



3rd January 2006

(ASX Code: KAR)

Browse Basin 3D Seismic Survey Update

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

Karoon is pleased to advise that the 3D seismic acquisition over WA-314-P and WA-315-P permits is now completed on schedule and under budget.

The Veritas vessel "Pacific Sword" is expected to commence the second stage of the 2D/3D seismic acquisition in late January 2006. This seismic acquisition will cover 286 sq km 3D seismic survey and 845 sq km of 2D seismic survey over WA-314-P and WA-315-P for completion in February 2006.

Veritas has been contracted to process all the seismic data with each survey taking approximately 18 weeks to process in preparation for seismic interpretation in the second quarter of 2006.

WA-314-P and WA-315-P Farmin Update

With the extended deadline for Browse Basin (WA-314-P & WA-315-P) farmin offers, more companies are now progressing with their evaluation of this opportunity. Karoon anticipates having a Farmin Agreement and Joint Operating Agreement completed early in the first quarter of 2006.

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