



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

**09 June 2009**

**KAR ANNOUNCES CAPITAL RAISING**

Karoon Gas Australia Limited (ASX: KAR) ("Karoon") announces that it will undertake an institutional placement of ordinary shares ("Placement"). Proceeds from the Placement will be used to bolster the company's cash position for its continued exploration and appraisal program in the Browse Basin, along with the upcoming exploration programs in Peru and Brazil and general working capital.

Merrill Lynch is acting as Lead Manager for the placement, with BBY Ltd, Bell Potter, Credit Suisse First Boston, EL&C Baillieu and Southern Cross Equities acting as participating brokers.

Karoon also plans to offer existing shareholders the opportunity to participate in a Share Purchase Plan, details of which will be announced shortly.

Karoon shares are expected to remain in trading halt pending successful completion of the Placement.

**For further information please contact:**

Scott Hosking  
Company Secretary  
Phone: 03 5974 1044  
Fax: 03 5974 1644  
Email: [scotthosking@karoongas.com.au](mailto:scotthosking@karoongas.com.au)  
Website: [www.karoongas.com.au](http://www.karoongas.com.au)

**IMPORTANT NOTICE**

This release does not constitute an offer of any securities for sale. The securities to be offered pursuant to the Placement will not be offered for sale in any place in which, or to any person whom, it would not be lawful to make such an offer. This document may not be distributed or released in the United States. The shares to be issued pursuant to the Placement have not been, and will not be, registered under the U.S. Securities Act of 1933 (as amended) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States.