



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

**Friday, July 03, 2009**

**KAROON SHARE PURCHASE PLAN**

Karoon has decided to extend the share purchase plan offer to new shareholders who purchased shares in the Company up to the close of business on Thursday, 4 June 2009 and were registered shareholders as at the close of business on Wednesday, 10 June 2009. Existing eligible shareholders under the plan will not be affected by this change.

Applications to these new shareholders will be sent out on Monday, 6 July 2009.

To allow new shareholders to have time to consider their participation in the share purchase plan the Company has also decided to extend the closing date of the share purchase plan to Friday, 17 July 2009.

Existing eligible shareholders and new shareholders may accept the offers which have been mailed to them by the new closing date of Friday, 17 July 2009.

To effect these changes, the terms and conditions of the share purchase plan have been amended in accordance with the terms and conditions set out in the attachment.

If shareholders have misplaced their offer or application form or have any queries concerning the plan please contact Karoon's Share Registry Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or E.L & C Baillieu Stockbroking Ltd on 1800 339 521 (within Australia) or +61 3 9602 9222 (outside Australia).

**IMPORTANT NOTICE**

This release does not constitute an offer of any securities for sale. The securities to be offered pursuant to the Share Purchase Plan 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 Share Purchase Plan 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.

## SHARE PURCHASE PLAN AMENDMENTS

The Share Purchase Plan as lodged with the ASX on 19 June 2009 (**SPP**) is amended by:

(a) replacing Clauses 1 and 2 of the Terms and Conditions with the following:

**1. Offer Timetable**

1.1 This offer is dated and opens on Friday, 19 June 2009 (**Opening Date**).

1.2 The offer closes at 5.00pm (AEST), Friday, 17 July 2009 (**Closing Date**). Applications by BPay® or by cheque, bank draft or money order accompanied by a hard copy Application Form may not be processed or may not be valid if they have not been received by this time.

1.3 It is proposed to allot the Shares issued under the SPP on Friday, 24 July 2009 (**Allotment Date**).

1.4 Karoon expects the Shares issued under the SPP will commence trading on ASX on Monday, 27 July 2009 (**Share Trading Date**).

1.5 Karoon expects to despatch holding statements for the Shares issued under the SPP on or around Wednesday, 29 July 2009 (**Despatch Date**).

1.6 Karoon can change, at any time, the Closing Date, the Allotment Date, the Share Trading Date and the Dispatch Date (even if the offer has opened, or BPay® payments or Application Forms have been received) by lodging a revised timetable with ASX.

**2. Eligible Shareholders**

2.1 You are an Eligible Shareholder and may participate in the SPP if you were a registered holder of Shares with an address in Australia or New Zealand at 7.00pm (AEST), Thursday, 4 June 2009 or Wednesday 10 June 2009 (**Record Date**), unless:

(a) you hold Shares on behalf of another person who resides outside Australia or New Zealand, in which case you will not be eligible to participate in respect of the Shares of that person; or

(b) you are a "U.S. person" as defined in Regulation S under the U.S. Securities Act; or

(c) you are acting for the account or benefit of a U.S. Person, in which case you will not be eligible to participate in respect of the Shares of that person.

2.2 The offer is being made to New Zealand shareholders in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002.

2.3 If you are an Eligible Shareholder, your rights under this offer are personal to you and are non-renounceable, so you may not transfer them."

(b) replacing references to the Closing Date of 5.00pm (AEST), 10 July 2009 with references to the new Closing Date of 5.00pm (AEST), 17 July 2009;

(c) in all other respects the SPP is valid and subsisting in accordance with its terms.