



KAROON GAS AUSTRALIA LTD

Karoo Gas – snapshot

- Brazil Farmed-out 35% equity to Pacific Rubiales Energy Corp *
- Three well Santos Basin Exploration Drilling Campaign set to commence December 2012
- Blackford Dolphin rig received 12th December 2012

* Subject to regulatory approval

- Australian Browse Basin Drilling progressing – 5-8 wells
- Poseidon field:
 - Boreas-1 intersects target objective. Drill stem test – flows at 30.2 mmscf per day (facility constrained)
 - Kronos-1 well flows at 26 mmscf per day (facility constrained)
 - Zephyros-1 spudded November 2012
- New North Carnarvon Basin Exploration Block WA-482-P acquired



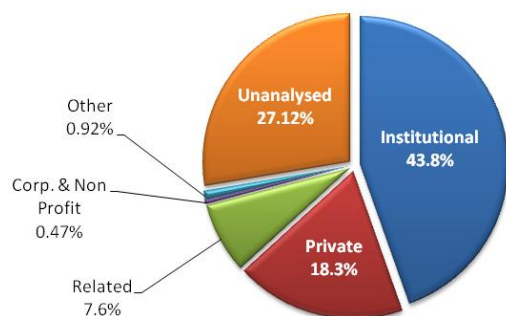
Investor information

Karoon Share Price Movement



- ❑ 221 million shares
- ❑ 12 million unlisted options
- ❑ Market capitalisation approx A\$1.1 billion @ A\$5.00
- ❑ Cash at bank A\$247 million as at 31st November 2012
- ❑ Company in S&P/ASX 200 Index

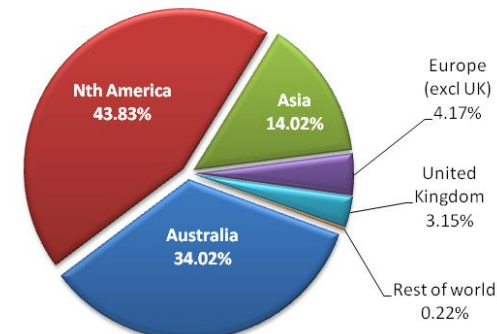
Total Shareholder Composition



Substantial Shareholders

Rank	Name	% ISC
1	Wellington Management Company LLP	12.09
2	Talbot Group	11.89
3	Robert Hosking	5.66
4	FMR LLC	5.34

Institutional Shares by Geography



Past. Present. Future.

What we have done

□ Australia-

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

□ South America – Brazil

- 2007 - Awarded 5 Blocks in the Santos Basin Brazil
- 2010 - Acquired wide azimuth 3D seismic survey (first in Brazil)
- 2010 - Farm-in to Petrobras block S-M-1352 (20%) Maruja discovery*
- 2012 - Farm-out 35% to Pacific Rubiales Energy Corp*

□ Peru – Tumbes Basin

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

*Subject to regulatory approval



What we are doing

□ Australia

- Appraisal and exploration drilling 5-8 wells 2012-2014
- Browse Basin - farming-out an interest in WA-314-P

□ Brazil

- Santos Basin, drilling of 3 wells. Commenced December 2012

□ Peru

- Tumbes Basin-farming-out an interest in Z-38
- Preparations continuing for a minimum two well drilling program expected to commence in late 2013 in Peru Tumbes Basin Z-38

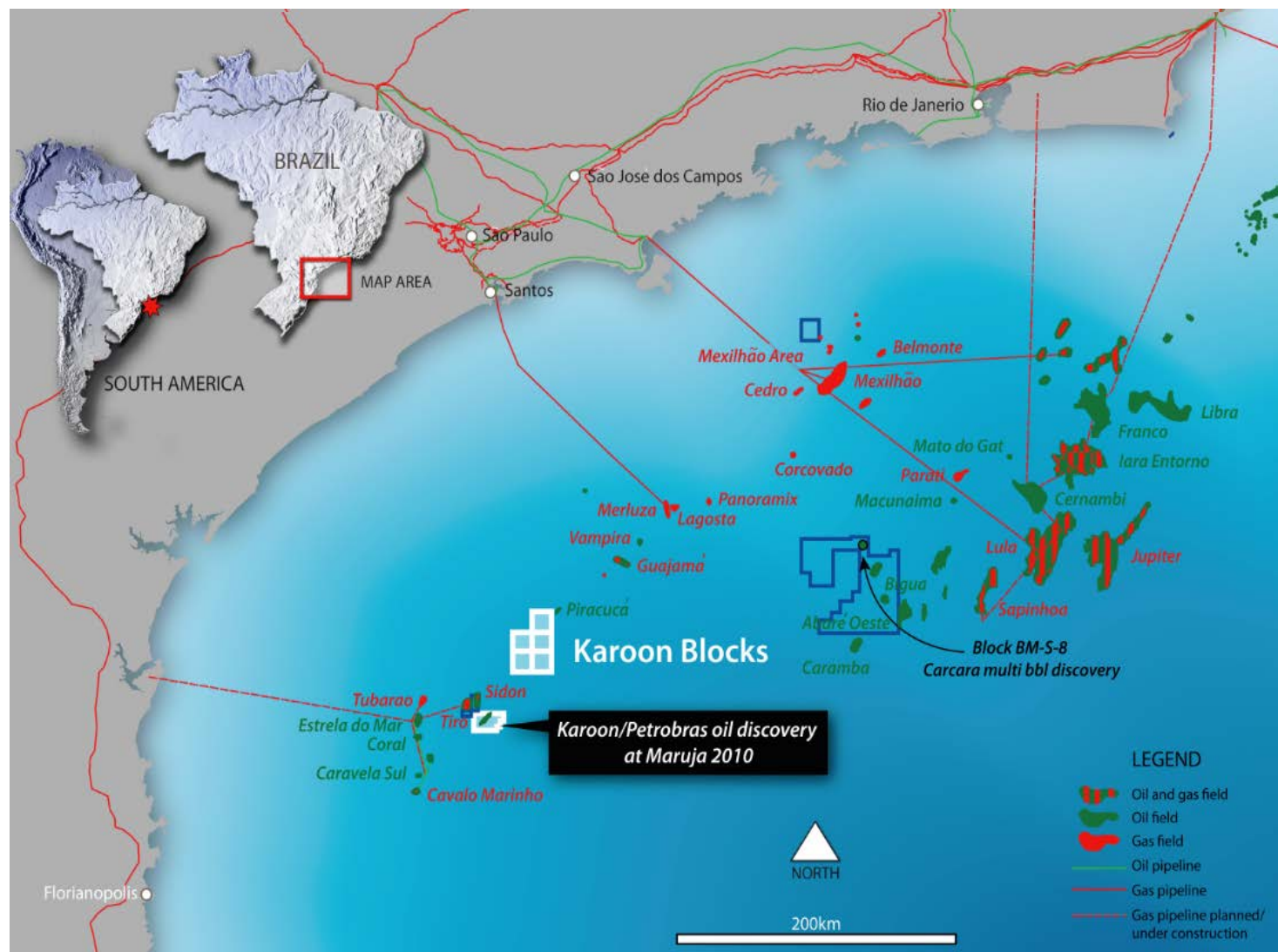
Where we are going

- Early entry into highly prospective basins, with high equity, larger potential targets and a proven petroleum system
- Realise value from prospective areas by managing equity positions and financing alternatives to provide the highest economic value for shareholders
- Leverage off high equity ownership positions in discoveries to provide the greatest value for shareholders through commercial outcomes

Key personnel

BOARD AND SENIOR MANAGEMENT	
ROBERT HOSKING – EXECUTIVE CHAIRMAN Founding Director and shareholder of Karoon Gas with 35 years of commercial experience. Involved in the oil and gas industry for 18 years. Founding Director and shareholder of Nexus Energy	CLARK DAVEY – INDEPENDENT NON-EXECUTIVE DIRECTOR 30 years oil and gas accounting experience with PWC and private consulting. Energy and Resources tax specialist including experience with structuring and PRRT
MARK SMITH – EXECUTIVE DIRECTOR AND EXPLORATION MANAGER 30 years experience as a Geologist and Exploration Manager in petroleum exploration and development, mainly with BHPB in Australia, Southeast Asia and North America	SCOTT HOSKING – COMPANY SECRETARY AND CFO International financial and commercial management background with expertise in corporate finance
JOSE COUTINHO BARBOSA – NON-EXECUTIVE DIRECTOR 38 years experience in Petrobras Group, including director of Exploration and Production, CEO of Braspetro, the international subsidiary of Petrobras, and acting CEO of Petrobras SA in several instances and Managing Director.	EDWARD MUNKS – SOUTH AMERICA DIRECTOR AND COO OF KGA 31 years international experience. Was fundamental in the acquisition of the Karoon Group's exploration portfolio in South America. Also responsible for the company's South American operations
STEPHEN POWER – NON-EXECUTIVE DIRECTOR 25 years as a commercial lawyer providing advice to participants in the resources industry in Australia and overseas	TIMOTHY HOSKING – GENERAL MANAGER – SOUTH AMERICA Over 10 years experience. Instrumental in the acquisition and consolidation of the South American assets including responsibility for the government and private oil and gas company relationships, which have resulted in Karoon's current South American portfolio. Coordinated all field operations in Peru and Brazil
GEOFF ATKINS – INDEPENDENT NON-EXECUTIVE DIRECTOR 40 years experience in investigation planning design, documentation and project management of significant port harbour and maritime projects.	
KEY PEOPLE	
DENNIS HINING – DRILLING MANAGER – SOUTH AMERICA 40 years experience in the oil and gas industry. Former head of ExxonMobil Worldwide Ventures Group for Deepwater Exploration Drilling, Drilling Engineer for Shell Oil. Experienced in Brazilian deep pre-salt development projects	JORGE CAMERGO – ADVISOR TO THE BOARD 34 years of experience in the oil and gas industry. Former President of Statoil and ASA in Brazil. Worked for Petrobras for 27 years
BRIAN LUECKE – EXPLORATION MANAGER – SOUTH AMERICA 40 years International and US experience in the oil and gas industry with Phillips Petroleum, IEDC, ARCO and Anzoil	GERMAN BARRIOS – ADVISOR TO THE BOARD 25 years experience. Partner of Barrios Fuentes Abogados – a law firm in Peru specialising in oil and gas law

