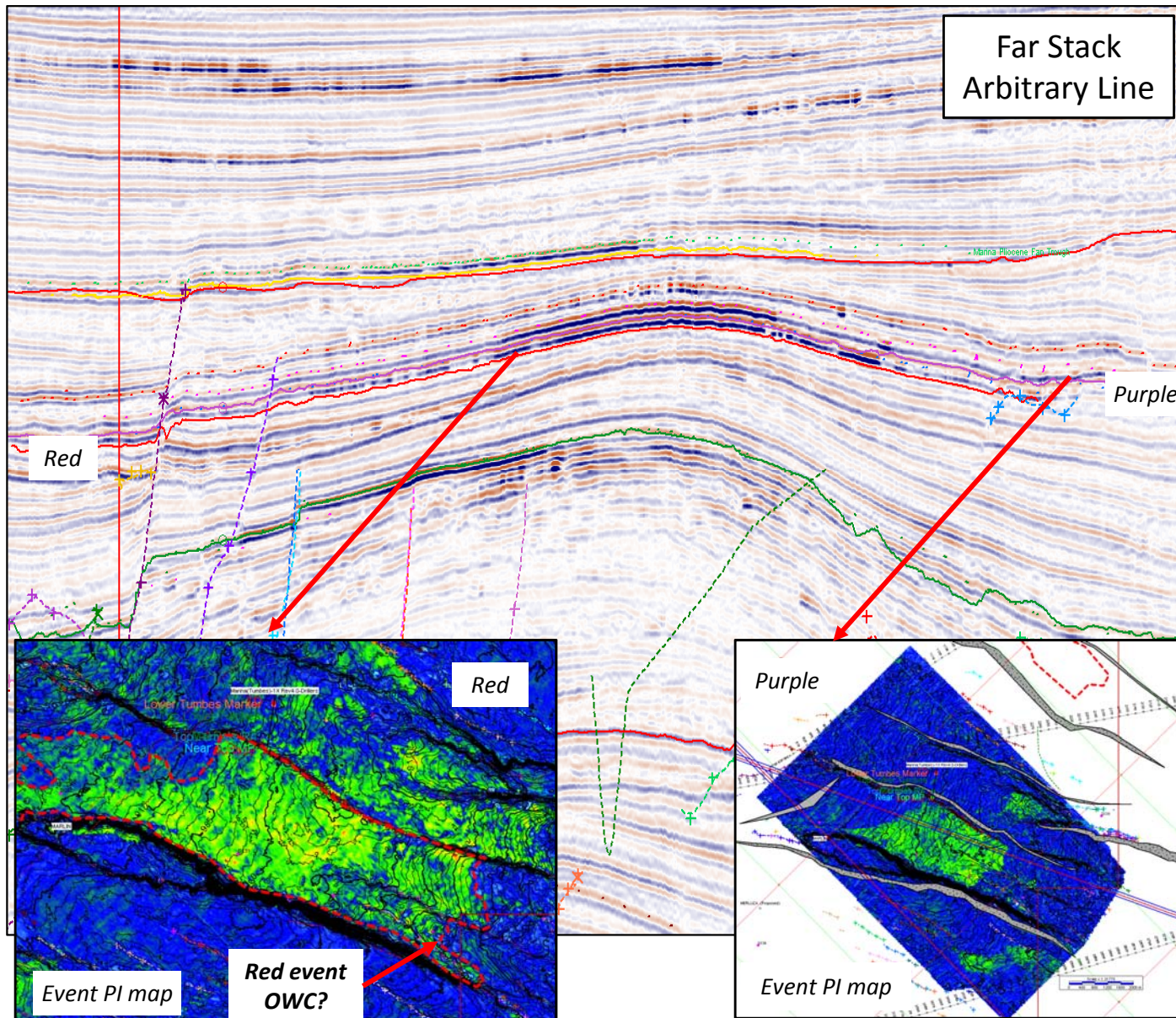
Peru: Tumbes Basin



- KAR 75% (Operator), Pitkin 25%
- Proven hydrocarbon basin with large prospects well defined by 3D seismic and attribute analysis
- Drop cores show significant oil seeps
- Falling rig rates are likely to reduce the cost of drilling, increasing the interest in the area for farm-out
- Marina, 240mm bbls and Bonito, 415mm bbls unrisked net best estimate prospective resource*
- New prosectivity evident through new seismic work streams
- Farm-out discussions continue
- Currently in force majeure

