



SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT & APPENDIX 5B*

Issued 28 October 2021

Highlights:

- During the quarter ended 30 September 2021, oil production from the Baúna Field in the Santos Basin, Brazil, totalled 1.28 million barrels (MMbbl), produced at an average rate of 13,862 barrels of oil per day (bopd). This was the highest quarterly production achieved since Karoon took over operatorship of Baúna in November 2020 and reflects very high levels of facilities uptime and continued good reservoir performance.
- Oil sales for the quarter were 1.04 MMbbl, lower than production due to timing of shipments, with a cargo loaded shortly after the end of the quarter. Two oil cargoes were lifted during the period, realising an average net price of US\$68.00/bbl, up from US\$65.31/bbl in the June quarter.
- Oil revenue for the quarter from the two cargoes lifted was US\$70.7 million, while cash receipts from oil sales were US\$104.5 million (compared to oil revenue of US\$95.7 million and cash receipts of US\$61.9 million in the June quarter). Cash receipts in the September quarter included payment for the June 2021 cargo (received in July 2021).
- Good progress was made on planning and preparations for the Baúna intervention program and the Patola development, with more than 95% of contract suppliers selected and more than 60% by value of contracts executed as at 30 September 2021.
- Karoon's good safety and environmental performance continued during the quarter. There were no significant safety or environmental incidents recorded, and no material impacts from COVID-19.
- During the period, Karoon's executive management team was strengthened with the appointment of Mr Antonio Guimarães as Executive Vice President & President of Karoon Brazil and Mr Ray Church as the Company's new Executive Vice President & Chief Financial Officer.
- Cash and cash equivalents at 30 September 2021 were US\$175.0 million and the Company had no external loans.
- Guidance for the 2022 financial year, shown on page 7, is unchanged.
- Karoon will be holding an Investor Briefing via webcast at 9.30am today, 28 October 2021, to discuss the results of the recent Strategic Refresh. To register for the webcast, please go to the following link:

<https://webcast.boardroom.media/karoon-energy-ltd/20211027/NaN6154f3907e9840001a6a0bf1>

Comments from Chief Executive Officer/Managing Director, Dr Julian Fowles:

"During the quarter, Karoon recorded its highest quarterly production since taking control of the Baúna assets. This was a result of a strong reservoir performance combined with 98% facilities uptime, an excellent result and testament to the strong operating credentials of our team in Brazil.

* While Karoon is now an oil producer, it remains an "oil and gas exploration entity" for the purposes of the ASX Listing Rules and, as such, will continue to report as one until it becomes an "oil and gas producing entity" for the purposes of the ASX Listing Rules.

Most importantly, there were no recordable safety or environmental incidents during the quarter. The FPSO has now reached 1,300 days, or more than 3.5 years, since recording a Lost Time Incident. Karoon continues to work closely with Altera, the FPSO operator, to emphasise safety as the first priority in Karoon operations. In addition, there were no instances of COVID-19 adversely impacting operations during the quarter. At the end of September 2021 more than 50% of the FPSO crew in Brazil were fully (two dose) vaccinated.

The average oil price realised for the two cargoes loaded during the quarter was US\$68.00/bbl, 4% higher than that realised in the June quarter. We estimate that the price realised for the 514,000 barrel cargo lifted in early October will be materially higher, at approximately US\$79/bbl, reflecting the ongoing strengthening of the Brent oil price. This would result in revenue for that cargo of more than US\$40 million net to Karoon, with the proceeds expected to be received in November 2021.

Our cash position at the end of September 2021 was US\$175.0 million, up from US\$133.2 million at 30 June 2021, highlighting the strong cash flows being generated from our operations. We expect to issue the first draw down notice under the Company's new US\$160 million debt facility in the near future, to supplement our cash position in preparation for investments in the Baúna intervention campaign and Patola development. A hedging program is anticipated to be finalised shortly thereafter, that mitigates oil price downside risk while retaining substantial exposure to the upside, to support both Karoon's investment plans and the debt facility.

Preparations for the Baúna intervention campaign and the Patola development progressed well during the quarter. Maersk Drilling has advised that the Maersk Developer rig is expected to be ready to commence operations between 1 April and 31 May 2022, subject to the progress of the current operations being conducted by the rig. The commencement period is expected to be narrowed further in December 2021.