Brazilian assets- Regional Activity



Location:

- Santos Basin, Brazil. 300-400m water depth.
- On trend with Piracua, Newton, Muluza, Maruja, Tiro and Sidon fields

Prospective resource:

- 15 prospects and leads firmed up including 2 in pre-salt section
- Current Karoon Net Unrisked Mean Prospective Resource in the Post salt, total 940 million barrels
- Pre-salt values subject to additional work

Karoon discovered resource:

- Maruja oil field

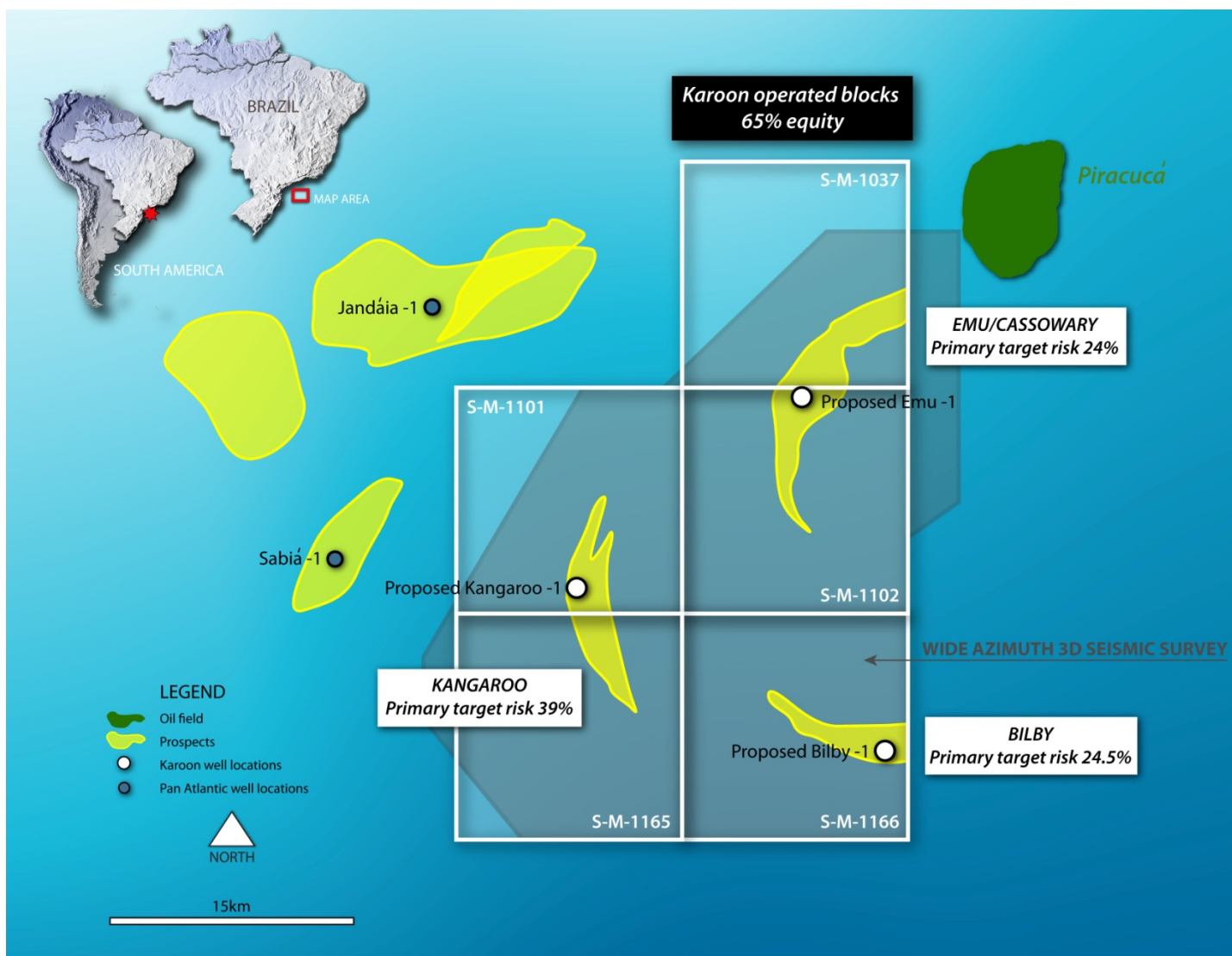
Interest:

- 100% interest in 5 blocks (reducing to 65% subject to regulatory approval and options in the farm-out to Pacific Rubiales Energy Corp)
- 20% interest in Block S-M-1352 (Subject to final regulatory approval)

Forward plans:

- Drill 3 wells start in December of 2012
- Program to last 6 to 9 months

Brazil assets – Activity Summary



Santos Basin Farm-out

Agreement for Pacific Rubiales Energy Corp to acquire a 35% interest in Karoon's wholly owned Santos Basin Exploration Blocks, S-M-1101, S-M-1102, S-M-1037 and S-M-1165 with an option to acquire a 35% interest in S-M-1166

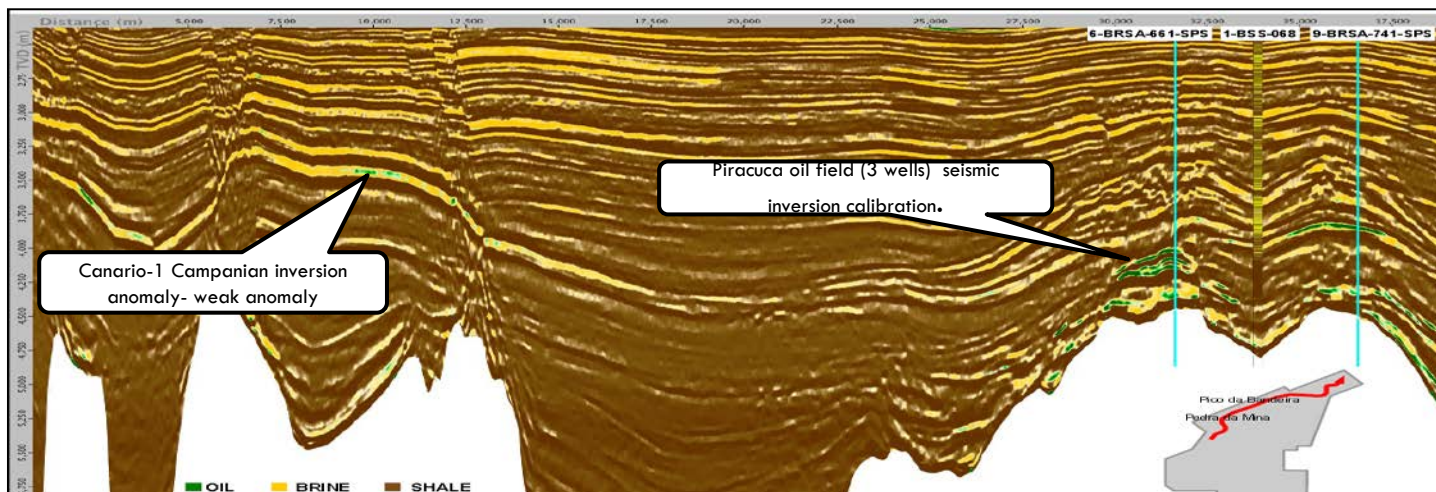
□ Pacific Rubiales Energy Corp:

- Pay US\$40 million in cash consideration
- US\$140-US\$210 million in carried well costs
- 35% of all costs over and above the well carry commitment

Drilling order

1. Kangaroo
2. Emu/Cassowary
3. Bilby

Brazil assets – Drill target comparison, seismic inversion

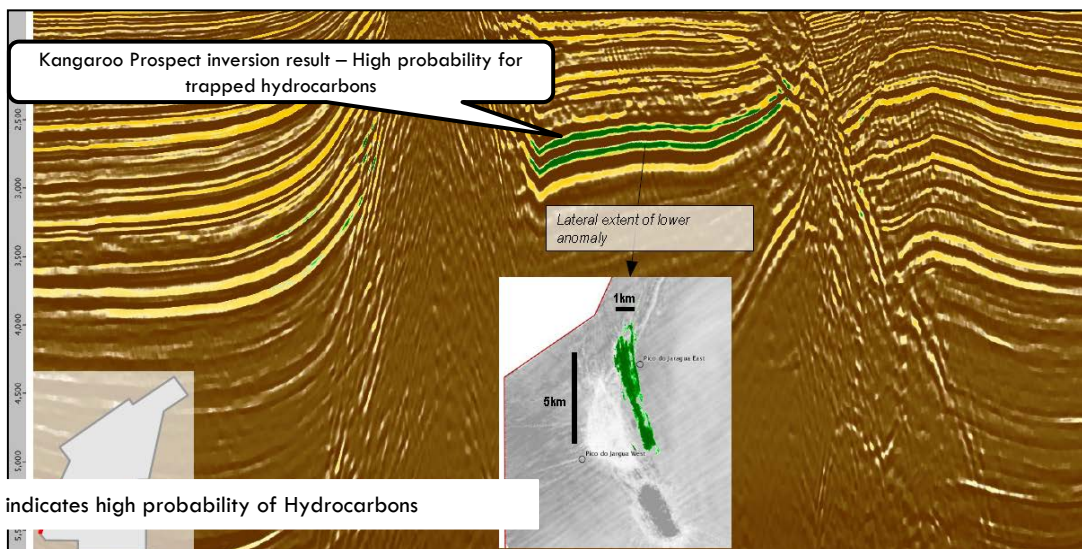


Seismic attribute study results

Seismic amplitude and inversion tools work best where rock and fluid properties are suitable.

