



14 November 2005

(ASX Code: KAR)

Activities Update

Gippsland Assets

Gippsland 2D Seismic Survey

The 250 km West Gippsland 2D seismic survey in PEP 131 and EL4537 was completed on the 10th November on time and on budget. This survey is now being processed in preparation for mapping, analysis and prospect generation. The seismic program was designed to map the extent of the updip Megascolides structure and define new structures at the oil bearing Top Crayfish Group equivalent level. The seismic will also map the extent and quality of CBM black coals across the EL4537 licence to locate optimal drilling targets. A drilling program is being planned, subject to seismic results, in the second quarter of 2006.

Browse Basin Assets WA-314-P and WA-315-P

Browse Basin 3D Seismic Survey

Karoon wishes to advise that the PGS Exploration (UK) Ltd seismic acquisition vessel "Ramform Victory" is expected to arrive at the Browse Basin on the 1st December. The vessel shall commence the 845sq km 3D seismic survey over the WA-314-P and WA-315-P permits. Completion is expected by early January 2006. A further 2D and 3D seismic survey shall be completed in Jan/Feb 2006.

Further to the last ASX release dated the 19th October 2005, Karoon confirms expressions of interest in farming into the permits from various international oil and gas companies. The company is encouraged by the interest shown and expects to have further news in the coming month.

For further information please contact:

Robert Hosking – Executive Director
Telephone: 03 59741044
Fax: 03 59741644
Website: www.karoongas.com.au