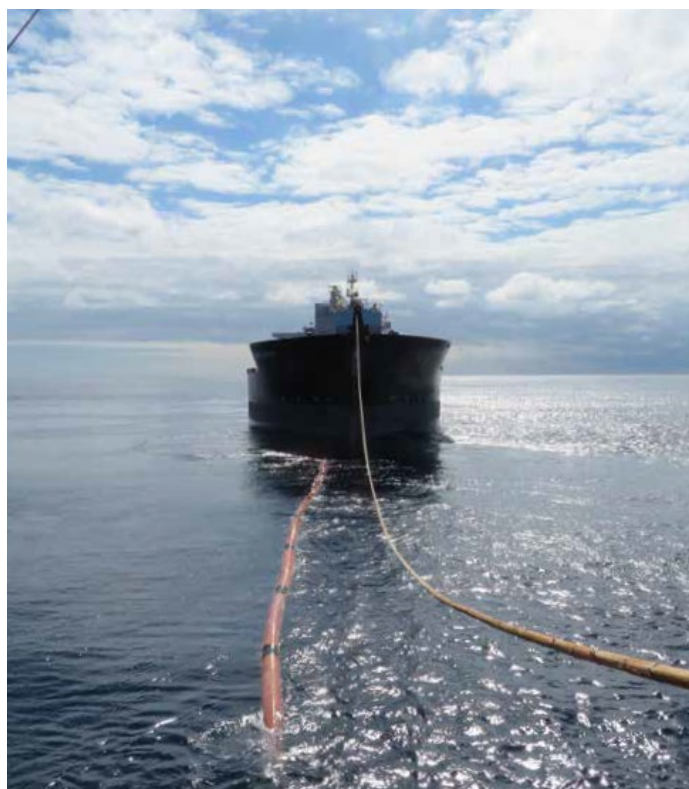
Work on our Strategic Refresh was completed during the quarter. We shall provide the market with an overview of the outcomes, detailing our objectives, priorities and planned initiatives at an Investor Briefing starting at 9.30am today.

During the quarter, we appointed two new senior executives, both of whom have now commenced at Karoon. Ray Church, who replaced Scott Hosking as our new CFO, has more than 34 years of international experience in finance roles, including with TNK-BP and Chevron. Antonio Guimarães, our new EVP and President of the Brazilian Business Unit, is similarly well-qualified, having had a long and diverse career with Shell and, on secondment from Shell, with the IBP (the Brazilian Petroleum Institute). I look forward to working closely with Antonio and Ray and the rest of the team on the delivery of our strategy to achieve operational excellence, drive business performance and progress our exciting growth plans."

For further information on this release, please contact:

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Production Summary



Offloading from the Baúna Floating Production, Storage and Offtake vessel (FPSO), Cidade de Itajaí, to Shell tanker

Santos Basin, Baúna Field BM-S-40, Brazil
100% Equity interest, Operator

Key Data	Sept Quarter 2021	June Quarter 2021	% change
Production rate ('000 bopd)	13.86	13.07	+6
Production volume (MMbbl)	1.28	1.19	+8
Sales volume (MMbbl)	1.04	1.47	-29
Weighted average net realised price (US\$/bbl)	68.00	65.31	+4
Oil sales revenue (US\$ million)	70.7	95.7	-26
Oil sales cash proceeds (US\$ million) ¹	104.5	61.9	+69
Closing cash and cash equivalents (US\$ million)	175.0	133.2	+31
Safety			
Lost time injury rate (incidence/200,000 hours)	0.00	0.00	-
Total recordable incident rate (Incidence/200,000 hours)	0.00	0.00	-

¹ September quarter includes proceeds from a cargo sold in June 2021, which were received in July 2021.

Total oil production during the 2021 September quarter was 1.28 MMbbl, produced at an average rate of 13,862 bopd. A continued strong reservoir performance and 98% facilities uptime helped drive production to a quarterly record for Karoon.

During the quarter, the FPSO was shut down for 30 hours for maintenance, primarily related to preventive repairs to piping. In addition, mooring chain repairs were undertaken, the forward offloading hose was replaced and a replacement and commissioning program of the three turbine generators on the FPSO commenced. These latter activities were all completed safely and did not impact production.

