



Allens Arthur Robinson

Date 2 March 2007

ABN 47 702 585 758

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From David Wenger / Harry Theodore

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To **Company Announcements**, Australian Stock
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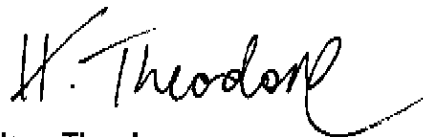
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Dear Sir/Madam

**Karoon Gas Australia Limited – Notice of ceasing to be a
substantial shareholder**

We act for Rubicon Master Fund and attach a Form 605 "Notice of ceasing to be a substantial shareholder" executed by our client.

Regards



David Wenger
Partner
David.Wenger@aar.com.au
Tel 61 2 9230 4680

Harry Theodore
Lawyer
Harry.Theodore@aar.com.au
Tel 61 2 9230 4507

Our Ref DWWS:HATS:205644448

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Form 605
Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To: Company Name/Scheme: **KAROON GAS AUSTRALIA LIMITED**
ACN/ARSN: **107 001 338**

1. Details of substantial holder (1)

Name: **Rubicon Master Fund, Rubicon Fund Management Ltd, Rubicon Fund Management LLP (together, the Rubicon Entities) and Paul Anthony Brewer, Jeffrey Eugene Brumbyetta, William Francis Callanan, Vilas Garkari, Robert Michael Greenshields and Horace Joseph Leitch (the Principals)**
ACN/ARSN (if applicable):

The holder ceased to be a substantial holder on: 23/01/2007
The previous notice was given to the company on: 29/09/2005
The previous notice was dated: 26/08/2005

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
23/01/2007	The Rubicon Entities and the Principals	Sale of securities	\$ 683,705 AUD	380,597 ordinary shares	380,597

3. Changes in association


The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Rubicon Master Fund	P.O. Box 309, Upland House, George Town, Cayman Islands
Rubicon Fund Management LLP	103 Mount Street, London, W1K2TJ, U.K.
Rubicon Fund Management Ltd	c/- Rubicon Fund Management LLP, 103 Mount Street, London W1K2TJ, U.K.
The Principals	c/- Rubicon Fund Management LLP, 103 Mount Street, London W1K2TJ, U.K.

Signature
print name: **H. Joseph Leitch, Partner**
Rubicon Fund Management Ltd
Investment Manager to Rubicon Master Fund capacity
sign here:  date: **29 10 2006**