Ambiguous results can occur with thin and interbedded sands (a seismic resolution limitation).

Seismic amplitude and inversion results are calibrated to the same aged rocks at Piracuca and have produced encouraging results for the Kangaroo prospect and to a lesser extent for the Emu- Cassowary and Bilby prospects.



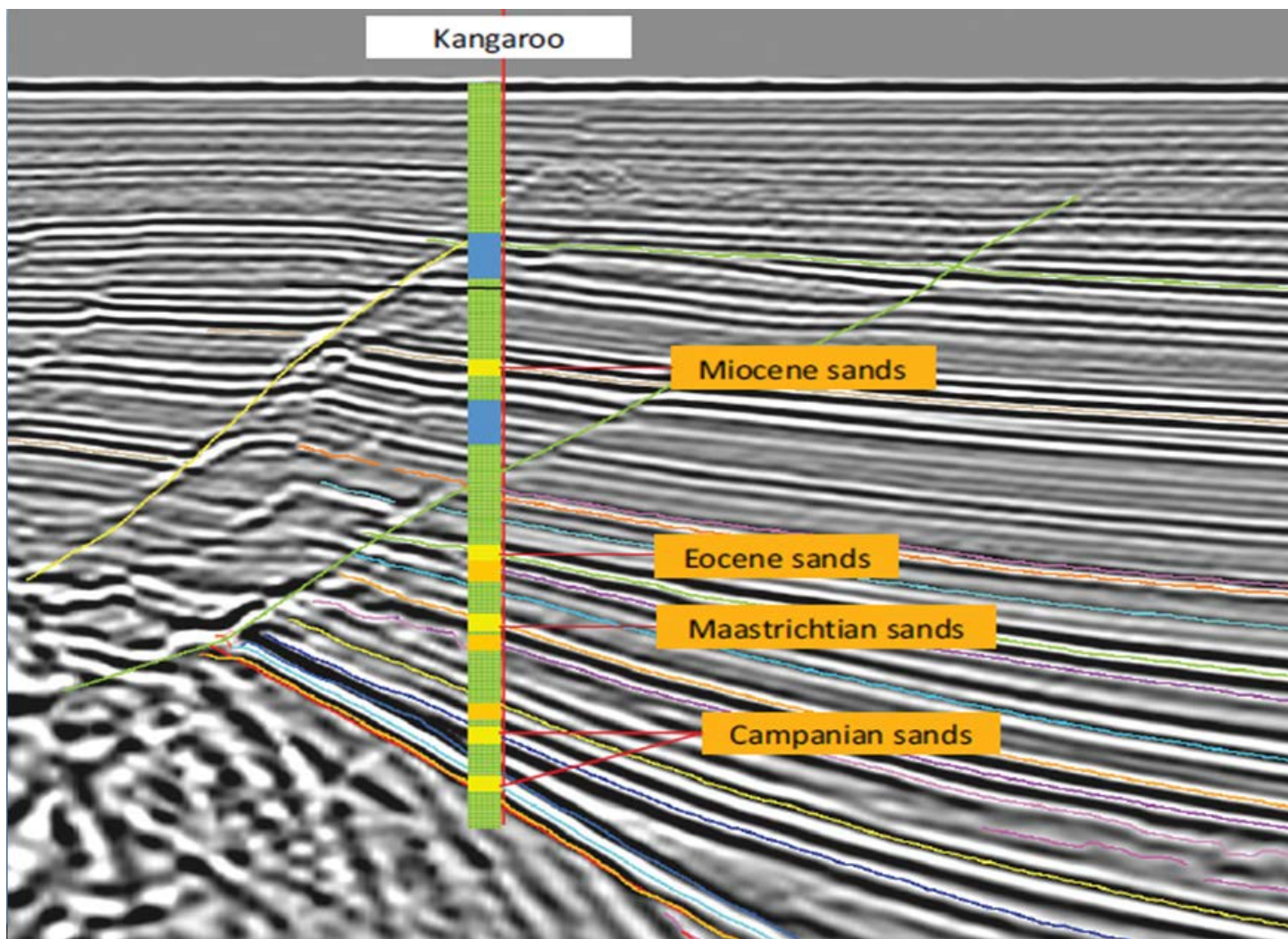
Green indicates high probability of Hydrocarbons

Adjacent acreage comparison

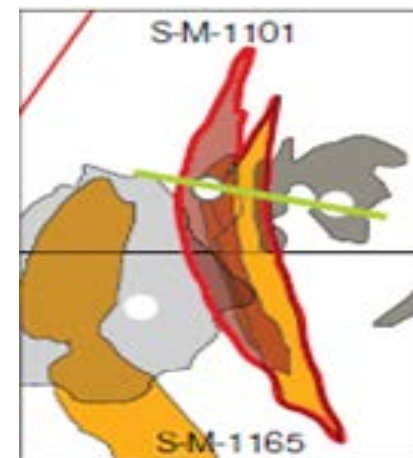
The main differentiating points between Karoon prospects and those of the blocks to the west are;

- Better setting for thick reservoir development
- Better supporting seismic anomalies
- Better access to oil from presalt source rocks.

Brazil Santos Basin - Drilling candidates



Kangaroo Prospect

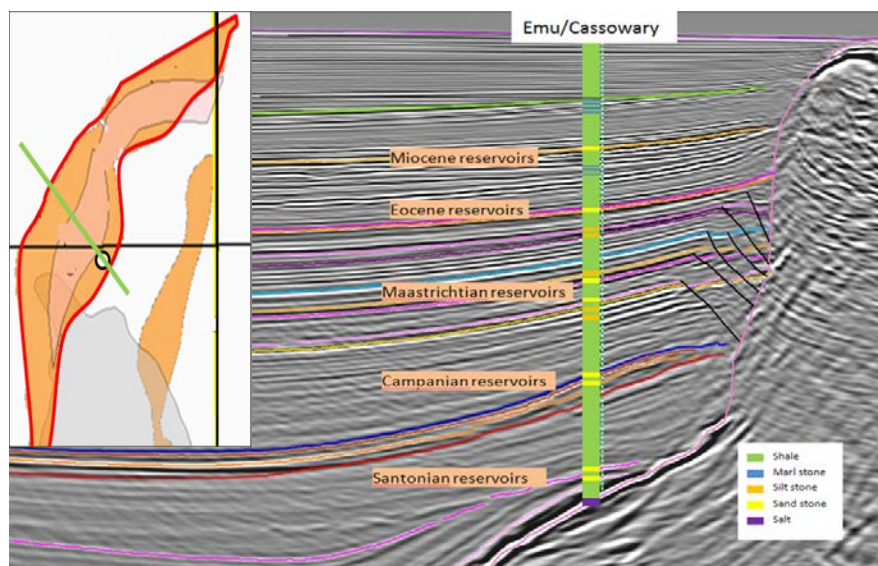


Primary target is the Campanian sands interval which show a good seismic DHI (Direct Hydrocarbon indicator)

Gross Prospective resource total for all levels - Mean 272mmbls to High case 387 mmbls.

Primary target Mean 146 mmbls to High case 229 mmbls

Brazil Santos Basin - Drilling candidates



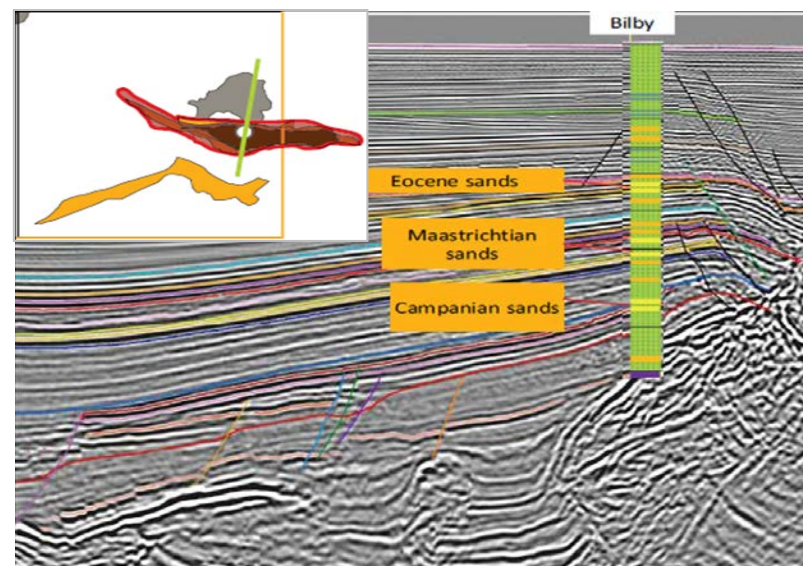
Emu/Cassowary Prospect

Target intervals indicated in yellow (sandstones)

Primary target is the Campanian and Santonian sand intervals

Gross Prospective resource total for all levels - Mean 350mmbls to High case 600mmbls.

Primary target Mean 300 mmbls to High case 500 mmbls



Bilby Prospect

Target sand intervals indicated in yellow (sandstones)

Primary target is the Campanian sand intervals which show a good seismic DHI (Direct Hydrocarbon Indicator)

Gross Prospective Resource total for all levels - Mean 110mmbls to High case 170 mmbls.