* Refer Resource Summary, page 3. Bonito and Marina included in the total block prospective resource estimate

Z-38: New Data Supports Prospectivity

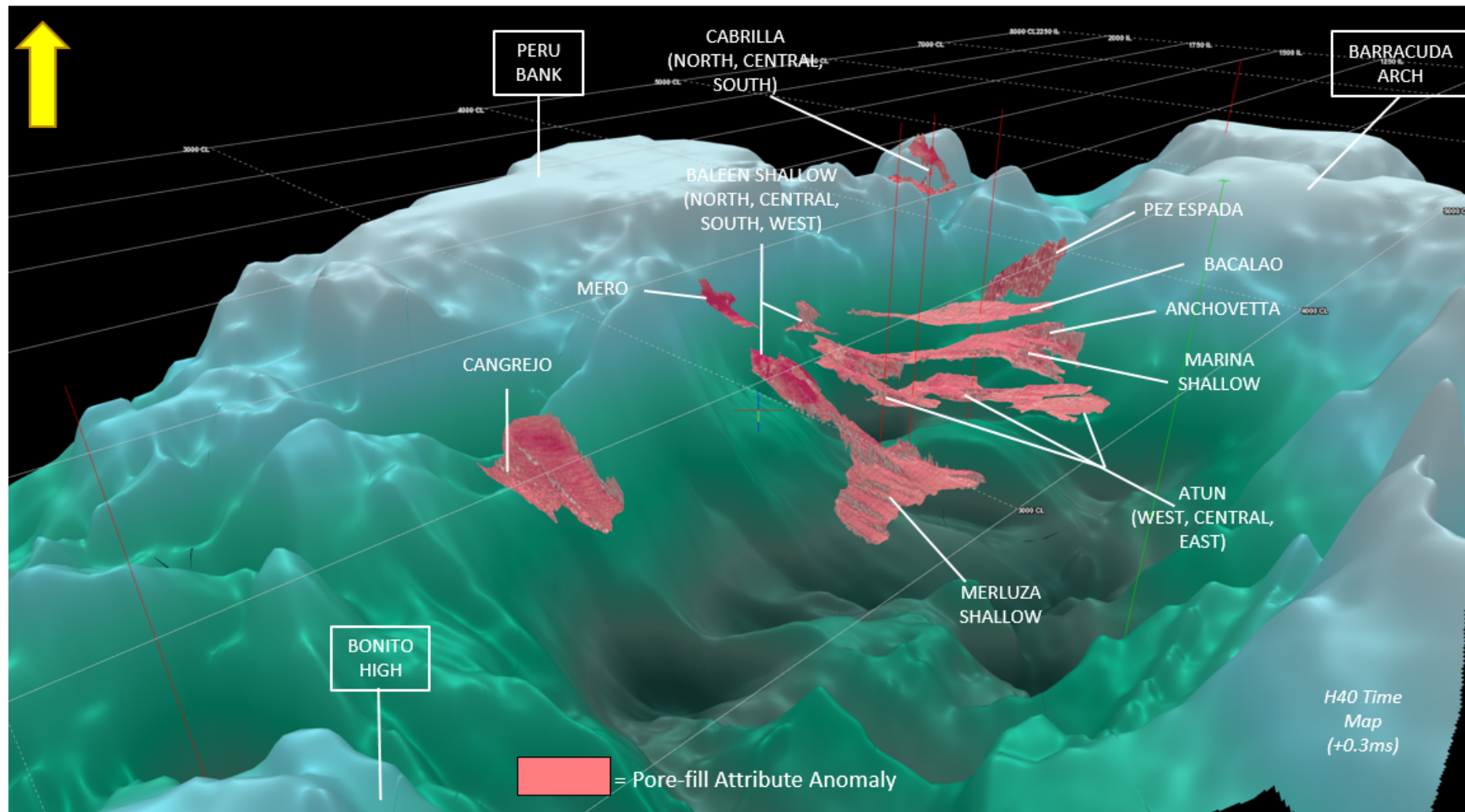


Detailed mapping and seismic pore-fill attribute extraction strongly support the presence of trapped hydrocarbons

- Reservoirs are stacked, ponded turbidite sands
- Trap also appears to have some stratigraphic controls consistent with the depositional model
- Conformance of anomalies with mapped contours could indicate oil water contacts
- New prospectivity to be independently assessed when technical work complete