Two cargoes were lifted during the quarter, totalling 1.04 MMbbl of oil. The average realised oil price, net of selling expenses, was US\$68.00/bbl, 4% higher than the average price received in the June quarter. This reflected increasing demand for oil and declining global oil inventories, tempered by concerns early in the period about a global resurgence of COVID-19. Of the two cargoes sold, one cargo was bought by a customer in Europe and the other by a buyer in the Americas. Oil revenue generated from the two cargoes shipped in the quarter was US\$70.7 million.

A cargo was lifted shortly after the end of the quarter, with the estimated cargo proceeds of approximately US\$40 million expected to be received in early November.

There was no material impact from COVID-19 on production operations during the quarter, despite the ongoing high number of daily cases in Brazil, reflecting the effective implementation of the Company's ongoing strict COVID-19 safety protocols.

Production data relating to Baúna can be found in monthly newsletters produced (in Portuguese) by the Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP: the Brazilian oil and gas regulator) and on the ANP's dynamic panel of oil and gas production, both of which can be accessed via the ANP's website at <http://www.anp.gov.br>.

Workover Interventions and Development Activities

Over the quarter, good progress was made on planning for the forthcoming Baúna intervention campaign and Patola development.

Multi-disciplinary project delivery teams have been established for each project, to manage the execution and ensure both projects are delivered on time and within budget. During the period, key contracts continued to be negotiated, with external suppliers for more than 95% of the Baúna interventions and Patola contracts now selected, and more than 60% by value of the anticipated contracts executed. The design and manufacture of equipment, including specialised tools, is progressing to schedule. The estimated costs of the Baúna intervention work and the Patola development, of US\$110-130 million and US\$175-195 million, respectively, remain unchanged.

The rig owner and operator, Maersk Drilling, has confirmed that the Maersk Developer rig is on track to commence operations on the Baúna intervention program between 1 April – 31 May 2022. The commencement timing is expected to be narrowed further in December 2021.

Corporate and Commercial Summary

Liquidity

At the end of September 2021, Karoon's net cash position was US\$175.0 million, up US\$41.8 million from US\$133.2 million at 30 June 2021. Cash flows from operating activities included receipts from oil sales of US\$104.5 million. This comprised the two cargoes sold and receipted during the quarter as well as proceeds from the June 2021 cargo, which were received in July. US\$62.0 million of net cash was generated from operating

activities during the quarter, or US\$50.6 million when adjusted for the principal elements of lease payments included in financing activities. US\$5.0 million was used for continued activities related to the Baúna intervention campaign and Patola development. The Company had no external debt at the end of the period.

Significant cash flows

The cash flows for the September quarter included the following significant items:

- US\$104.5 million in proceeds from oil sales.
- US\$27.3 million payments related to Baúna production costs, including US\$9.6 million in royalty payments.
- US\$15.8 million spent on FPSO lease charter payments, which are included in lease payments and finance costs in the Appendix 5B.
- US\$7.7 million related to payments for property, plant and equipment, including US\$3.6 million paid for long lead items and other planning activities required for the development of the Patola field, US\$1.4 million paid for tools, US\$1.2 million of intervention campaign CAPEX and other Baúna CAPEX of US\$0.6 million.
- US\$1.5 million of exploration and evaluation costs, predominantly related to ongoing subsurface and engineering studies on the Neon discovery, costs related to WA-482-P in Australia and annual insurances.
- US\$5.4 million related to income tax instalments.

Debt facility and hedging arrangements

Karoon is currently finalising arrangements so it is in a position to issue its first utilisation notice under the new US\$160 million debt facility in the near future.

To support both Karoon's investment plans and the debt facility, the Company expects to enter into oil hedging agreements over a portion of its production shortly after issuing the utilisation notice.

Further details on the hedge will be provided to the market when the hedge agreements have been finalised.

Strategic Refresh

A Strategic Refresh, aimed at reviewing Karoon's corporate strategy and key objectives for the next five years and beyond, was completed during the quarter. The results of this work will be presented to the market at an Investor Briefing commencing at 9.30am today. The seminar can be accessed by clicking on the following link:

<https://webcast.boardroom.media/karoon-energy-ltd/20211027/NaN6154f3907e9840001a6a0bf1>

Access to the webcast is also available at www.karoonenergy.com.au and a recording and transcript will be available on the Karoon Energy website after the presentation ends.

