



KAROOON GAS AUSTRALIA LTD

Annual General Meeting

26th October 2007

Disclaimer

This presentation contains statements that are subject to risk factors associated with oil and gas businesses.

It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions that could cause actual results or trends to differ materially. These include but are not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

NB. The disclosures presented in this review do not necessarily reflect the views of ConocoPhillips.

Karoon Gas snapshot

- Planned Karoon and ConocoPhillips JV expenditure in the Browse Basin for 2007-08 is approximately A\$250 million.
- Approximately 114.4 million shares and 7 million options.
- Market Capitalization approximately A\$400 million (@A\$3.50 share price).
- Cash in the bank after farmout and fundraising is A\$76.8 million.

Browse Basin acreage WA-314-P & WA-315-P (49%)

- Prospective resource estimate of 20 TCF plus 600mmbbls condensate (risky) in seven large prospects.
- New 2D and 3D seismic is partly interpreted, confirming the potential of the prospects.
- Farmout to ConocoPhillips completed who can earn up to 60% equity.
- Three wells are planned starting in the third quarter 2008.

Browse Basin New Acreage award (40%)

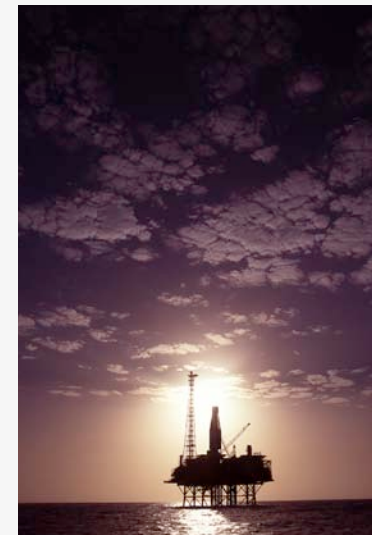
- A joint venture between Karoon and ConocoPhillips has been awarded WA-398-P permit.
- Additional prospective resource.
- Southern flank of Poseidon Prospect (D Lead) captured.

New Ventures

- Active in acquiring new complimentary assets from within Australia and overseas

Key Personnel

- A growing team of employees with extensive expertise from many oil and gas companies.



Karoon Gas Australia's key personnel

ROBERT HOSKING EXECUTIVE CHAIRMAN

Founding Director of Karoon Gas with 30 years of commercial experience. Involved in the oil and gas industry for 15 years. Founding director of Nexus Energy.

MARK SMITH EXECUTIVE DIRECTOR AND EXPLORATION MANAGER

28 years' experience as a geologist and exploration manager in petroleum exploration and development, mainly with BHPB in Australia, Southeast Asia and North America.

GEOFF ATKINS DIRECTOR

35 years' experience as a marine engineer with involvement with design and construction of LNG facilities.

STEPHEN POWER DIRECTOR

25 years as a commercial lawyer providing advice to participants in the resources industry in Australia and overseas.

SCOTT HOSKING COMPANY SECRETARY

International financial and commercial management background with expertise in equity capital raising.

LINO BARRO ENGINEERING MANAGER

28 years' experience in reservoir and development engineering with Delhi, BHPB & Kufpec

JORG BEIN GEOPHYSICS MANAGER

36 years' experience as a geophysicist and manager with Exxon and BHPB.

DAVID ORMEROD NEW VENTURES MANAGER

20 years' experience as a geophysicist and manager with Petrofina, BHPB, Woodside, Stirling and Tap Oil.

MICHELLE GROSSER GEOSCIENTIST AND IT MANAGER

10 years' experience with a range of resource companies worldwide including BHPB, Exxon Mobil and Shell.

JIM BOYD TECHNICAL OFFICER

23 years' experience in geoscience, data management and technical software support with a range of resource companies world wide including Shell, BP and BHPB.

