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## ASX Announcement

11 February 2009

### Poseidon-1 Exploration Well in WA-315-P

#### Progress Report No 3

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Karoon Gas Australia Ltd advises that as at 06:00 hours (WDT) today Poseidon-1 was at 2288 mRT and preparing to run BOP's (Blow-Out Prevention equipment) after completion of pressure testing prior to drilling ahead. Since the last report, BOP equipment items were repaired and poor weather conditions associated with cyclone Freddy necessitated partial personnel evacuation and equipment removal. Re-manning and equipment reloading was completed over the weekend.

The Sedco-703 semi-submersible rig is drilling the exploration well which is operated by ConocoPhillips.

Poseidon-1 is the first well in a multi- well drilling program in the Browse Basin permits WA-314-P, WA-315-P and WA-398-P by the Karoon/ConocoPhillips joint venture.

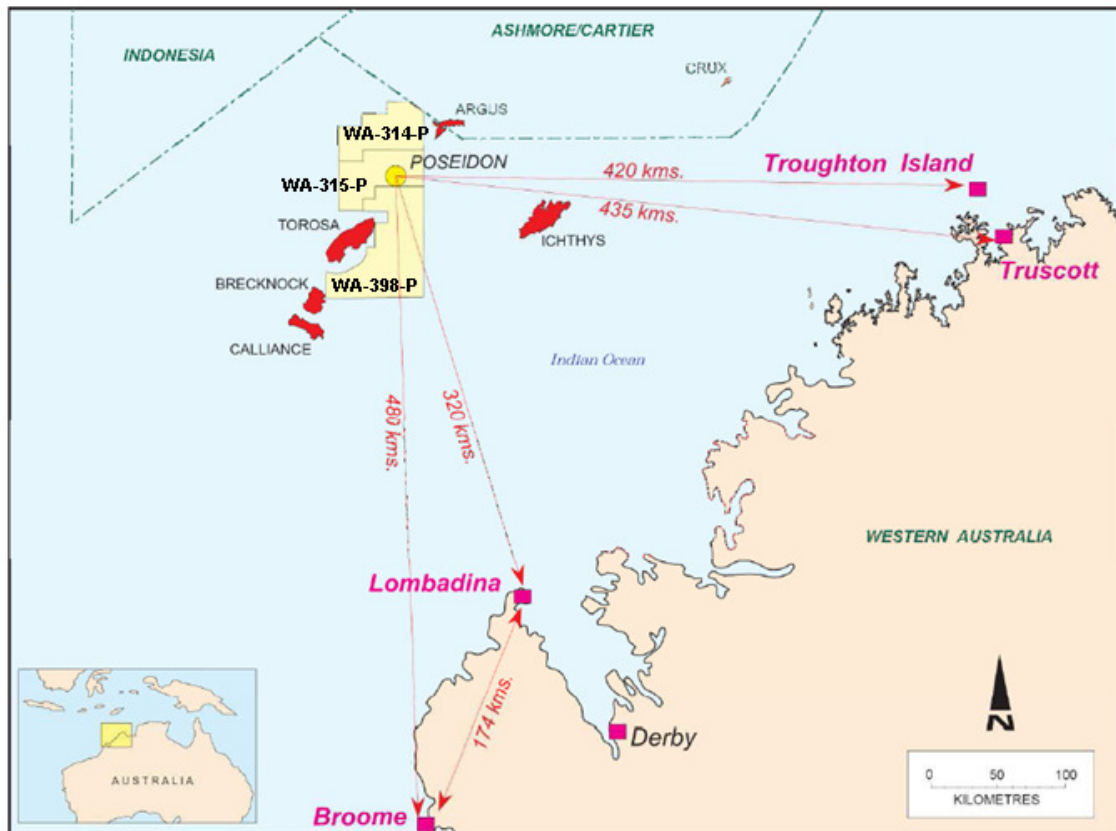
The Poseidon-1 well is located in WA-315-P, approximately 480km North of Broome, Western Australia. Poseidon -1 with a planned total depth of 4800m True Vertical Depth Sub Sea (TVDS) is targeting potential hydrocarbons in the Middle and Upper Jurassic sandstones.

Equity interests of the participants post farm-out in WA-314-P and WA-315-P are:

Karoon Gas Australia Ltd	49%
ConocoPhillips (Browse Basin) Pty Ltd	51%

Equity interests of the participants in WA-398-P are:

Karoon Gas Australia Ltd	40%
ConocoPhillips (Browse Basin) Pty Ltd	60%



Poseidon-1 Location:

Latitude: 13 deg 37' 22.46" S

Longitude: 122 deg 18' 25.82" E

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