



ASX Announcement

25 February 2009

Poseidon-1 Exploration Well in WA-315-P

Progress Report No 5

Karooon Gas Australia Ltd advises that as at 06:00 hours (WDT) today Poseidon-1 was at depth 3552 mRT. At this depth a minor fluid influx was encountered, and the well is now circulating mud to stabilize the hole, prior to pulling out of the hole for a new bit and bottom hole assembly. A BOP test will be run prior to drilling ahead in 12 ¼" hole. Since the last report the well has been drilled from 3026 mRT.

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.

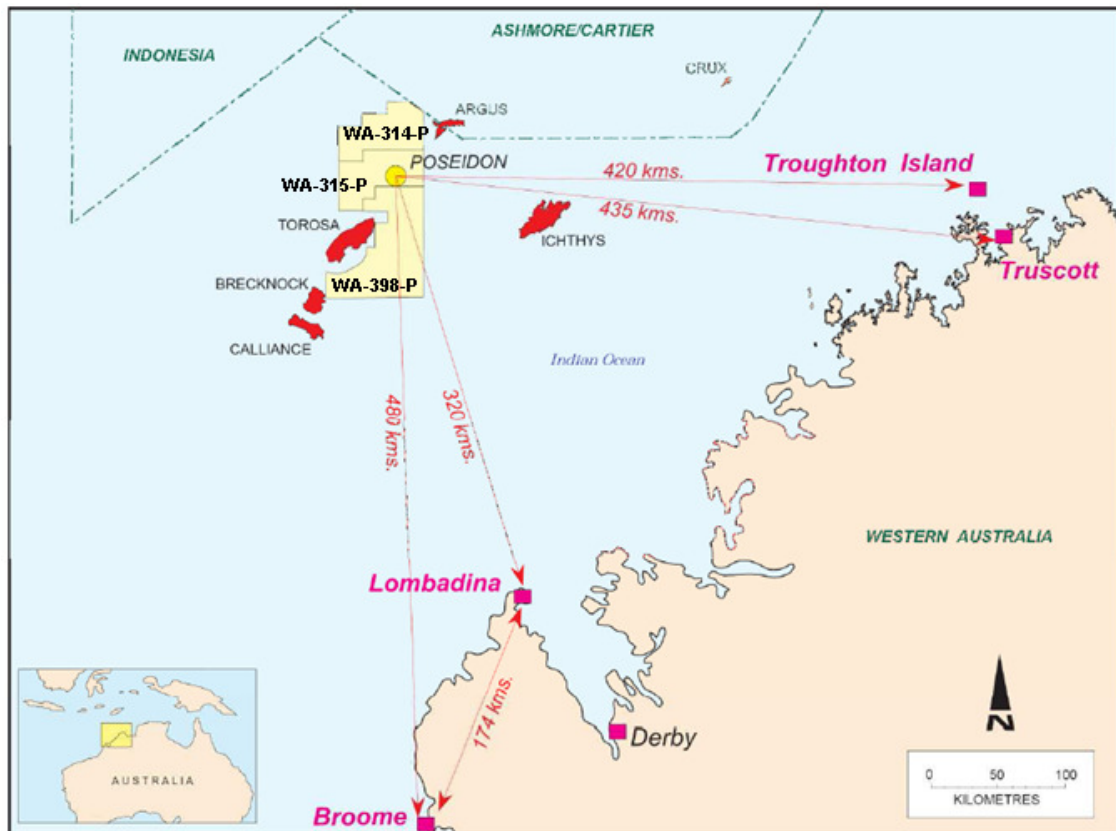
The Poseidon-1 well is located in WA-315-P, approximately 480km North of Broome, Western Australia. Poseidon -1, with a planned total depth of 4800m True Vertical Depth Sub Sea (TVDSS) is targeting potential hydrocarbons in the Middle and Upper Jurassic sandstones, the top of which is expected at approximately 4400 mTVDSS.

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

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

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

Karooon 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

Note: mRT = m rotary table (datum for drill depth measurement) = mTVDSS+25m

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