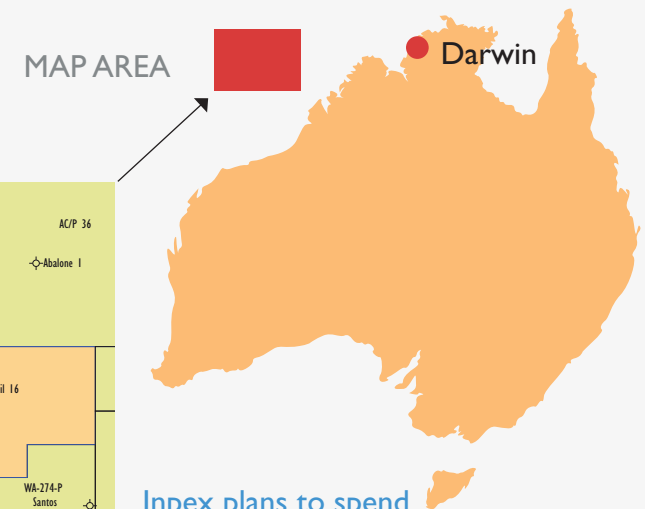
Consultants

RALPH SPINKS DRILLING CONSULTANT

30 years in the industry with Phillips Petroleum worldwide.

Karoon Gas has an extensive network of consultants in a range of disciplines, who are brought in as required.

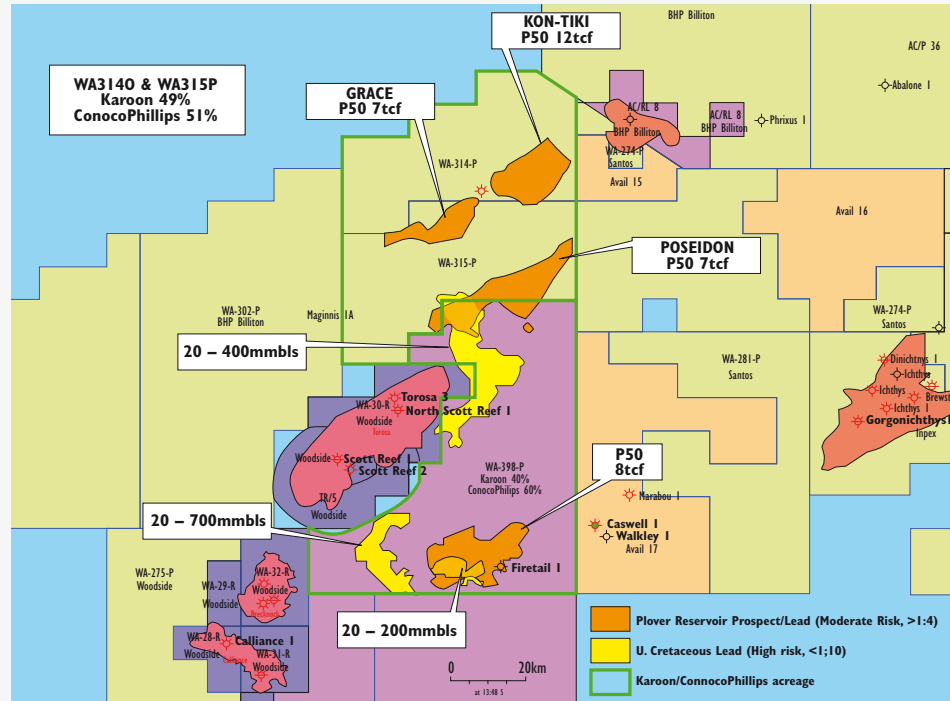
The setting



Argus Gas/condensate field 2tcf ?

Woodside plans to spend US\$20 billion on LNG development

Torosa / Brecknock giant Gas/condensate fields 21tcf P50 reserves 300mmbls condensate



