



17th February 2009

(ASX Code: KAR)

Peru Block Z-38 2D Marine Seismic Acquisition Survey

Karoon Gas Australia Ltd advises that the acquisition of 2D seismic in Block Z-38 commenced on the 11th of February. The survey will record 2000 kilometres of seismic data in the permit and is expected to be completed in March.

In January, Vietnam American Exploration Company, LLC and Karoon contracted Seabird Exploration AS, to use the vessel Aquila to conduct the 2D Seismic Survey.

Block Z-38 is located in the Tumbes Basin, offshore Peru, an area that is experiencing renewed exploration and appraisal activity. Recently there have been successful exploration programs by adjoining block holders to Z-38. The Talara Basin to the south of the Tumbes which has similar geology has produced more than 1 billion barrels of oil. It was also the location of the first oil production in South America in the late 1800's.

Block Z-38 is highly prospective for hydrocarbons with each of the main prospects having a prospective resource in the 100-300 million barrel range.

Equity interests of the participants in Peru Block Z-38:
Karoon Gas Australia Ltd 20%
Vietnam American Exploration Company LLC (Operator) 80%



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