



5 October 2010

Appointment of Company Director, Clark Davey

Karoon Gas Australia Ltd is pleased to announce the appointment of Clark Davey as an Independent Non-Executive director effective 1st October 2010. This appointment is subject to ratification at the upcoming Annual General Meeting of Karoon Gas Shareholders.

Mr Davey has over 30 years experience in the Australian natural resources industry as a taxation consultant to oil and gas and mining companies. Mr Davey was a partner at Price Waterhouse and PricewaterhouseCoopers specialising in the natural resources industry. For a number of years he held resource industry leadership roles within both firms. Mr Davey has been a speaker at APPEA and MCA forums on both income tax and PRRT issues.

Mr Davey brings a wealth of taxation advisory knowledge and experience to the Company, including experience with company income tax, petroleum resource rent taxation in Australia and assisting with accounting and capital management. He has assisted many Australian companies with tax management of their joint venture interests and has had considerable experience with M&A transactions. He has also assisted companies expand their resource industry interests internationally and advised in-bound investors entering and doing business in Australia.

The Board unanimously supports the election of Mr Davey.

As part of Clark's remuneration for being appointed to the Board, subject to shareholder approval, Mr Davey shall receive 500,000 options at a strike price of \$9.48, which shall be ratified at the upcoming Karoon Annual General Meeting of Karoon Shareholders meeting.

For further information please contact:

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