Pitkin Dispute

In September, Karoon's wholly owned branch, KEI (Peru Z-38) Pty Ltd, Sucursal del Peru, entered into a deed of settlement and release with Pitkin Petroleum Peru Z-38 SRL in respect of Block Z-38, offshore Peru. Under the deed of settlement and release, without any admission of liability, Karoon paid US\$9.6 million to Pitkin in October as full and final settlement of all claims of Pitkin and its associates in connection with Block Z-38.

Exploration Update

Brazil

Santos Basin, Blocks S-M-1037, S-M-1101

100% Equity Interest, Operator

Continued geotechnical studies took place during the quarter, aimed at developing an optimised subsurface exploitation plan for the Neon oil discovery and the surrounding assets. The work included consideration of a revised well count, well positioning and injector-producer configuration for the potential Neon development, as well as studies on the control well drilling requirements, which are being re-evaluated based on the key subsurface uncertainties and resource opportunities. Expert consulting groups were engaged to provide engineering support for the evaluation of production facilities and subsea project requirements for the Neon development, a potential greater Neon Hub development and Baúna tie-back options.

Karoon has an option to extend its contract with the Maersk Developer rig to drill a control well on Neon after the completion of the two Patola development wells. A decision will be made in early calendar 2022 on whether to exercise the option to drill the well.

Santos Basin, Block S-M-1537

100% Equity Interest, Operator

Desktop geological and geophysical studies on the Clorita prospect in S-M-1537 continued during the quarter.

Peru

Tumbes Basin, Block Z-38

The Block Z-38 licence contract was terminated effective 27 July 2021. Karoon has submitted a final evaluation report to the state petroleum company, Perupetro S.A..

Tumbes Basin, Area 73

Technical Evaluation Agreement, Operator

Karoon advised Perupetro S.A. that it did not intend to negotiate a contract and the Company was notified during the quarter of the cessation of the agreement. Karoon is preparing for legal closure of the Karoon Peruvian subsidiary branch which held the agreement.

Australia

Northern Carnarvon Basin, Permit WA-482-P

50% Equity Interest, Non-Operator

During the quarter, the joint venture continued geological and geophysical studies on the WA-482-P reprocessed 3D seismic data, aimed at de-risking prospects in the licence and attracting a farm-in partner for a full carry on a future well.

Ceduna Sub-basin, Great Australian Bight, Permit EPP46

100% Equity Interest, Operator

On 23 September 2021, the National Offshore Petroleum Titles Administration (NOPTA) gave notice that the Commonwealth-South Australia Offshore Petroleum Joint Authority had decided to cancel the whole of EPP46, effective on and from 23 September 2021.

2022 Financial Year guidance

Guidance for key operational and financial metrics in FY2022 remains unchanged, as follows:

FY2022 Guidance (as at 28 October 2021)¹

	Low	High
Production (MMbbls)	4.2	4.6
Costs		
Unit Production Costs (US\$/bbl) ²	28	32
Other Operating Costs (US\$ million) ³	15	17
Unit DD&A (US\$/bbl) ⁴	12	13
Investment Expenditure		
- Intervention and Patola Projects (US\$ million) ⁵	100	135
- Subsurface Evaluation and New Ventures (US\$ million)	5	7
- Other Plant and Equipment (US\$ million)	9	11

Notes:

1. Guidance is subject to various risks (including those “Key Risks” set out in Karoon’s 2021 Annual Report).
2. Unit Production Costs: based on daily operating costs associated with Baúna Production, excluding government royalties.
3. Other Operating Costs: includes corporate and non-oil and gas related depreciation, excludes government royalties.
4. Excludes depreciation on FPSO right-of-use asset capitalised under AASB 16 ‘Leases’, which is included as part of Unit Production Costs.
5. The variance between low and high guidance is largely related to timing of the commencement of the Maersk Developer drilling rig in Brazil, with the exact timing subject to the completion of its current drilling program. Excludes any borrowing costs associated with the Patola development that may be capitalised.

Forward-looking statements

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.

This announcement may contain certain “forward-looking statements” with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward-looking statements can generally be identified by words such as ‘may’, ‘could’, ‘believes’, ‘plan’, ‘will’, ‘likely’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this announcement. Indications of, and guidance on, future earnings and financial position and performance, well drilling programs and drilling plans, estimates of reserves and contingent resources and information on future production are also forward-looking statements.