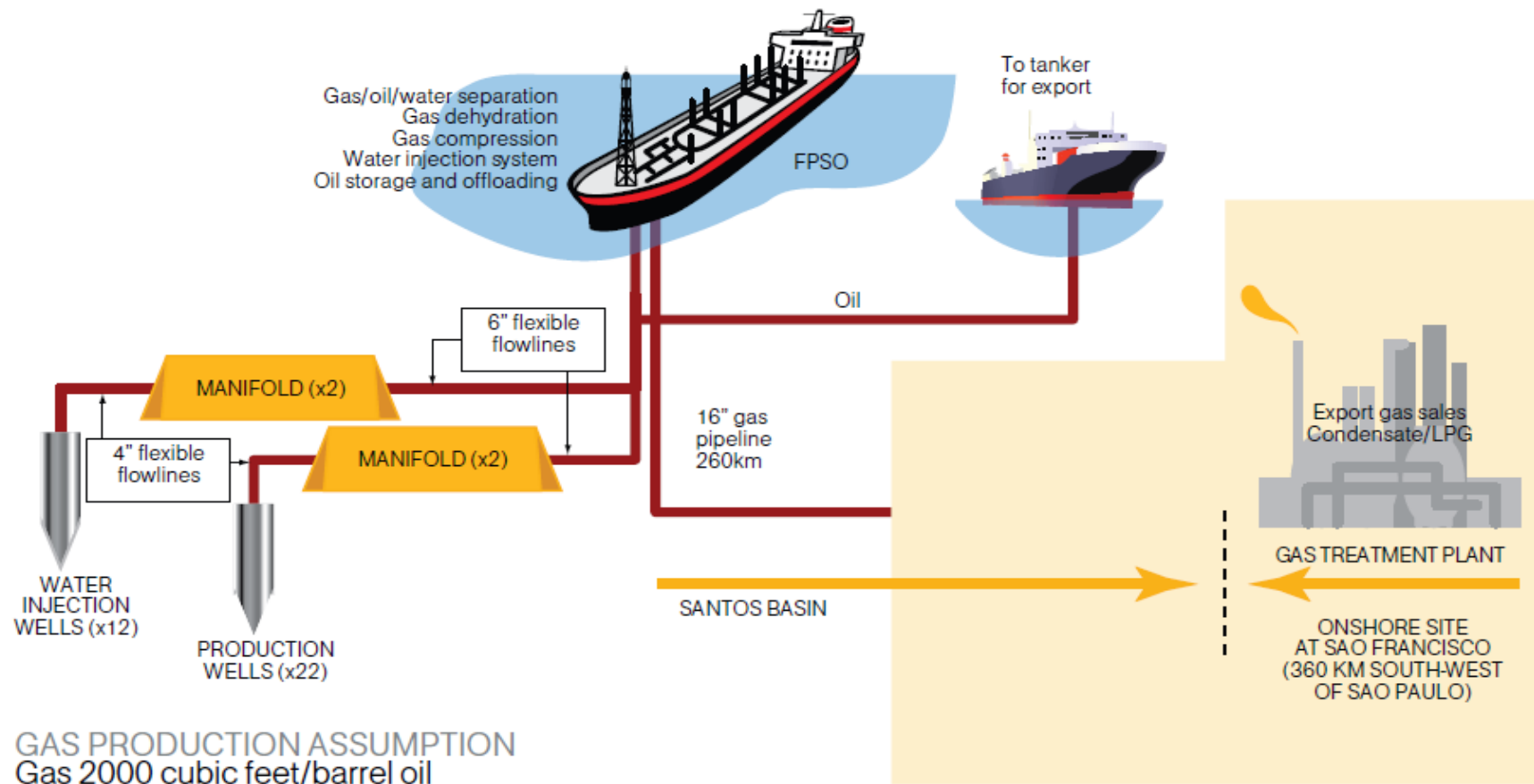
Primary target -Mean 50 mmbls to High case 110 mmbls

Santos Basin

Indicative development model and economics

Karooon oil and gas indicative development model economics
(assuming a discovery of 250 million barrels and based on independent third party design concepts).

Field development, pipeline and gas plant facilities schematic (80,000 b/d oil, 160 mil scf/d gas).



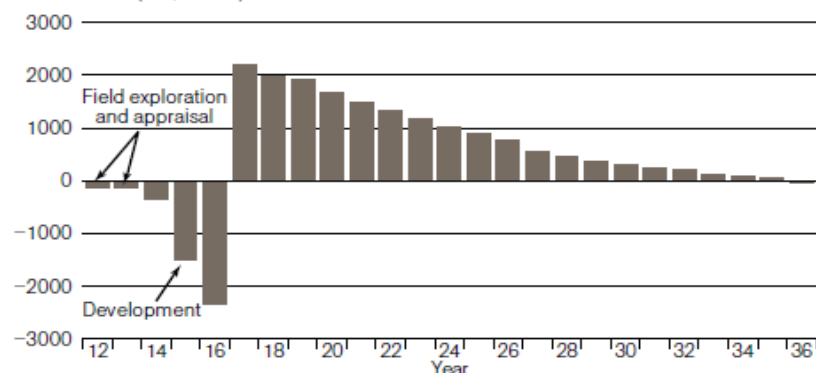
Santos Basin

Indicative development model and economics

Net cash flow

Karoon oil and gas production indicative development model economics. 100% share.

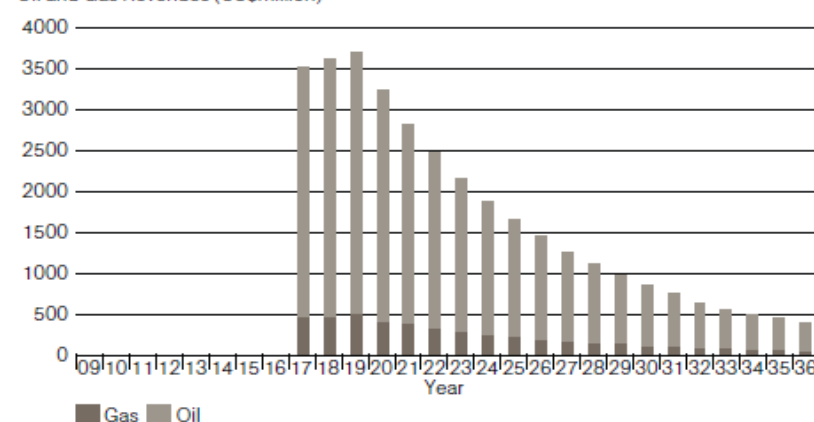
Net cash flow (US\$million)



Product revenues

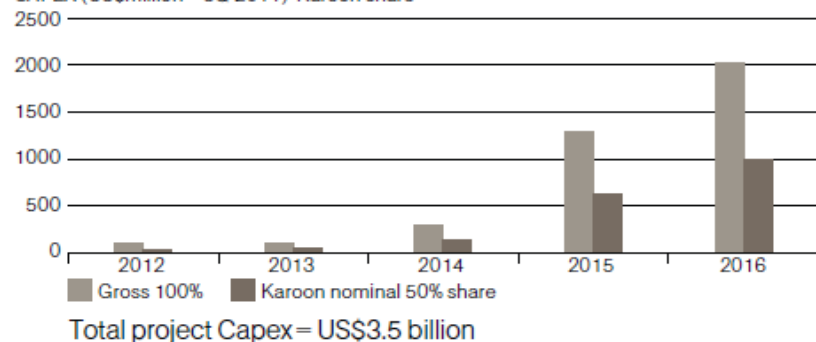
Oil and Gas Revenues- 100% share.

Oil and Gas Revenues (US\$million)



Capex profile

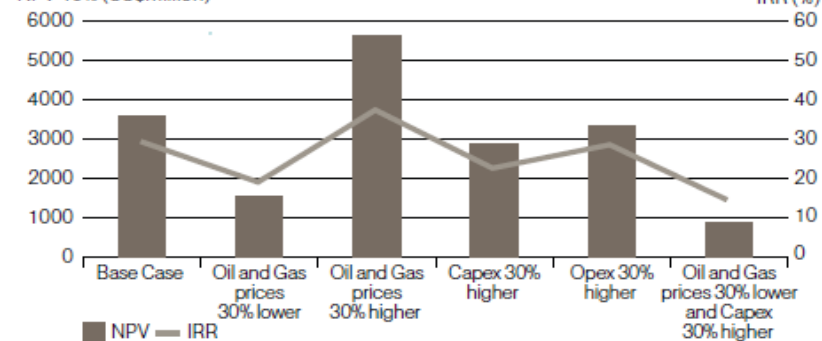
CAPEX (US\$million - 3Q 2011) Karoon share