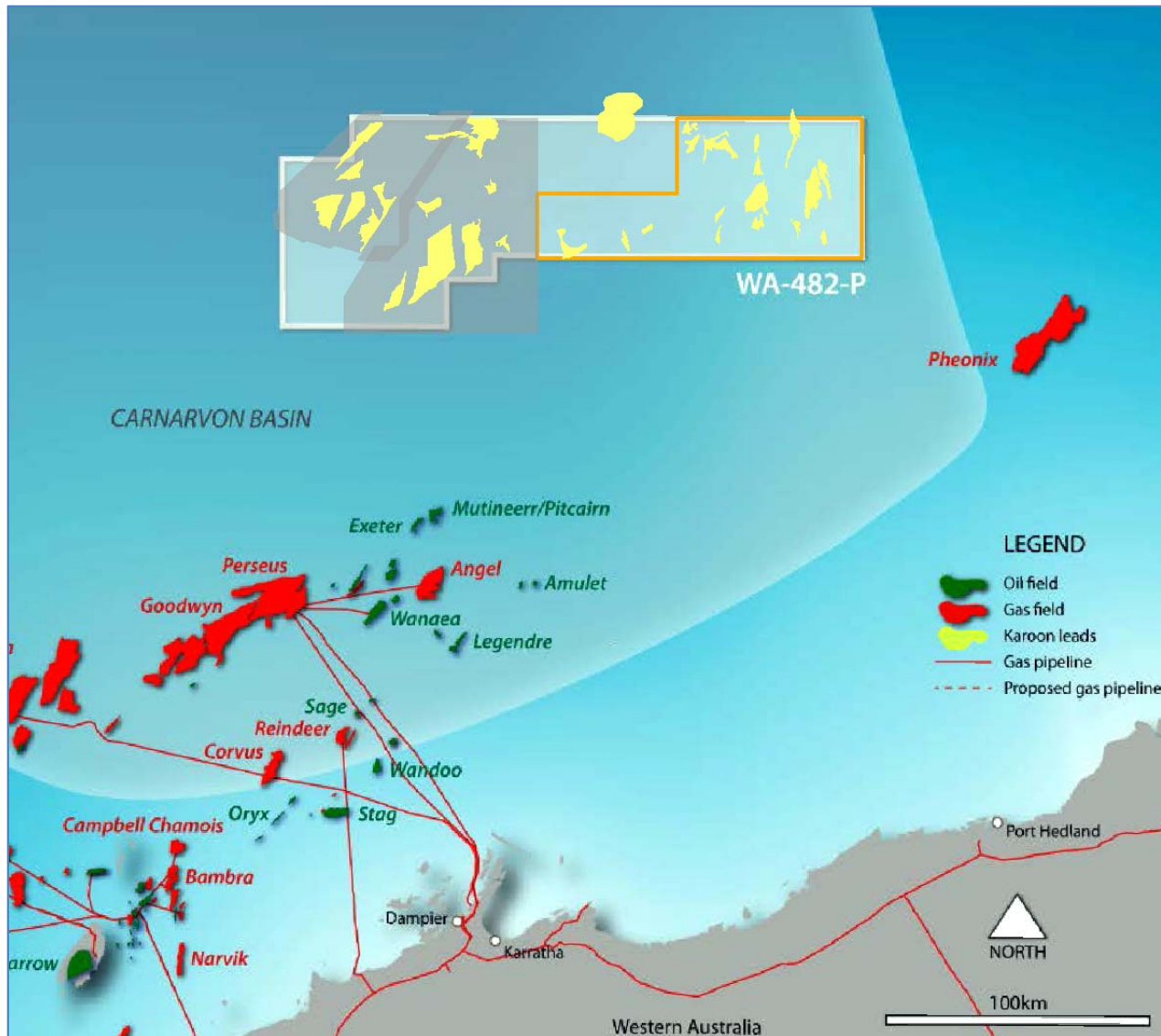
Z-38: New Data Supports Additional Prospectivity

