



14th May 2007

(ASX Code: KAR)

BROWSE BASIN EXPLORATION PERMIT WA-398-P

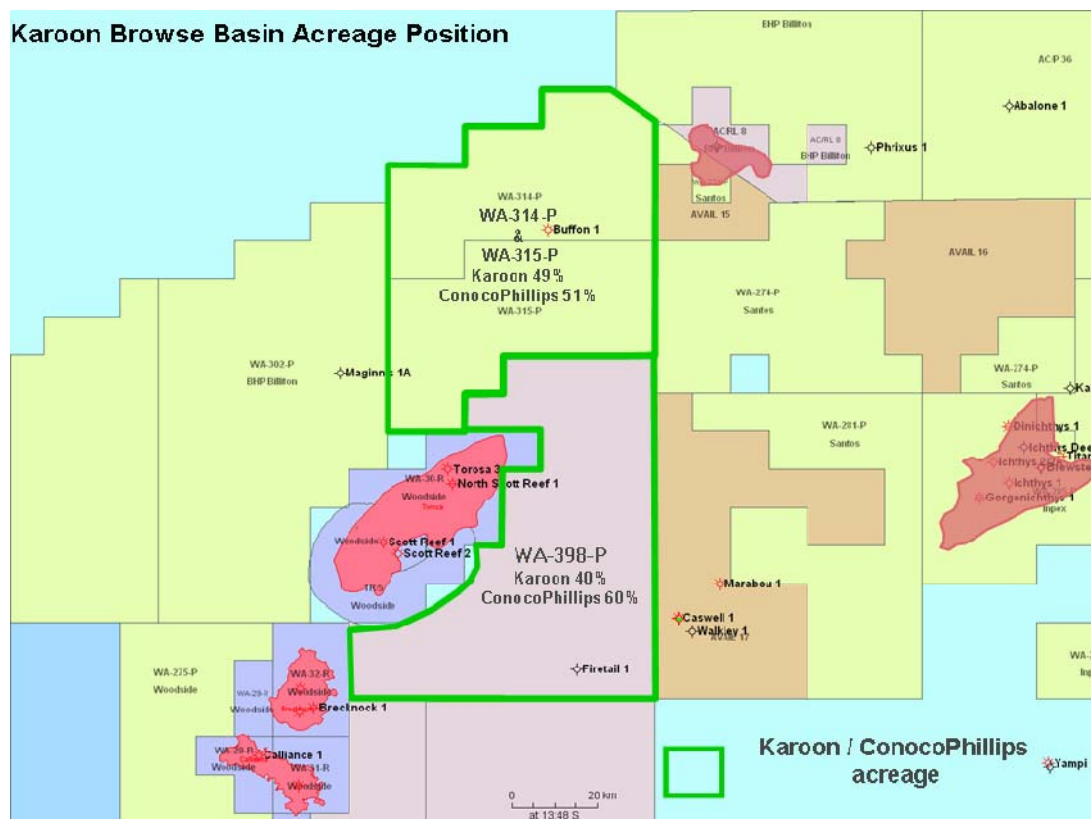
Karoon is pleased to announce that Petroleum Exploration Permit No. WA-398-P in the Browse Basin area off Western Australia has been formally granted to Karoon and its joint venture partner, ConocoPhillips. Karoon has a 40% participating interest in the permit with ConocoPhillips holding the remaining 60%.

The permit has a term of 6 years from its grant date of 1 May 2007 and includes the following minimum work conditions:

Permit Year	Permit Year Dates	Minimum Work Commitments
Year 1	1 May 2007 to 30 April 2008	One Exploration Well 1400km ² 3D seismic survey Geotechnical Studies
Year 2	1 May 2008 to 30 April 2009	Two Exploration Wells Geotechnical Studies
Year 3	1 May 2009 to 30 April 2010	One Exploration Well Geotechnical Studies
Year 4	1 May 2010 to 30 April 2011	Geotechnical Studies
Year 5	1 May 2011 to 30 April 2012	One Exploration Well
Year 6	1 May 2012 to 30 April 2013	Geotechnical Studies

Set out below is a map of the area covered by WA-398-P which is located immediately south of, and contiguous with, the Company's existing Browse Permits WA-314-P and WA-315-P which it also holds in joint venture with ConocoPhillips.

Karoon is particularly pleased to have been able to secure a major new exploration interest in this most prospective area.



For more information please see the Karoon website or Contact:

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