Economic sensitivity analysis

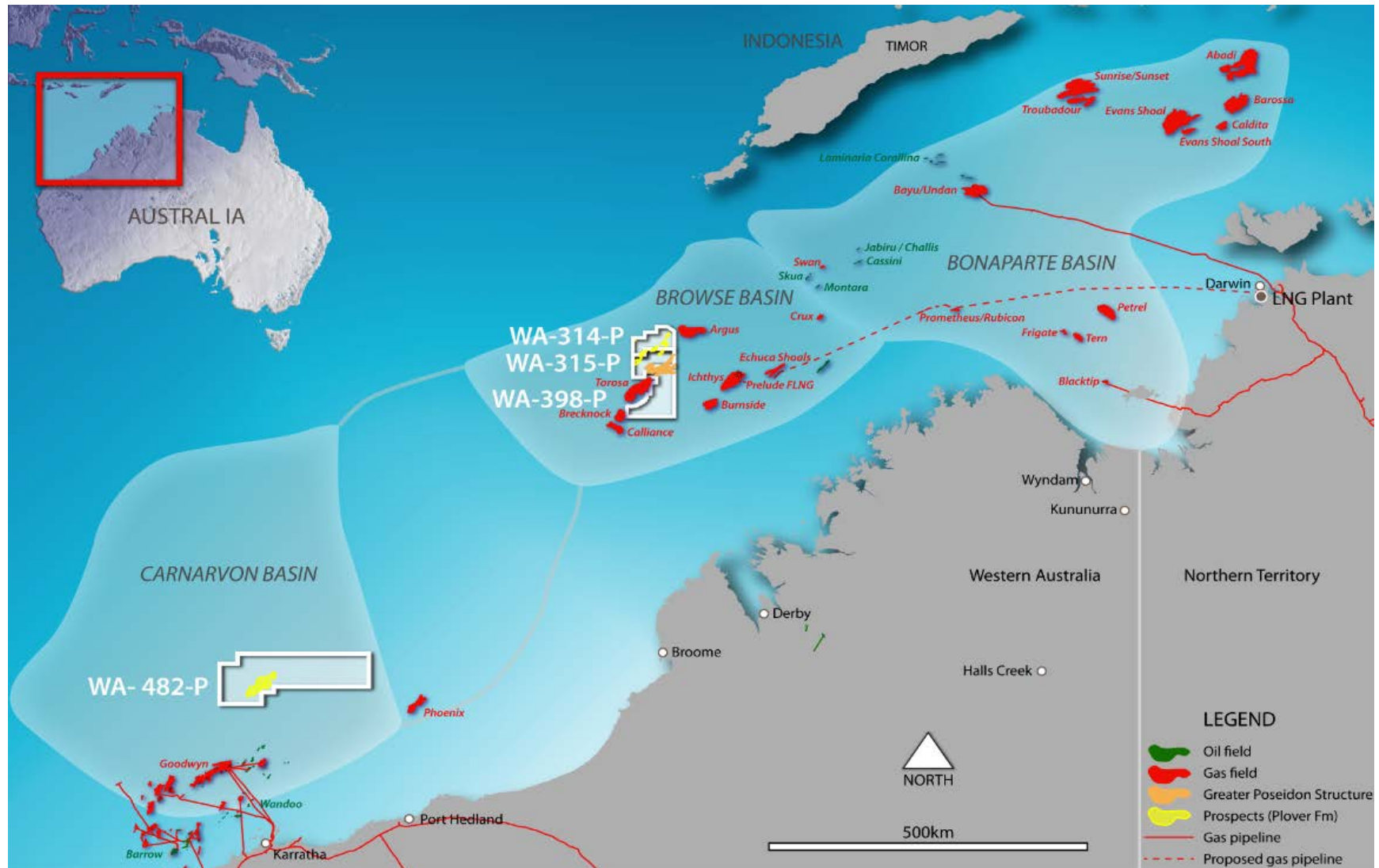
NPV-10% (US\$million)

IRR (%)

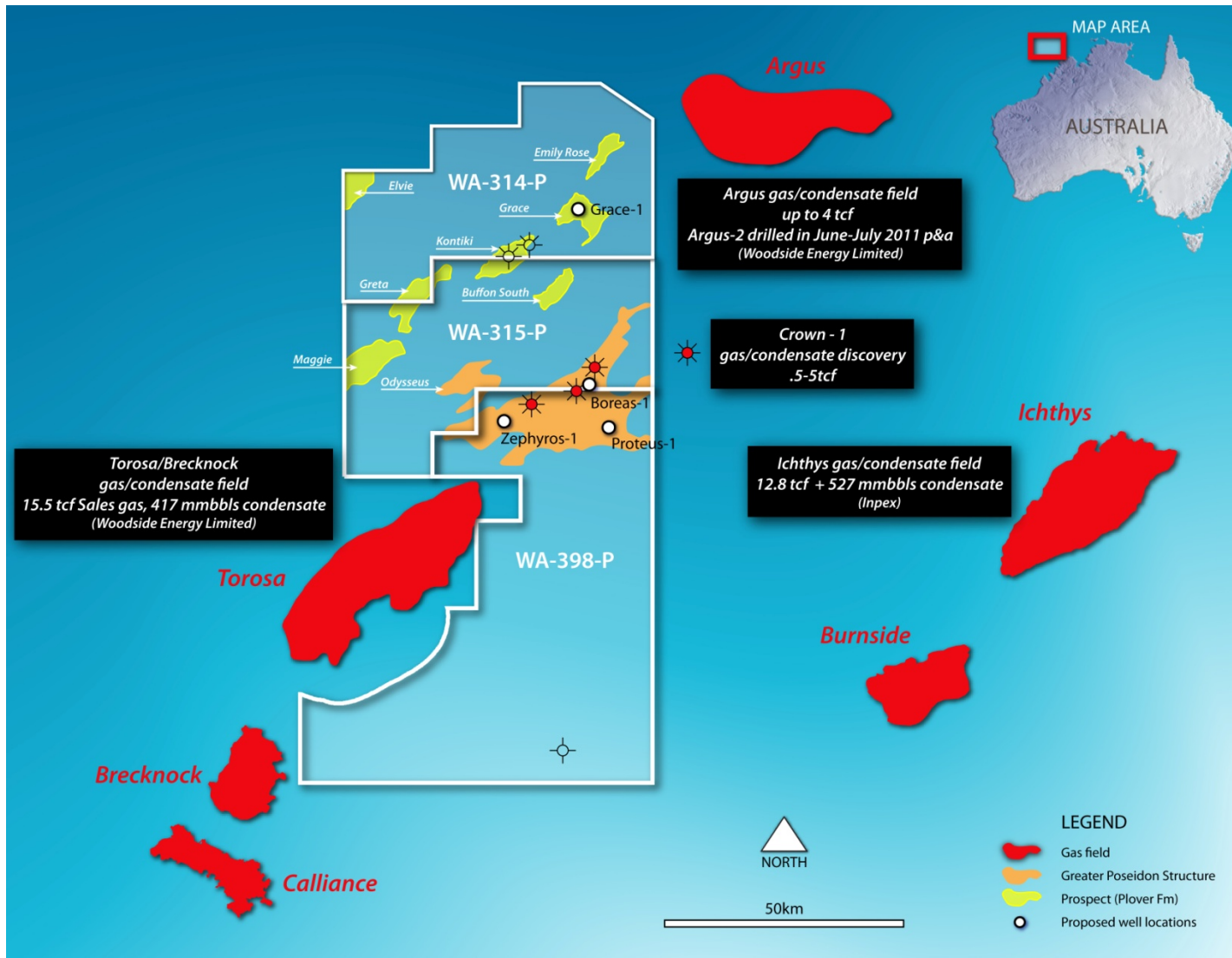


Project NPV US\$3.6 billion, IRR 29%
Assumptions: Oil US\$90/bbl, Gas US\$7/mmmbtu

Australian assets



Australian assets – Browse Basin



Location:

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

Karoon discovered resource:

Previously announced Contingent Resource Range will be subject to ongoing review as results for the current drilling programme are received and assessed. Updated third party reviewed Contingent Resource assessments are expected to be available towards the end of the drilling programme.

Prospective resource:

- Outside greater Poseidon trend
8 prospects identified with Total Mean Unrisked Prospective Resource of 1.5 tcf

Interest:

- 40% in WA-315-P and WA-398-P
- 90% in WA-314-P

Forward Plans:

- Drilling order:
 1. Zephyros
 2. Proteus
 3. Grace

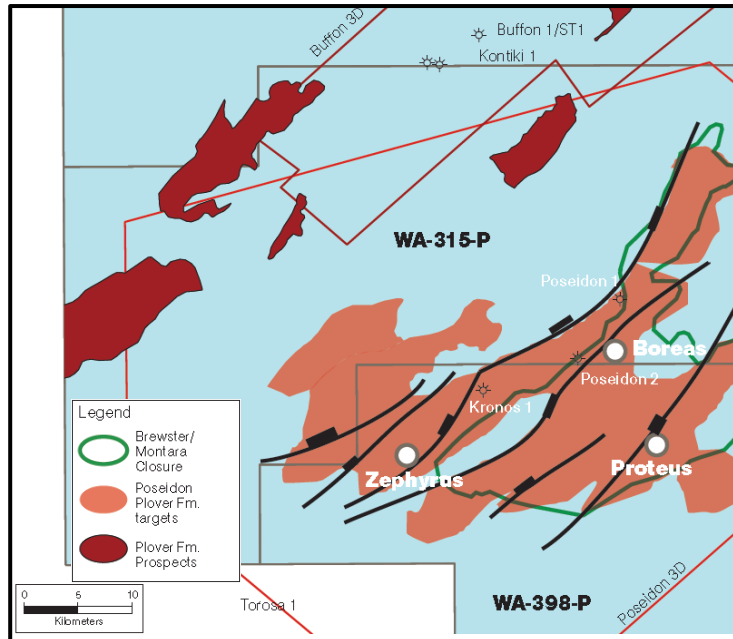
* Additional wells to be determined

- Program to last 18-24 months
- Farm-out an interest in WA-314-P

Objective:

- Define resource and progress to LNG development FEED stage

Australian assets – Browse Basin

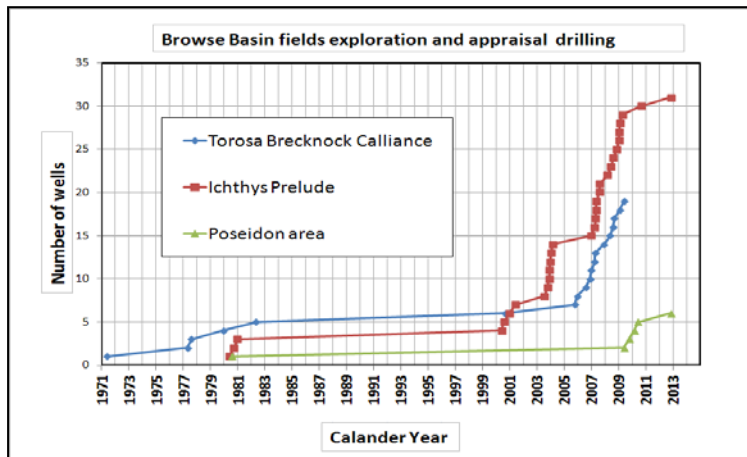


Boreas-1 test results:

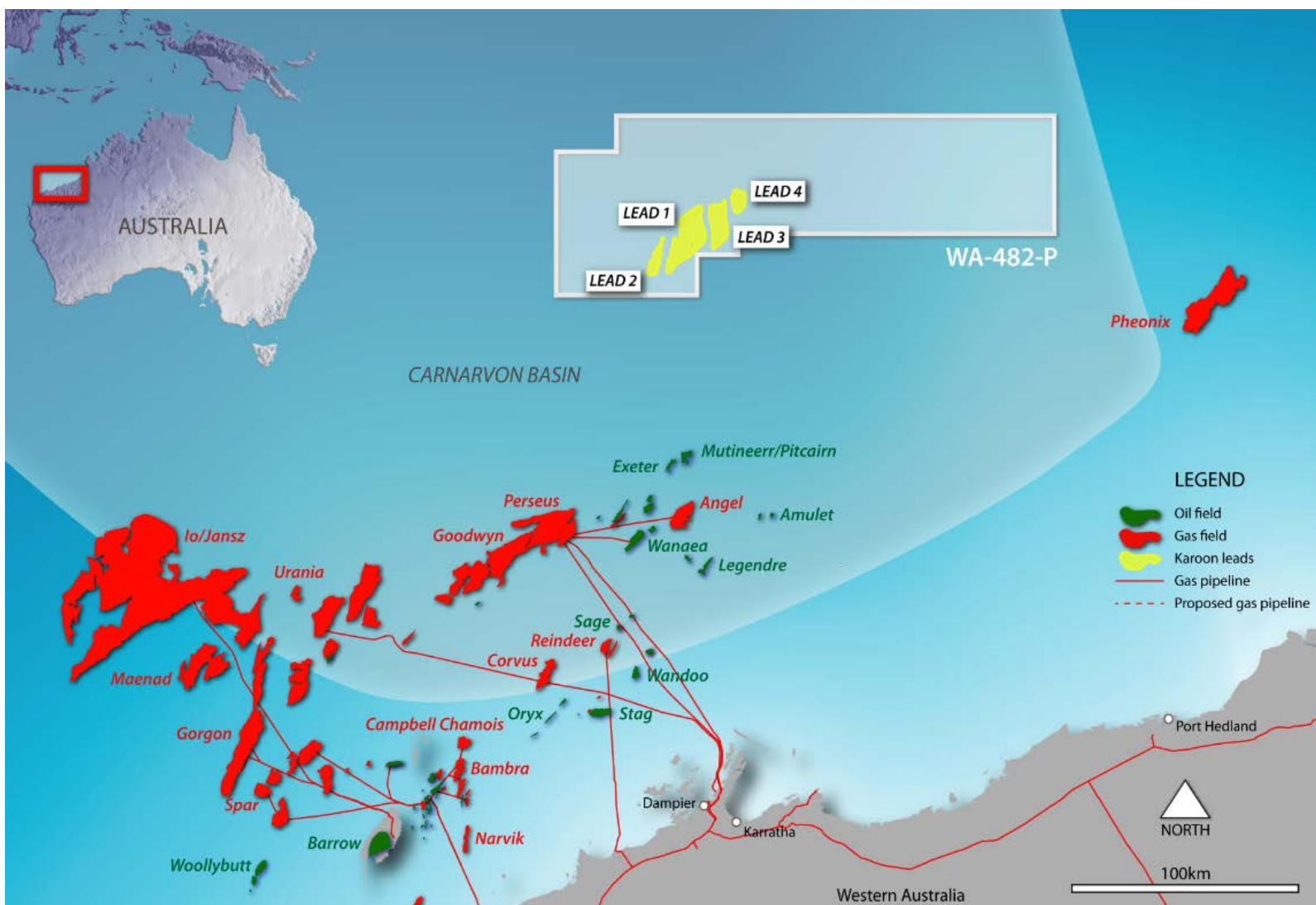
- Pressure and flow data modelling by Karoon indicates that the Boreas test interval could flow at rates between 100 and 250 mmscfpd in a development case using 7" tubing above the bottom production liner if operated at 500-1000 psia surface pressure.
- Condensate 18 bbls per mmscf (final number expected later from PVT analysis of down-hole samples). Carbon dioxide 16%.



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



Australian assets – North Carnarvon Basin



WA-482-P

Location:

- North Carnarvon Basin, Australia. 400-2000m water depth. On trend with North Carnarvon Basin Mungaroo plays and Phoenix gas discovery

Prospective resource:

- 4 prospects and leads with multiple tcf potential

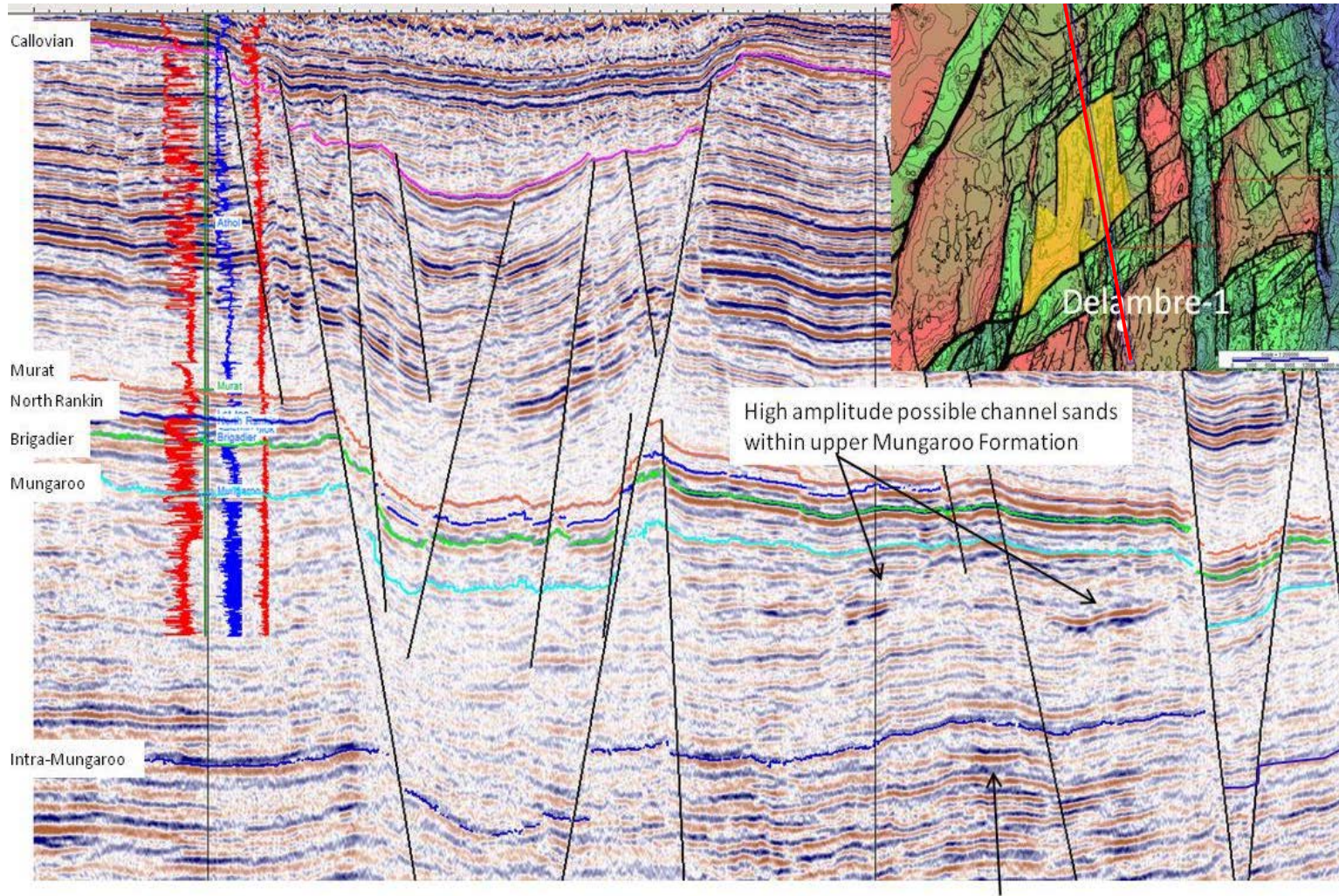
Interest:

- Earning 100% equity

Terms:

- Farm-in from Liberty Pet. Corp
 - Earn 100% by completing years 1 and 2 work program of geological and geophysical studies and acquisition of 2010 sq Km 3D seismic
 - On completion of first and second year work program, option to acquire 100% interest and enter year 3 well commitment

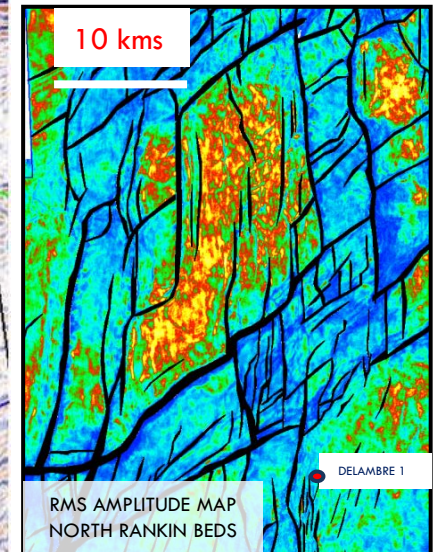
Australian assets – North Carnarvon Basin



