



ASX Announcement

23 April 2009

Poseidon-1 Exploration Well in WA-315-P

Progress Report No 14

Karoon Gas Australia Ltd advises that at 06:00 hours (WST) today, Poseidon-1 was drilling ahead at a depth of 4879 mRT. Since the last report the well has been drilled from 4683 mRT.

The well has penetrated the top of the Middle Jurassic (Plover Formation) reservoir interval at 4796 mRT. To date a 10m sand has been penetrated in the lower net to gross reservoir interval. Further reservoir sands are expected to be penetrated in the prognosed higher net to gross reservoir interval over the next 24 to 48 hours.

Based on mud logging and Logging While Drilling (LWD) petrophysical data, the 10 m sand is interpreted to contain hydrocarbons. The significance of the interpreted hydrocarbon intersection will be evaluated by further analysis of all data upon the completion of drilling and logging.

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 revised planned total depth of approximately 5050 m True Vertical Depth Sub Sea (TVDSS) is targeting potential hydrocarbons in the Middle and Upper Jurassic sandstones.

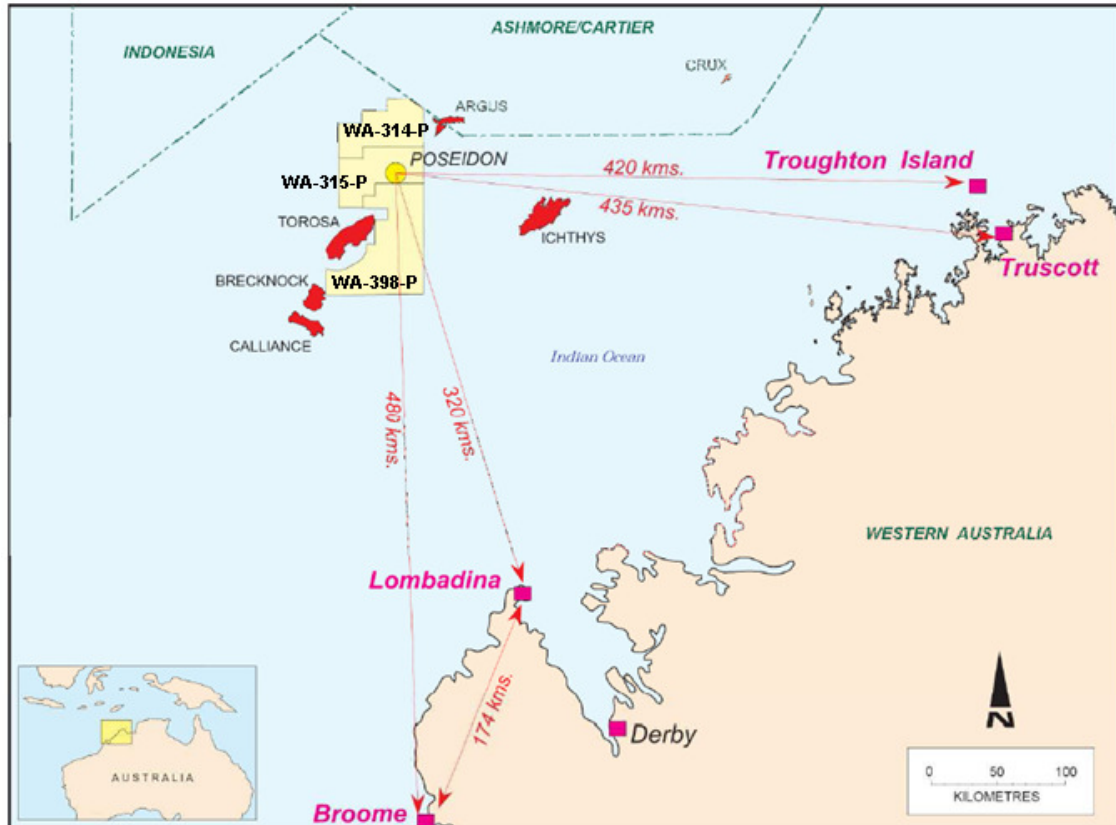
Karoon will issue further ASX releases after further conclusive results are obtained.

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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