



Thursday, 3 December 2009

(ASX Code: KAR)

ASX ANNOUNCEMENT

POSEIDON-2 EXPLORATION WELL IN WA-398-P PROGRESS REPORT NO 9

At 0600 hrs WST today Karoon advises that the Poseidon-2 well was at a depth of 5123 mRT and preparing to drill ahead. Since the last report the well was drilled from 4741mRT to 5061mRT. Cores were cut from 5061mRT to 5123mRT to evaluate the Plover Formation target interval.

All penetrated reservoirs will be investigated fully when a full suite of mudlogging, LWD and wireline logging data is available on completion of drilling to the final total well depth.

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:

Karoon 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:

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