Inpex plans to spend US\$6 billion on LNG development

Ichthy Gas/condensate field 9.5tcf + 312mmbls condensate

Political

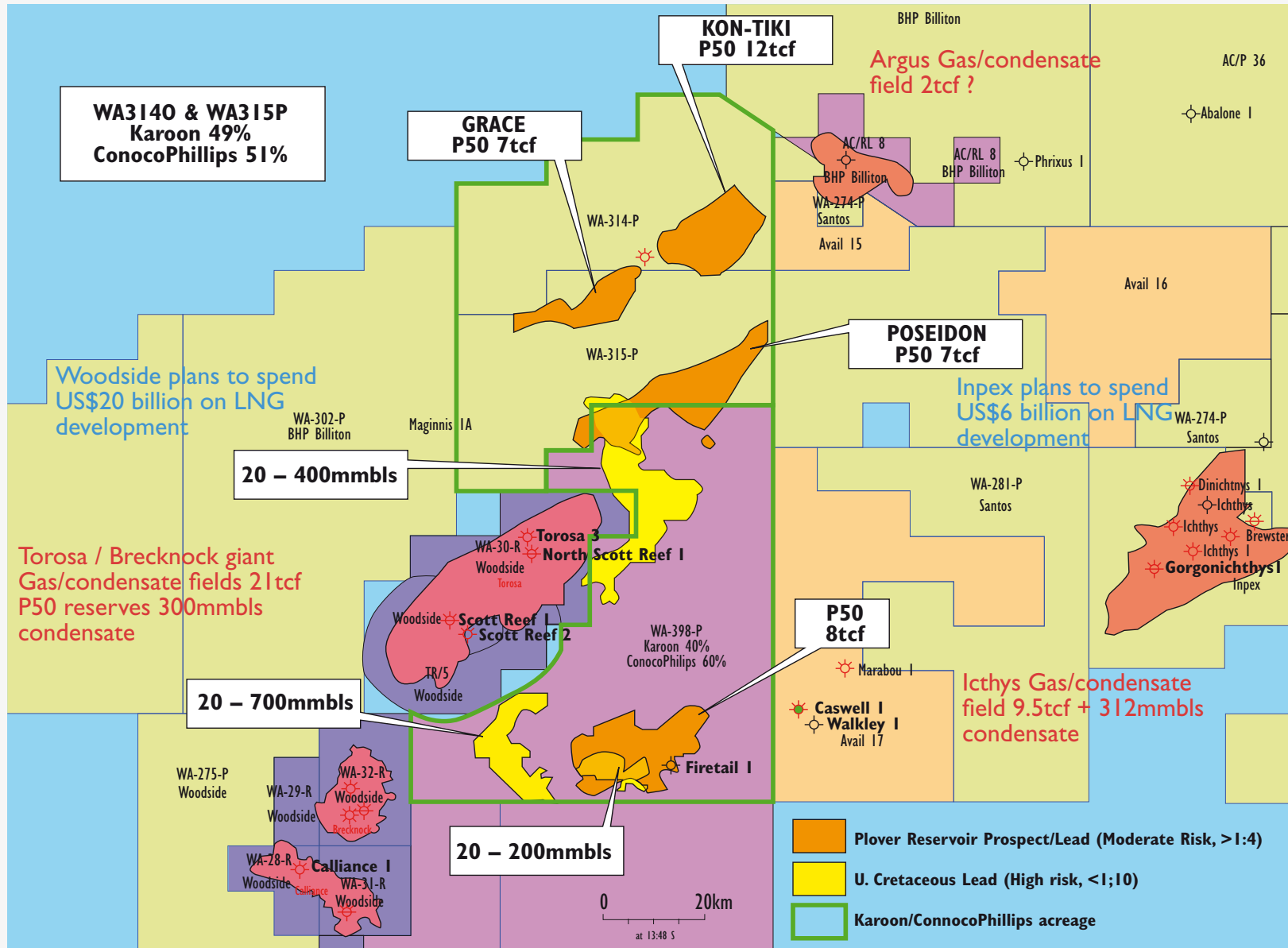
Karooon's Australian Browse Basin permits are in a politically safe environment administered under a stable and tested legislative system. This equates to low commercial and sovereign risk, critical factors in large development projects.