You are cautioned not to place undue reliance on forward-looking statements as actual outcomes may differ materially from forward-looking statements. Any forward-looking statements, opinions and estimates provided in this announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise (including, without limitation, in respect of imprecise reserve and resource estimates, changes in project schedules, operating and reservoir performance, the effects of weather and climate change, the results of exploration and development drilling, demand for oil, commercial negotiations and other technical and economic factors) many of which are outside the control of Karoon. Such statements may cause the actual

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results or performance of Karoon to be materially different from any future results or performance expressed or implied by such forward-looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements speak only as of the date of this announcement.

Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.



Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Karooon Energy Ltd

ABN

53 107 001 338

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (3 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	104,535	104,535
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(1,513)	(1,513)
	(b) development	-	-
	(c) production (excludes FPSO charter lease payments and finance charges on right of use assets included in 1.5 and below)	(27,320)	(27,320)
	(d) staff costs (employee benefits expense-net)	(1,836)	(1,836)
	(e) administration and corporate costs	(1,802)	(1,802)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	(4,871)	(4,871)
1.6	Income taxes paid	(5,405)	(5,405)
1.7	Government grants and tax incentives	-	-
1.8	Other (GST refunds)	212	212
1.9	Net cash from / (used in) operating activities	62,003	62,003

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (3 months) US\$'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(7,672)	(7,672)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets (security deposits)	47	47
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	1	1
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (borrowing costs for qualifying assets)	(531)	(531)
2.6	Net cash from / (used in) investing activities	(8,155)	(8,155)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal elements of lease payments)	(11,442)	(11,442)
3.10	Net cash from / (used in) financing activities	(11,442)	(11,442)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (3 months) US\$'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	133,209	133,209
4.2	Net cash from / (used in) operating activities (item 1.9 above)	62,003	62,003
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,155)	(8,155)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11,442)	(11,442)
4.5	Effect of movement in exchange rates on cash held	(623)	(623)
4.6	Cash and cash equivalents at end of period	174,992	174,992

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	174,992	133,209
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	174,992	133,209

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
US\$'000**

284

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments relate to Directors' remuneration.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end US\$’000	Amount drawn at quarter end US\$’000
7.1	Loan facilities	160,000	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	160,000	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Syndicated Facility Agreement for an Underwritten Secured Term Loan Facility for Baúna

During the June 2021 quarter, Karoon Energy Ltd’s wholly owned subsidiary, Karoon Petróleo e Gás Ltda, signed a secured term loan facility (the ‘syndicated facility’) of up to US\$160 million. The syndicated facility agreement has been fully underwritten by Deutsche Bank AG, Sydney Branch, ING Belgium SA/NV, Macquarie Bank Limited and Shell Western Supply and Trading Limited. The syndicated facility is priced on a 4.25% margin over LIBOR over the term of the loan until the final maturity date (being the earlier of 31 March 2025 or the quarter where the remaining reserves are forecast to be ≤ 25% of the initial approved reserves). The syndicated facility will be used as part of the funding of the Patola field development, the intervention campaign in relation to the Baúna and Piracaba fields and deferred consideration payable to Petrobras under the Sale and Purchase Agreement. In addition, the syndicated facility agreement provides for an option to potentially establish an additional US\$50 million accordion facility.

8.	Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	62,003
8.2	Payments for exploration & evaluation classified as investing activities (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2) ^	62,003
8.4	Cash and cash equivalents at quarter end (Item 4.6)	174,992
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	174,992
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)^	2.82

^Note, due to the Group's positive cash inflows from operating activities generated from Baúna, the estimated quarters of funding available calculated above is not accurate and understates the Group's ability to operate in the future and meet its business objectives.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2021

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Appendix 1

Schedule of Interests in Petroleum Tenements

Held by Karoon Energy Ltd Group

As at 30 September 2021

<u>Exploration Permit/ Block</u>	<u>Basin</u>	<u>Operator</u>	<u>% Equity Interest Held</u>
WA-482-P	Northern Carnarvon, Australia	Santos	50 (1)
Concession BM-S-40	Santos, Brazil	Karoon	100
Block S-M-1037	Santos, Brazil	Karoon	100
Block S-M-1101	Santos, Brazil	Karoon	100
Block S-M-1537	Santos, Brazil	Karoon	100

- (1) Liberty Petroleum Corporation is entitled to certain milestone cash bonuses and an overriding royalty in the event of production. Phoenix Oil and Gas Limited is entitled to an overriding royalty in the event of production.