WA-482-P

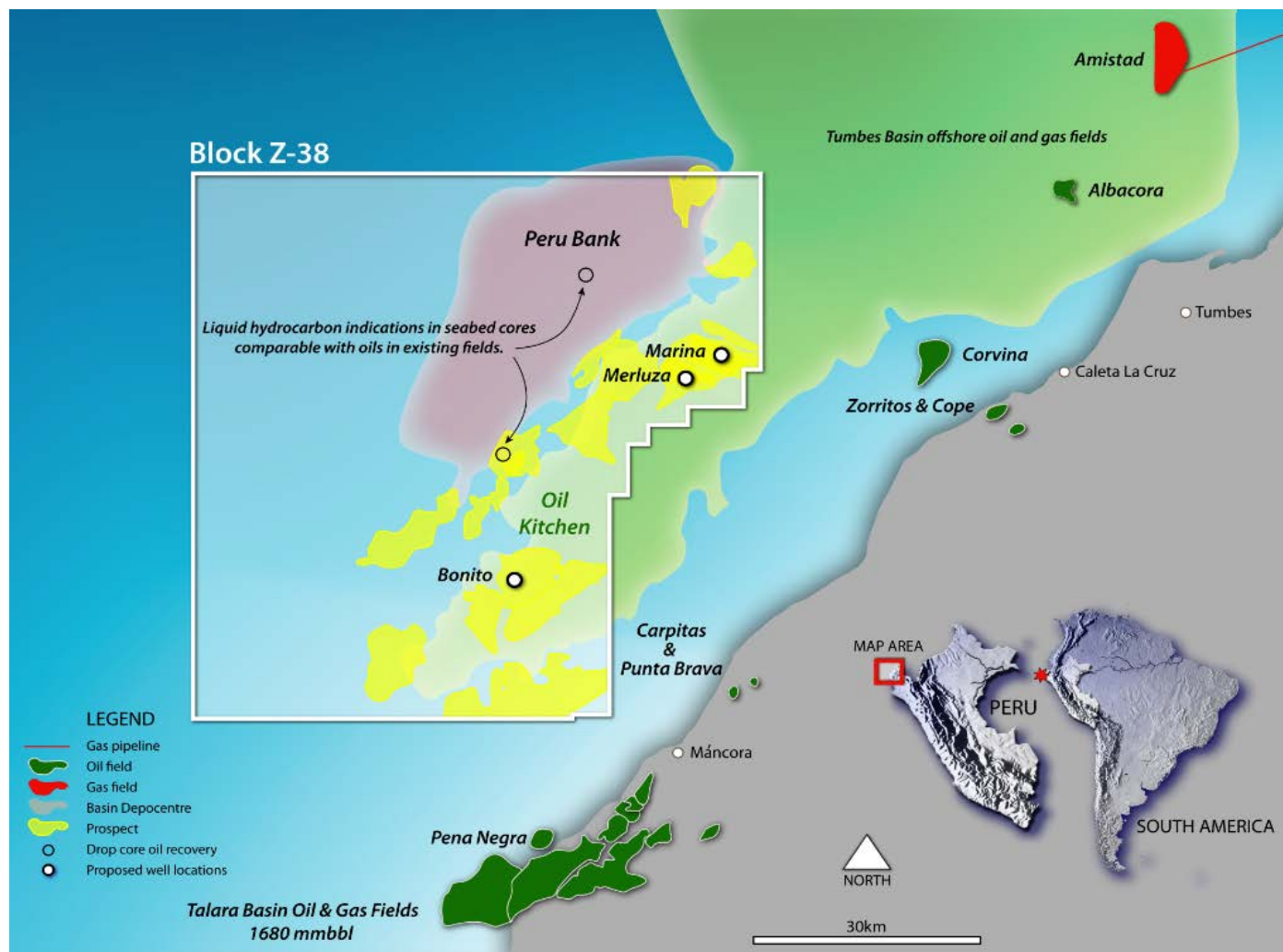
Prospect example

Prospective at a number of levels from Lower Jurassic Nth Rankin beds to Triassic, Top and Intra-Mungaroo Formation levels.



High amplitudes within lower Mungaroo Formation

Peru assets – Block Z-38 – Tumbes Basin



Location:

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

Prospective resource range

- 16 prospects and leads identified with current Net Unrisked Mean Prospective Resources totalling 1.92 billion barrels

Interest

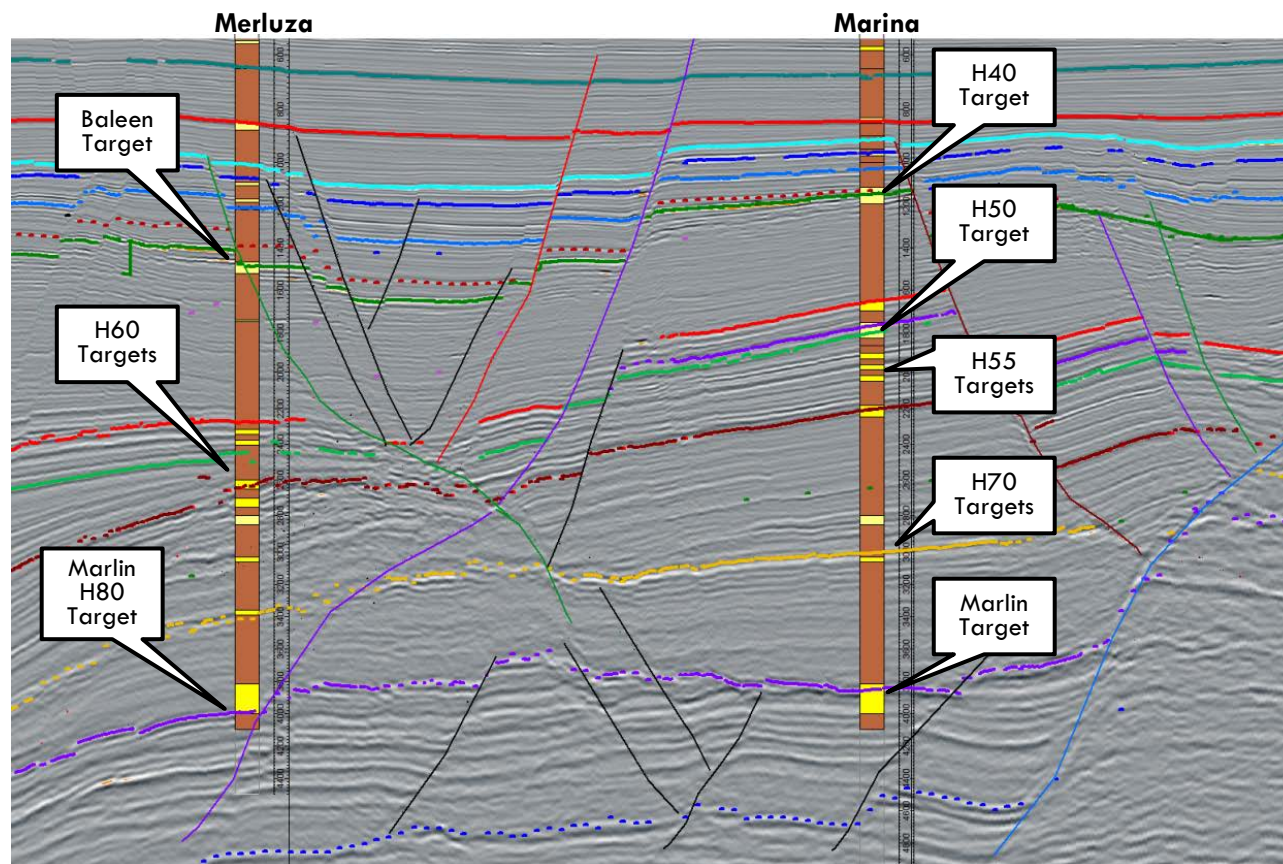
- 75% equity in Z-38 subject to completion of farm-in terms with Pitkin Petroleum Plc (formally Vamex)

Forward plans

- Farm-out to begin 1st quarter 2013
- Drill up to 3 wells expected to start 2nd half 2013. Rig being sourced
- Program to last 6 to 9 months

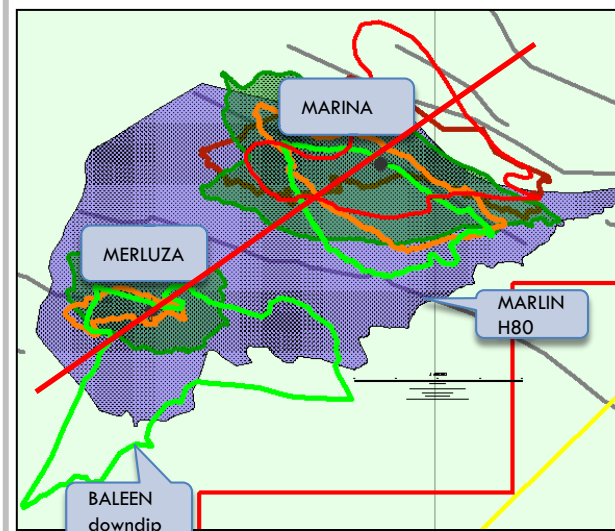
Perspective resource estimates represent current interpretations by Karoon of available exploration data and are subject to material change and reinterpretation as exploration and appraisal proceeds

Peru assets –Tumbes Basin Drilling candidates



Merluza, Marina and Marlin Prospects

Target sand intervals indicated in yellow



Merluza-1 will test three overlying prospects, Baleen, Merluza H60 Mean Prospective Resource 51 mmbls.

Baleen(all) -Mean Prospective Resource 189 mmbls

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

Mean Prospective Resource 392 mmbls.