Geological

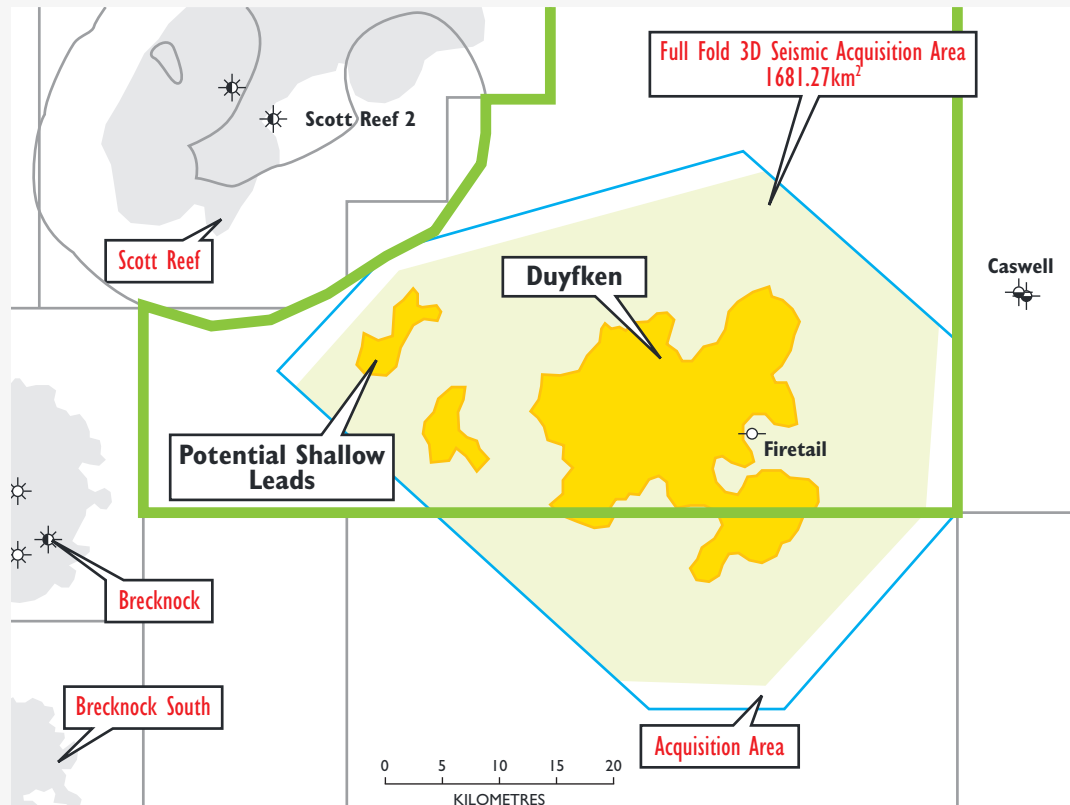
The acreage is immediately on trend with the giant Scott Reef/Brecknock gas fields discovered in the 1970s, which are currently being appraised and developed.

The same play type as Scott Reef/Brecknock with a number of large structures having been mapped in Karoon's permits immediately to the north and east of Scott Reef.

KAROON GAS AUSTRALIA



WA-398-P 1400 sq km 3D Seismic Work Program



ENDURANCE 3D SEISMIC SURVEY

- Approx 1900km² total area
- 1400km² on WA-398-P
- Required to fully image critical closure of Duyfken lead and provide additional control over shallow leads
- Planned to start acquisition in December 2007
- 3D survey area (blue polygon) is indicative and may change

3D Seismic vessel contracted for the 1400 sq km WA-398-P survey

3D/4D SEISMIC VESSEL

The Geo Atlantic is a newly converted, high capacity 3D/4D seismic vessel. The vessel is capable of deploying 10 streamers and dual sources, each source having a maximum volume of 4500 cu inch. The Geo Atlantic was built in 2000 and has been rebuilt in 2006. The vessel has an overall length of 121 m and maximum breadth of 26 m.



