

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Karooon Gas Australia Ltd

ABN

53 107 001 338

Quarter ended ("current quarter")

March 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(11,579)	(15,311)
1.3 Dividends received	(838)	(4,697)
1.4 Interest and other items of a similar nature received	1,482	4,004
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - GST refunds	115	695
Net Operating Cash Flows	(10,820)	(15,309)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(19,661)	(20,661)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	(55)	(165)
1.10 Loans to other entities		12
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(19,716)	(20,814)
1.13 Total operating and investing cash flows (carried forward)	(30,536)	(36,123)

1.13	Total operating and investing cash flows (brought forward)	(30,536)	(36,123)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		54,103
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	0	54,103
Net increase (decrease) in cash held		(30,536)	17,980
1.20	Cash at beginning of quarter/year to date	124,418	76,492
1.21	Exchange rate adjustments to item 1.20	(2,443)	(3,033)
1.22	Cash at end of quarter	91,439	91,439

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	221
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors Fees included in 1.23 : \$ 65
Consulting Fees included in 1.23 : \$ 156

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	8,800
4.2 Development	Nil
Total	10,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	20,931	22,501
5.2 Deposits at call (see note 6)	61,179	101,834
5.3 Bank overdraft		
5.4 Other – Security Deposits	9,329	83
Total: cash at end of quarter (item 1.22)	91,439	124,418

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	Peru Z38	Subject to regulatory approval	0%	20%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	132,007,897	132,007,897		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Shares out of escrow				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	<i>Amount</i> 750,000 1,500,000 100,000 645,000 1,745,000		<i>Exercise price</i> 200 cents 235 cents 160 cents 203 cents 295 cents	<i>Expiry date</i> 30 Sept 2008 30 Sept 2008 1 Aug 2008 31 Oct 2008 31 Oct 2010
7.8 Issued during quarter	550,000		295 cents	31 Oct 2010
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 28th April 2008
(Company secretary)

Print name: ..Scott Hosking.....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6 **Deposits at Call** Included in the deposits at call are US dollar term deposits for U\$23,271,468.00 which has been converted to Australian dollars, for recording purposes only, at a rate of .9180 (the USD/AUD exchange rate on the last day of the period).

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Note 1

Schedule of Exploration Permits

Held by the Consolidated Entity

At 31st March 2008

<u>Exploration Permits</u>	<u>Basin</u>	<u>Status</u>	<u>Interest %</u>
EL 4537	Gippsland		100
WA-314-P	Browse		49
WA-315-P	Browse		49
WA-398 P	Browse		40
AC/P8	Bonaparte		66.67
Brazil Permit 1037	Santos	Pending Regulatory Approval	100
Brazil Permit 1101	Santos	Pending Regulatory Approval	100
Brazil Permit 1102	Santos	Pending Regulatory Approval	100
Brazil Permit 1165	Santos	Pending Regulatory Approval	100
Brazil Permit 1166	Santos	Pending Regulatory Approval	100
Peru Permit Z 38	Tumbes	Pending Regulatory Approval	20