



ASX Announcement

18 March 2009

Poseidon-1 Exploration Well in WA-315-P

Progress Report No 8

Karoon Gas Australia Ltd advises that as at 06:00 hours (WDT) today Poseidon-1 was drilling ahead at 3938 mRT. Since the last report the 9-5/8" casing has been set at 3890 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.

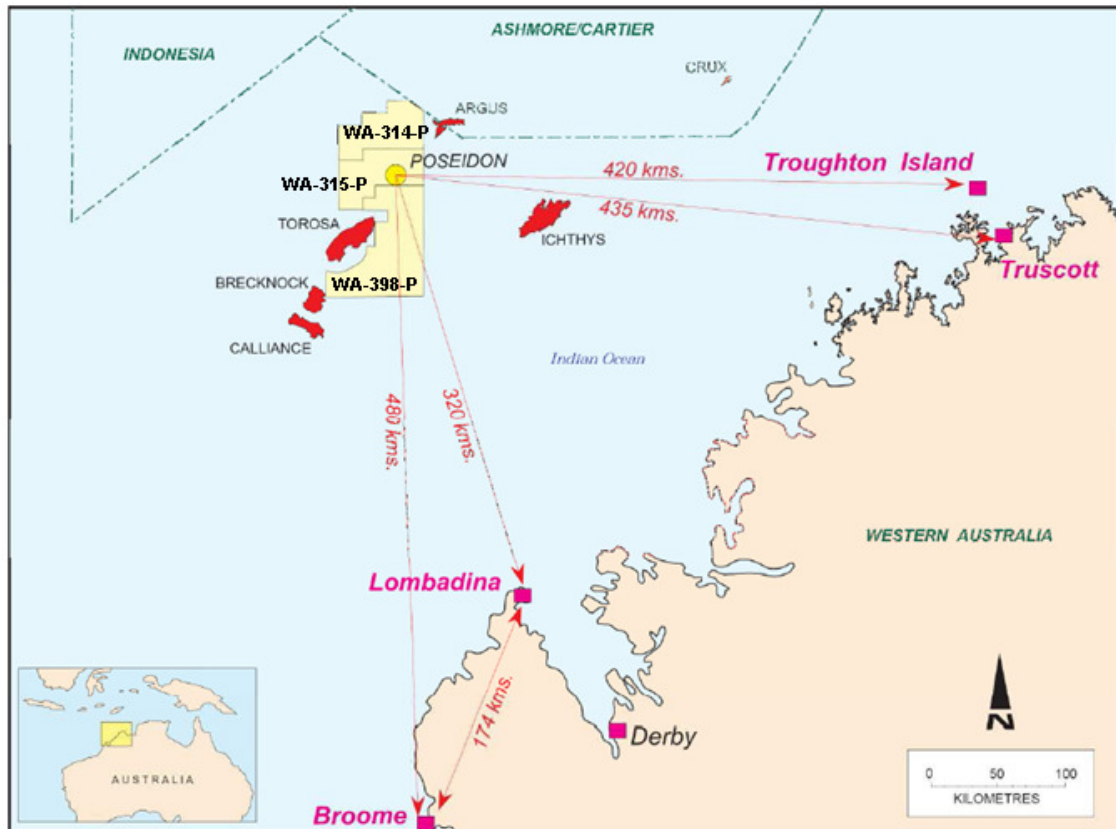
The Poseidon-1 well is located in WA-315-P, approximately 480km North of Broome, Western Australia. Poseidon -1, with a planned total depth of 4800 m True Vertical Depth Sub Sea (TVDSS) is targeting potential hydrocarbons in the Middle and Upper Jurassic sandstones, the top of which is expected at approximately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

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

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

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

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