



Amendment to Appendix 3Y

18th April 2006

(ASX Code: KAR)

A recent review of Director Holdings in Karoon Gas Australia has uncovered an inconsistency in the appendix 3Y submitted on November 18th 2005. There are an additional 600,000 20 cent options expiring 30/06/2007 options which are part of the restricted stock received by Mark Smith on the listing of the Company. There was also an over estimation of another class of shares issued to him. There are 10,000 not 20,000 20 cent unrestricted options expiring 30/06/2006.

Karoon apologises for this error.

For further information please contact:

Scott Hosking – Company Secretary
Telephone: 03 5974 8508
Fax: 03 5974 1644
Email: scotthosking@karoongas.com.au

Karoon Gas Australia Ltd. A.C.N. 107 001 338
Karoon Gas Pty. Ltd. ACN 056 976 642 (a subsidiary of Karoon Gas Australia Ltd)
Suite 7A, 34-38 Lochiel Avenue, Mt. Martha 3934 Phone 59741044 Fax 59741644
Po Box 469, Mt Martha 3934
Email:basspetrol@hotmail.net.au

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	Karoon Gas Australia Limited
ABN	53 107 001 338

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Mr Mark Smith
Date of last notice	-

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Indirect Interest
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	IERS (Australia) PTY LTD (Mark Smith)
Date of change	18/11/2005
No. of securities held prior to change	1,220,000 Ordinary Fully Paid Shares 10,000 20 cent options expiry 30/06/2006, 500,000 25 cent options expiry 30/06/2007 600,000 20 cent options expiry 30/06/2007
Class	Unlisted Incentive Options
Number acquired	750,000 175 cent options expiry 30/09/2008 750,000 200 cent options expiry 30/09/2008 750,000 235 cent options expiry 30/09/2008
Number disposed	NIL

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	No Consideration
No. of securities held after change	1,220,000 Ordinary Fully Paid Shares 10,000 20 cent options expiry 30/06/2006, 500,000 25 cent options expiry 30/06/2007, 600,000 20 cent options expiry 30/06/2007, 750,000 175 cent options expiry 30/09/2008 750,000 200 cent options expiry 30/09/2008 750,000 235 cent options expiry 30/09/2008
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of performance incentive options

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	

+ See chapter 19 for defined terms.

Interest after change	
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+ See chapter 19 for defined terms.