

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	26-6-2006

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	30/11/2006
No. of securities held prior to change	1,830,000 Ordinary Fully Paid Shares 500,000 25 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
Class	Ordinary Shares
Number acquired	NIL
Number disposed	300,000 Ordinary Fully Paid Shares
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	200 cents

+ See chapter 19 for defined terms.

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No. of securities held after change	1,530,000 Ordinary Fully Paid Shares 500,000 25 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 <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	Off-Market Transfer, Funds to be used for the repayment of a margin loan used for the conversion of 20 cent options in June 2006

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 <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

+ See chapter 19 for defined terms.