GEO ATLANTIC'S PRIMARY SEISMIC FEATURES ARE:

Streamer

TYPE: Sercel Sentinel solid
 GROUP LENGTH: 12.50 m
 MAX. CAPACITY: 10 x 8000 m

Positioning

PRIMARY NAVIGATION: Fugro Starfix HP DGPS
 SECONDARY NAVIGATION: Fugro Skyfix XP DGPS
 TAILBUOY TRACKING: Seatrack 220 RGPS

GUN ARRAY TRACKING: Seatrack 320 RGPS
 ONLINE NAVIGATION SYSTEM: Concept Systems Ltd

Source

TYPE: Soderia G-gun
 CONFIGURATION: Single source up to 9000 cu. inch
 Dual source up to 4500 cu. inch

Recording

TYPE: Sercel Seal, 24 bit digital system ARGUS data recording and online QC

Processing

SOFTWARE: FSI Uniseis, Paradigm Focus
 HARDWARE: Linux cluster and servers

Drilling Rig contracted for 2008 drilling campaign

TRANSOCEAN SEDCO 703

The Transocean Sedco 703 rig is contracted by the ConocoPhillips/Karoon Joint Venture for 200 days with an option for an additional 25 days.

The program objective is to drill at least one well in each permit.



Drilling Rig secured for 2008 drilling campaign

SEDCO 703

The Sedco 703 is a Sedco 700 design semi-submersible drilling unit capable of operating in harsh environments and water depths up to 2000 feet using a 18.75 in 10,000 psi BOP and a 21 in OD marine drilling riser.

General information

| | |
|-----------------------|---|
| RIG TYPE: | Other floaters |
| DESIGN: | Earl & Wright SEDCO 700 |
| BUILDER: | Avondale Shipyards, New Orleans, USA |
| YEAR BUILT: | 1973/1995 |
| CLASSIFICATION: | ABS class + AI M CSDU AMS |
| FLAG: | Liberia |
| ACCOMMODATION: | 100 berths + 4 Hospital beds |
| HELIDACK: | Rated for Sikorsky S-61N |
| MOONPOOL: | N/A |
| STATION KEEPING: | Moored |
| MAX DRILL DEPTH: | 25,000 ft / 7,620 m |
| MAX WATER DEPTH: | 2,000 ft / 610 m |
| OPERATING CONDITIONS: | Significant wave - 70 ft, Wind - 70 knots, Current - 2.4 knots |



