

17 October 2012



## ASX Announcement

---

### **Boreas-1 flowing gas at facility constrained stabilized rate of 30.2 million standard cubic feet per day, during the clean-up flow**

---

#### **Boreas-1 Exploration Well in WA-315-P - Progress Report No 15**

Testing of Karoon Gas Australia Ltd's Boreas-1 exploration well in the Browse basin has commenced.

During the initial well clean up a maximum flow rate of 30.2 Mmscf/d was attained through a 40/64 choke, with a flowing wellhead pressure of 3300 psia. The flow rate was constrained by current surface equipment.

The test is assessing flow rates in a perforated interval of 70 metres between 4904-4974 metres below rotary table, in the primary Plover formation reservoir.

The production test will continue for approximately five days and will include shut-in and flowing periods, surface and down hole sampling of reservoir fluids and production logging.

The primary purpose of the test is to assess the overall deliverability of the primary reservoir underpinning the Greater Poseidon Trend.

These initial test flows are encouraging for the remaining test program at Boreas-1.

The Transocean Legend semi-submersible rig is drilling and testing the Boreas-1 well.



***Boreas-1 Production Test***

ConocoPhillips is the operator of the jointly held WA-314-P, WA-315-P and WA-398-P Browse Basin permits containing the previously announced Poseidon and Kronos gas discoveries. Karoon Gas Australia Ltd holds 40% of the permit WA-315-P and WA-398-P, and 90% of permit WA-314-P.

Boreas-1 is located approximately 4 kilometres south of Poseidon-1 in WA-315-P on a large tilted fault block which is part of the of the north-east trending structural high of the greater Poseidon structure. The objective of the well is to test the extent, presence and quality of reservoirs within the Boreas-1 fault block.

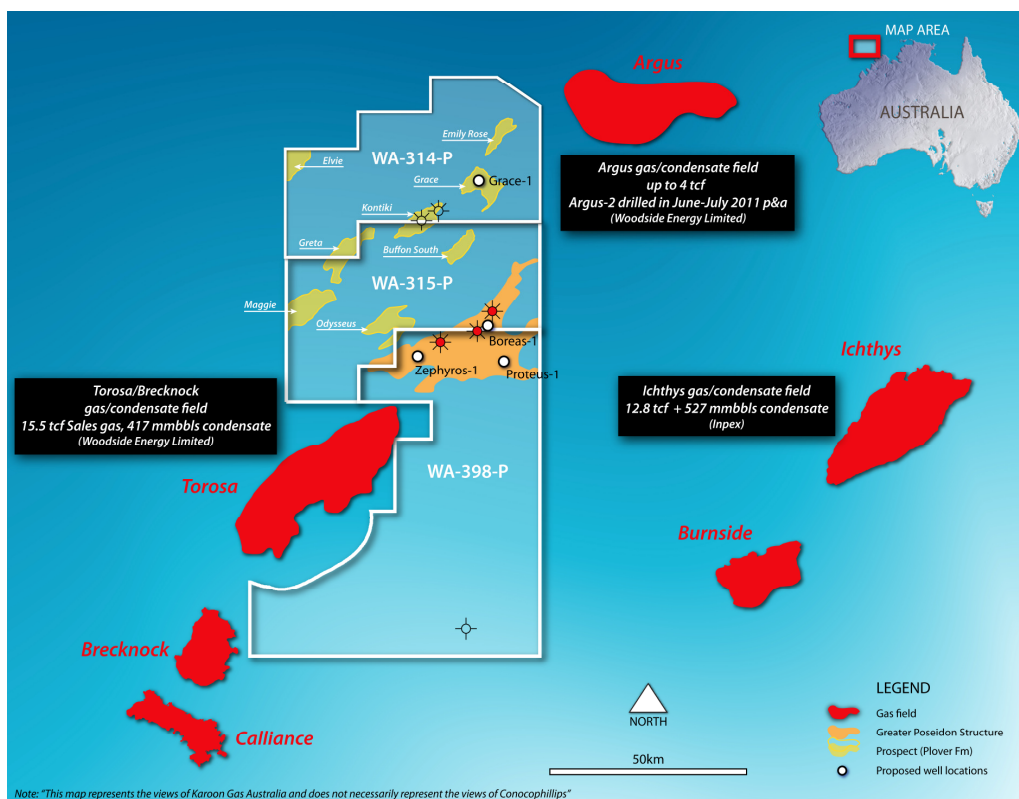
### Future Plan

Well data from Boreas-1 will be integrated into the existing data recovered from Poseidon-1, Poseidon-2, and Kronos-1 along with the Poseidon 3D seismic data to further define the size and composition of the Greater Poseidon Trend.

The next two wells to be drilled are Zephyros-1 then Proteus-1. Zephyros-1 will test the flank of a fault block 9km west of the Kronos-1 well. Proteus-1, 15km east of Zephyros-1 will test a fault block on the eastern flank of the Greater Poseidon Trend.

The Boreas-1 well is the first of the Phase-2 drilling program, comprising five firm plus three optional wells and is designed to explore and appraise the gas resources of the Greater Poseidon Trend.

Karooon's assessment of the Contingent Resource will be independently assessed when sufficient well results have been acquired and a full analysis is conducted after the drilling program is complete. This will allow a decision to be made regarding the most appropriate development option to be pursued.



**For further information please see the Karoon website or contact:**

Scott Hosking | Company Secretary  
T: +613 59741044  
E: [shosking@karoongas.com.au](mailto:shosking@karoongas.com.au)

James Wootton | Investor Relations  
T: +613 9616 7520  
E: [jwootton@karoongas.com.au](mailto:jwootton@karoongas.com.au)

Ian Howarth | Collins Street Media  
Simon Jemison | T: +613 9224 5319 or + 613 9223 2465  
E: [ian@collinsstreetmedia.com.au](mailto:ian@collinsstreetmedia.com.au)  
E: [simon@collinsstreetmedia.com.au](mailto:simon@collinsstreetmedia.com.au)