



ASX Announcement

13 May 2009

Poseidon-1 Exploration Well in WA-315-P

Progress Report No 18

Karooon Gas Australia Ltd advises that at 06:00 hours (WST) today, Poseidon-1 was pulling out of hole in preparation to run 5" liner. The 5" liner is being run in preparation for the well testing program (DST's) planned to be run over the next three weeks.

Since the last report unsuccessful attempts were made to recover a stuck wireline logging tool. Consequently, the two gas samples previously taken will not be recovered to surface. The wireline logging tool has been pushed to the bottom of the hole below the zones to be tested and will not impact the testing program.

The well test program is designed to determine gas flow rates, reservoir parameters and reservoir fluid composition including liquids content.

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.

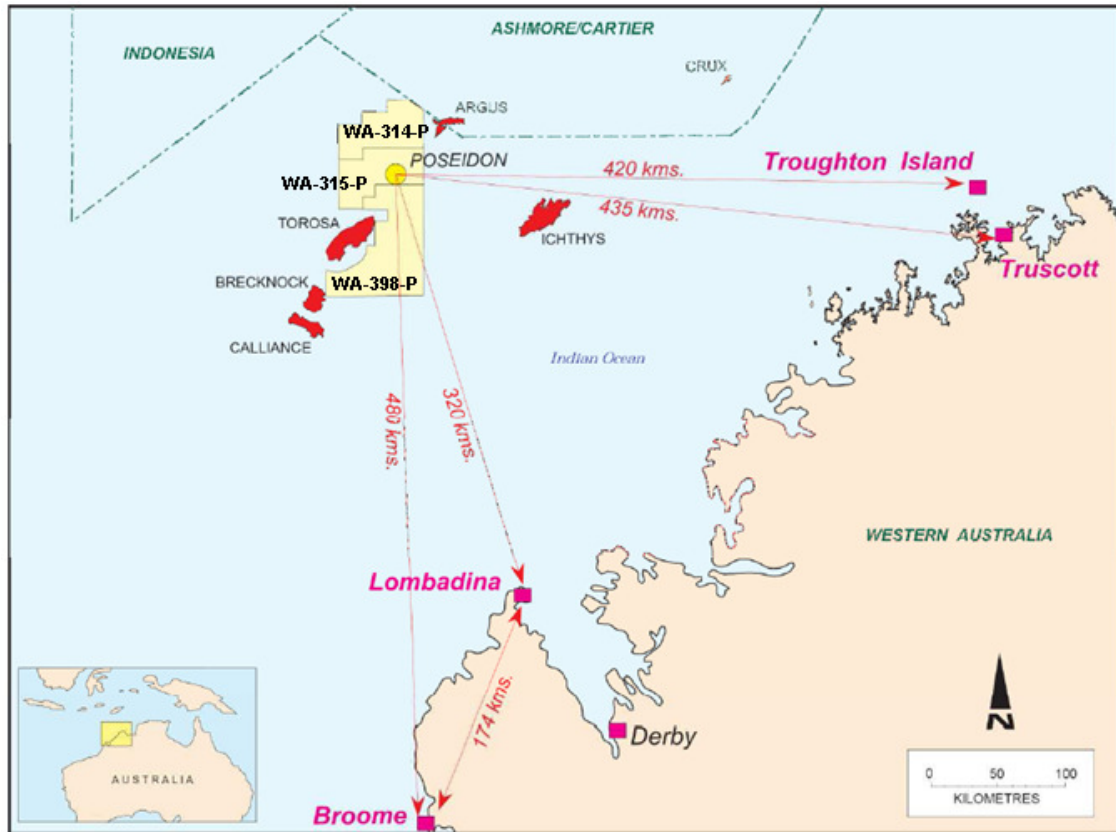
The Poseidon-1 well is located in WA-315-P, approximately 480km North of Broome, Western Australia.

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

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|---------------------------------------|-----|
| 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

For further information please contact:

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