



26 April 2007

(ASX Code: KAR)

Offer of Geothermal Acreage

Karoon Gas wishes to inform the market that it has been offered Geothermal Energy Exploration Permit GEP 10.

Karoon Gas wishes to inform the market that due to a reassessment of current activities Karoon will not be accepting this permit and has notified the Department of Primary Industries to this effect.

Karoon Gas wishes the eventual holder of this permit every success in producing viable Geothermal power.

For more information please see the Karoon website or Contact:

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