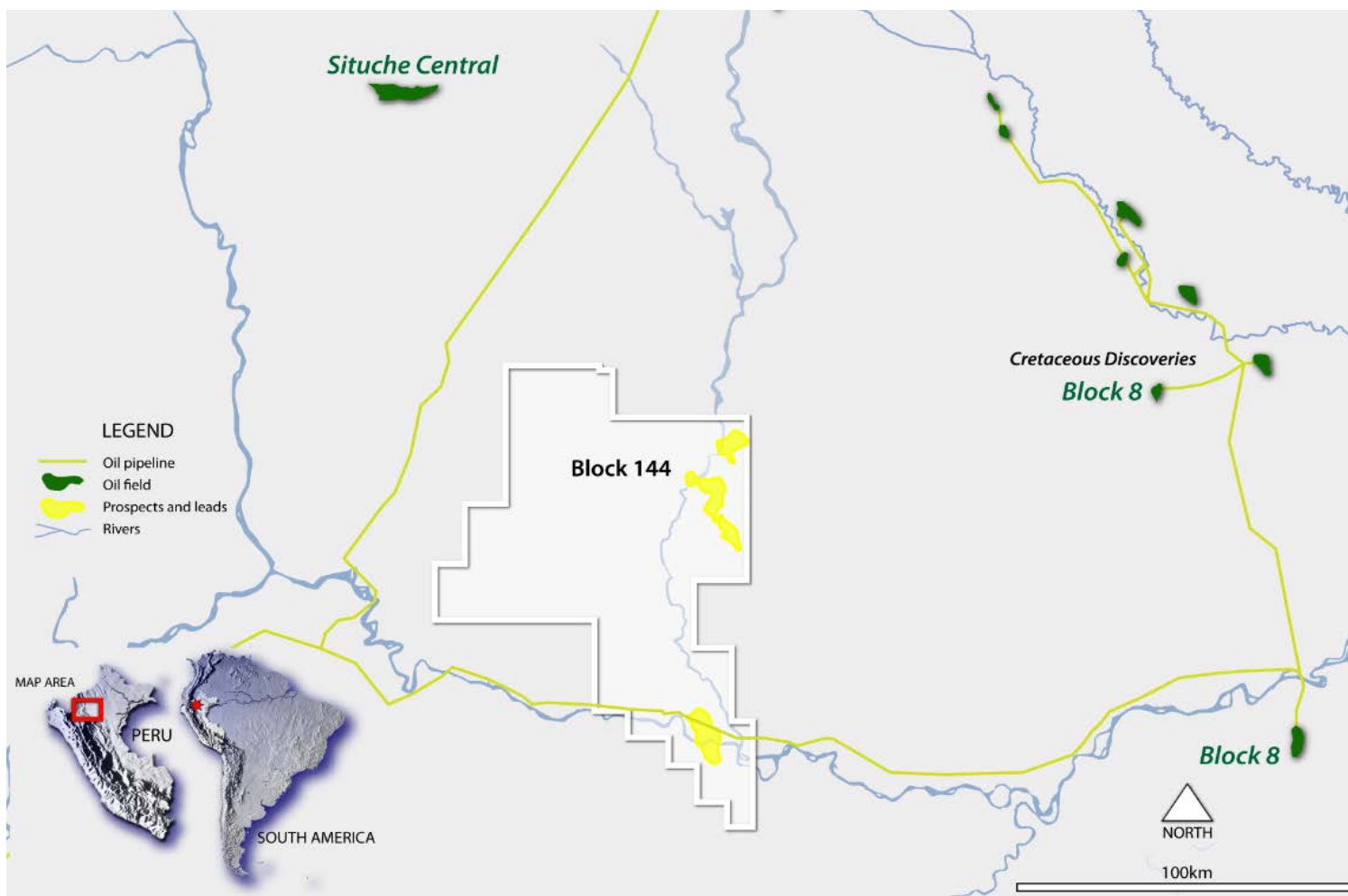
Marlin Prospect Zoritos level

Mean Prospective Resource 124 mmbls.

Bonito Prospect

Mean Prospective Resource 360 mmbls.

Peru Marañon Basin - Block 144



Location:

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

Prospective resource range:

- 3 prospects being evaluated

Interest:

- 100% equity

Forward plans:

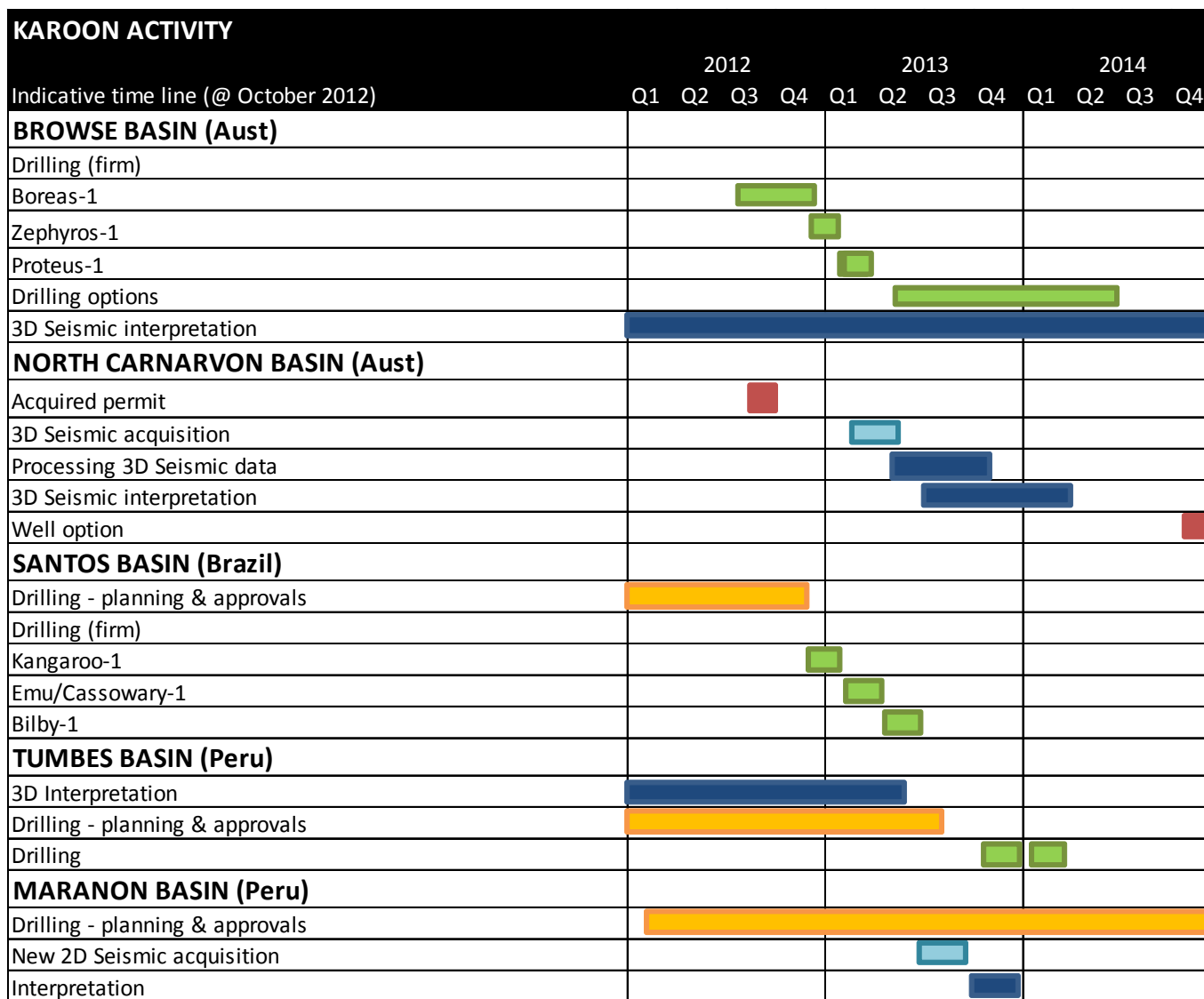
- Acquire 2D seismic in the south and east to better define structure
- Farm-out to begin in 2013

Objective:

- Define prospective resource size prior to drilling

Perspective resource estimates represent current interpretations by Karoon of available exploration data and are subject to material change and re-interpretation as exploration and appraisal proceeds

Activity summary



DeGolyer & MacNaughton Assessment

Summary of DeGolyer and MacNaughton assessments of Karoon's Prospective and Contingent Resource Base as of 30th September 2009 and September 2012			Low Estimate	Best Estimate	High Estimate	Mean Estimate	Riskd Mean Estimate	Number of Prospects and Leads
GAS	Net Contingent Gas Resource							
	Assessment date							
	September 2009	Poseidon Wet Gas (Tcf)			7.60			1
	Net Prospective Oil Resources							
	September 2009	Total Net Australia Browse Basin Wet Gas (Tcf)	1.80	4.50	11.20	5.80	1.60	7
OIL	Net Prospective Oil Resource							
	September 2012	Brazil, South America Oil (billion barrels)	0.46	0.86	1.54	0.94	0.25	12
	September 2012	Peru, South America Oil (billion barrels)	0.59	1.59	3.71	1.92	0.32	19
		Total Net Prospective Oil Resource (billion barrels)	1.04	2.45	5.25	2.86	0.56	31

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

- This presentation has been prepared by Karoon Gas Australia Ltd for professional and sophisticated investors. The information contained in this presentation is for information purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.
- No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Karoon Gas Australia Ltd, its directors, employees or agents, nor any other person accepts liability, including without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.
- Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance.
- The distribution of this document in jurisdictions outside Australia may be restricted by law. Any recipient of this document outside Australia must seek advice on and observe any such restrictions.
- Petroleum exploration relies on the interpretation of complex and uncertain data and information which cannot be relied upon to lead to a successful outcome in any particular case. Petroleum exploration is inherently uncertain and involves significant risk of failure. All information regarding Prospective resource estimates and other information in relation to Karoon's assets is given in the light of this caution.