New seismic work has identified multiple new leads at the Mal Pelo level



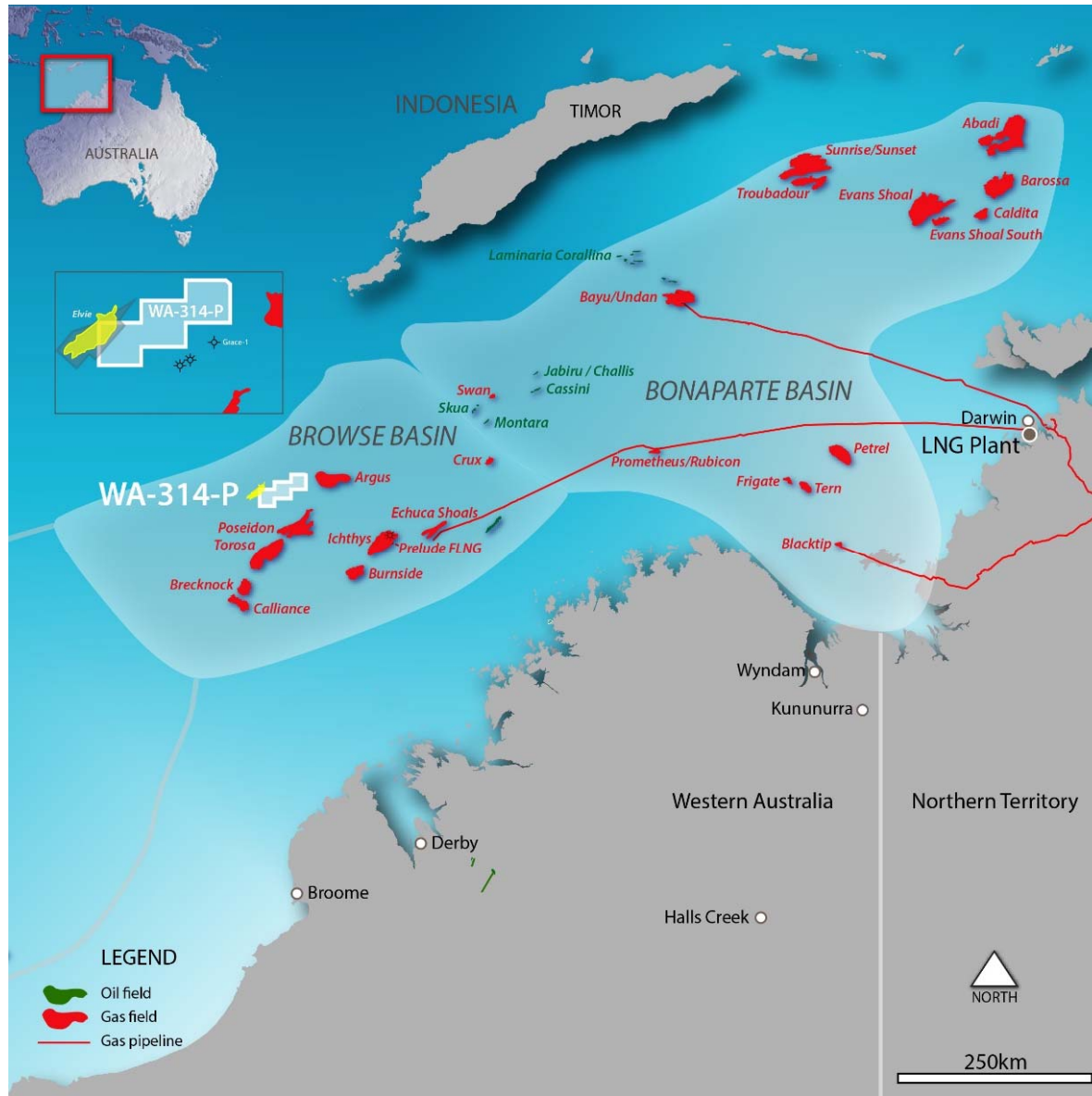
New data: Work program focused on seismic attribute analysis over the last 12 months

Exploration Australia: Carnarvon Basin



- KAR (50%), Quadrant (Operator) 50%
- Large 13,539 square km block in an emerging oil prone area
- Levitt-1 drilled mid-2015, proved presence of hydrocarbon migration model with oil shows
- Currently interpreting new 3D seismic on eastern section of the block adjacent to BHP, REPSOL, CNOOC to the north, several attractive structures evident

WA-314-P: Browse Basin



- KAR 100% , Operator
- Permit retained for exploration upside following divestment of Poseidon gas discoveries in 2014
- Recently renewed 3 year term with no well commitment
- Prospect evaluation underway, with 3D seismic identifying tertiary turbidite fairway
- Elvie prospect supported by seismic anomalies and likely oil, low work commitment
- Future drilling subject to farm-out