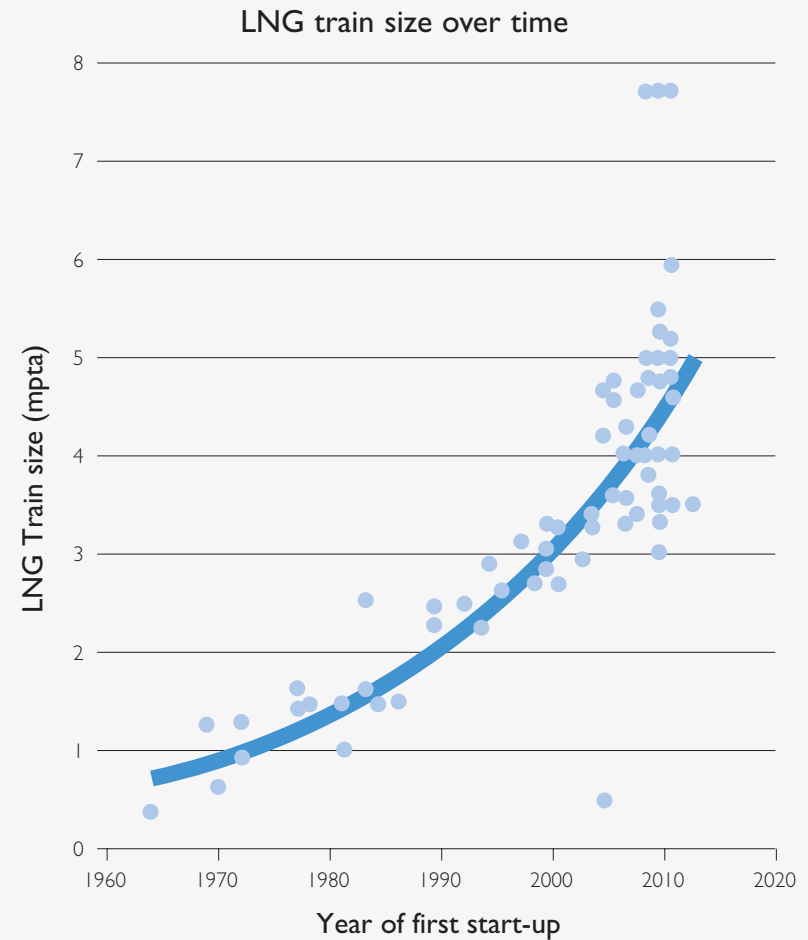
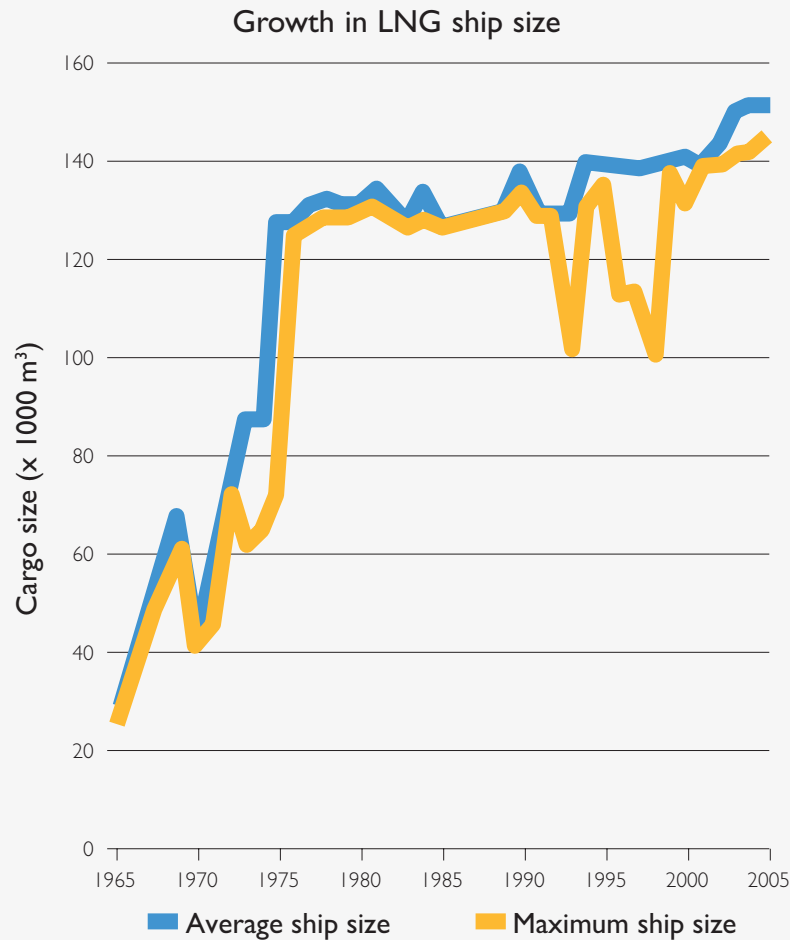
| | |
|-------------------|---|
| STORM CONDITIONS: | Maximum wave - 100 ft, Wind - 100 knots, Current - 2.4 knots |
|-------------------|---|

Technical dimensions

| | |
|----------------------|---------------------|
| LENGTH: | 327 ft / 100 m |
| BREADTH: | 245 ft / 75 m |
| DEPTH: | 130 ft / 40 m |
| OPERATING DRAFT: | 83 ft / 25 m |
| OCEAN TRANSIT DRAFT: | 19 ft / 6 m |
| VDL - OPERATING: | 3,611 st / 3,277 mt |

