



ASX Announcement

4 May 2009

Poseidon-1 Exploration Well in WA-315-P

Progress Report No 17

Karooon Gas Australia Ltd advises that since the last report the well has been running wireline logging operations, during which time a tool became stuck. At 06:00 hours (WST) today, fishing operations on the stuck wireline tool are being conducted before completing wireline logging and production testing.

The well penetrated the top of the Middle Jurassic (Plover Formation) reservoir interval at 4796 mRT and has a total depth of 5112 mRT. Three gross sand intervals have been penetrated. These intervals have thicknesses of approximately 10m, 67m and 139m (formally 114m+).

Based on Mud Logging, Logging while Drilling(LWD) and wireline petrophysical data, the three gross sand intervals are interpreted to contain hydrocarbons.

The wireline logging operations have acquired reservoir pressure data across a 56 m interval within the upper part of the lower 139m gross sand interval which confirms the existence of a gas column. The logging tool then became stuck after the 56m interval had been pressure surveyed and fishing operations commenced.

Two gas samples were taken but have not yet been recovered to surface.

The forward program is to complete fishing operations, wireline logging and prepare to run a production testing program designed to flow gas from the reservoir and determine reservoir parameters including gas composition.

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.

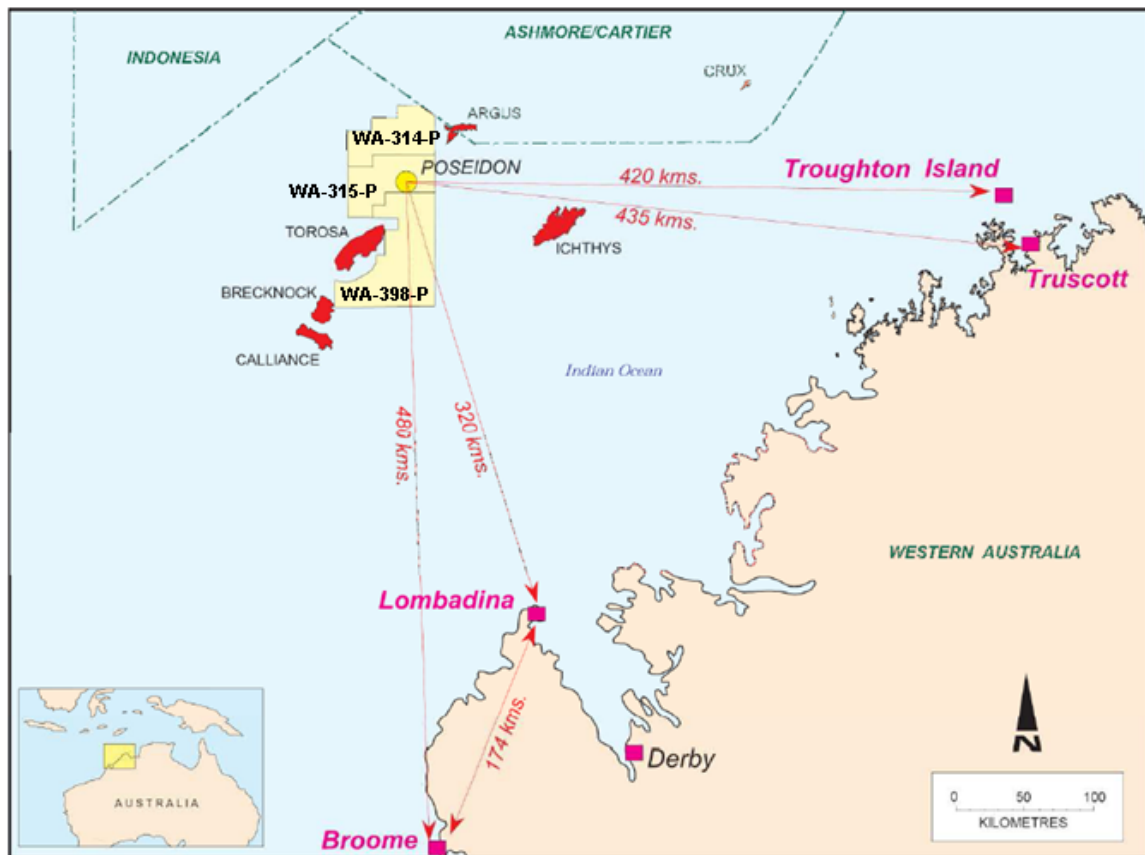
The Poseidon-1 well is located in WA-315-P, approximately 480km North of Broome, Western Australia.

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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