



07 July 2008

(ASX Code: KAR)

SEDCO 703 SEMI SUBMERSIBLE DRILLING RIG –BROWSE BASIN DRILLING TIMING UPDATE

In July 2007 a contract was signed with Sedco Forex International for the use of the Sedco 703 semi-submersible drilling rig on the forthcoming drilling programme in the Browse Basin leases situated offshore Western Australia, WA-314-P, WAP-315-P and WA-398-P held by Karoon with its joint venture partner and Operator ConocoPhillips.

The drilling contract is for 200 - 225 days.

The rig is expected to commence drilling in the late fourth quarter of 2008 to the mid first quarter 2009.

The drilling of 3 wells will satisfy the current year work programme commitments for each of the permits.

Karoon will be funding 20% of the drilling and testing costs for 2 exploration wells in WA-314-P and WA-315-P and 40% of the drilling and testing costs for one exploration well in Permit WA-398-P.

For more information please see the Karoon website or Contact:

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