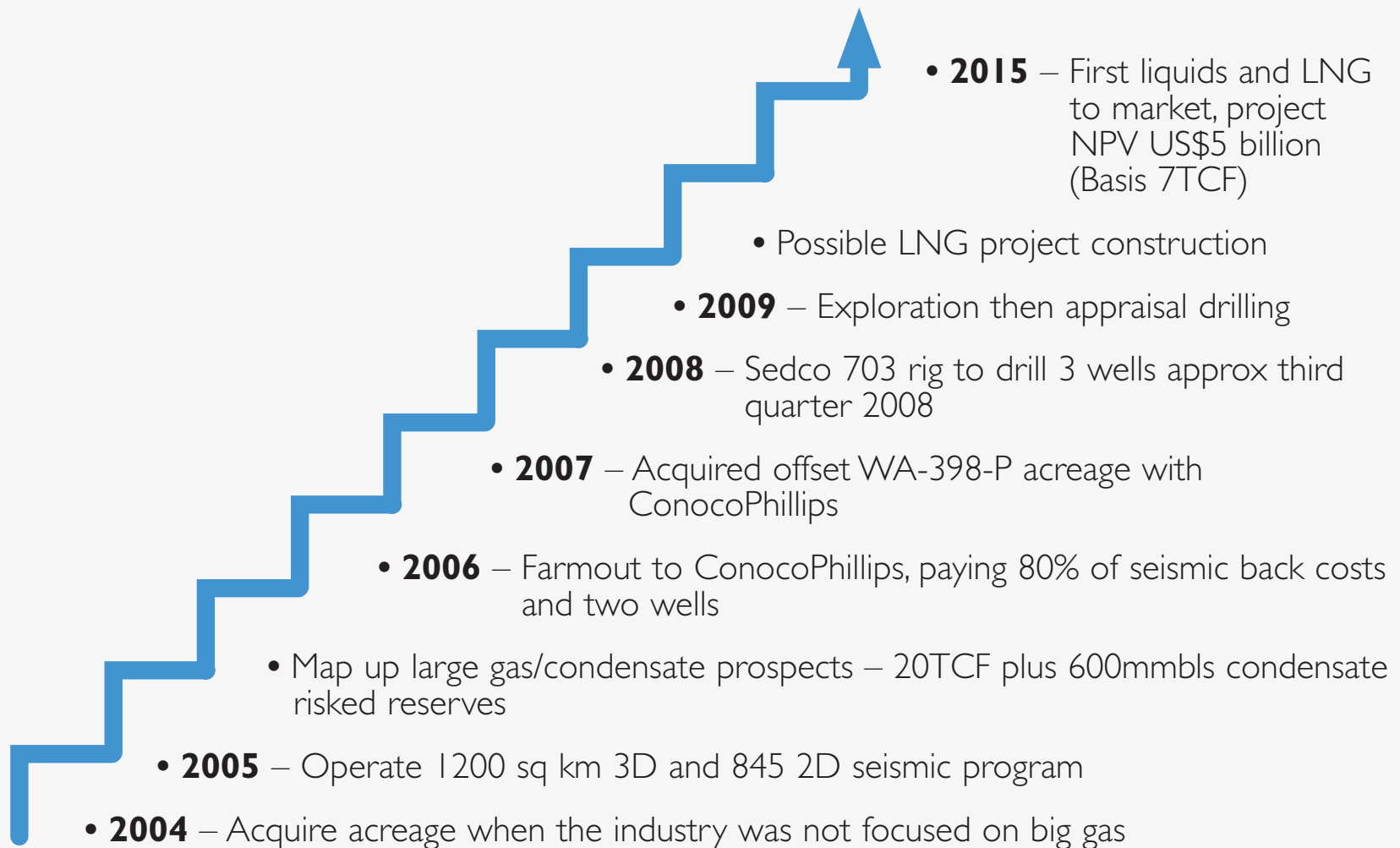
LNG industry trends

The global LNG industry is seeing major changes in technology driven by the 'economies of size' and the growth in the world LNG market.



Source: LNG Journal 2007

The journey – taking the steps



New Ventures

Karooon is actively perusing new venture opportunities on a worldwide basis.

Karooon is seeking assets that will compliment our existing asset base.

Within Australia Karooon is evaluating government released acreage and farming opportunities.

Karooon has a focus on International Opportunities in regions that are relatively under-explored and have the right geology with proven petroleum systems.

Karoon weekly share price

