



Thursday, 26 November 2009

(ASX Code: KAR)

ASX ANNOUNCEMENT

POSEIDON-2 EXPLORATION WELL IN WA-398-P PROGRESS REPORT NO 8

Since the last report the 7" liner was set and cemented at 4700 metres (mRT), the well was drilled to 4729 metres from 4724 metres and coring operations were conducted over the interval 4729 to 4741 metres.

At 0600 hrs WST today the core barrel was being pulled from the hole.

The Montara Formation is a secondary target and lies above the Plover Formation primary target which was drilled in the Poseidon-1 discovery well.

There is currently insufficient information to assess the reservoir and hydrocarbon characteristics of these secondary Montara sands. Only when a full data set is available will the significance of these sands be known.

On completion of the core retrieval, the well will be drilled further to test the underlying Plover Formation primary target.

The Transocean Legend semi-submersible rig is drilling the exploration well, which is operated by ConocoPhillips.

Poseidon-2 is located in WA-398, on the southern flank of the north-east trending structural high of the greater Poseidon structure. The objective of the well is to test the extent, presence and quality of reservoirs down-dip from Poseidon-1 where the Plover Formation is interpreted to thicken. The well has a planned total depth of approximately 5300 mRT.

As with the recent gas discovery well, Poseidon-1, Poseidon-2 is planned to be plugged and abandoned following final well evaluation and production testing if applicable.

Equity interests of the participants in WA-398-P are:

Karooon Gas (Browse Basin) Pty Ltd	40%
ConocoPhillips (Browse Basin) Pty Ltd	60%

Poseidon-2 Location:

Latitude: 13 deg 40' 07.13" S	Northing: 8 488 802 mN
Longitude: 122 deg 16' 32.25" E	Easting: 421 662 mE

For further information please see the Karoon website or contact:

Scott Hosking:	Company Secretary	Ian Howarth:	Collins Street Media
Telephone:	03 59741044	Telephone:	0407 822 319
Fax:	03 59741644	Email:	ian@collinsstreetmedia.com.au
Email:	shosking@karoongas.com.au		
Website:	www.karoongas.com.au		