



Monday, 19th April 2010

(ASX Code: KAR)

ASX ANNOUNCEMENT

Kronos-1 PROGRESS REPORT NO 9

At 0600 hrs WST, Karoon advises that Kronos-1 was at 5018 mRT and the drilling assembly was being pulled out of the hole before commencing coring operations. Since the last report the well was drilled from 4779 mRT to its current depth.

At 4998mRT the well intersected a sand-prone interval, based on LWD GR (Logging While Drilling Gamma Ray) response, ROP (Rate of Penetration) increase and drill cuttings descriptions. This interval was associated with an increase in the background gas. After drilling down to 5018 mRT it was decided to pull out of the hole and commence coring operations.

On completion of the coring and drilling to approximately 5322 mRT, the planned TD (Total Depth), wireline logging, pressure and sampling programs will be used to define the thickness and properties of this and any other sands penetrated and the presence and characteristics of any movable hydrocarbons.

The drilling, coring, and wireline evaluation at TD will take approximately 30 days to complete.

If production testing is undertaken, approximately 20 additional days will be required to complete this testing operation.

Reporting schedule

As of this release, weekly reporting will cease. Future announcements will be made as and when material information is available in accordance with ASIC and ASX requirements.

The Transocean Legend semi-submersible rig is drilling the Kronos-1 well, and ConocoPhillips is the operator.

Kronos-1 is located on a high block in the south-western part of the greater Poseidon trend, 15 kilometres from the Poseidon-1 well and is the third well on the greater Poseidon trend. The well is designed to evaluate and test the Plover Formation reservoirs. Key objectives of Kronos-1 are to collect reservoir properties data, reservoir fluid compositional data and then define production rates for possible future production wells. The well has a planned total depth of 5322mRT.

As with the recent, Poseidon-1 and Poseidon-2 wells, Kronos-1 is planned to be plugged and abandoned following final well evaluation and production testing. During the current exploration and evaluation phase of the Poseidon field, exploration wells are designed to assess the resource potential in the most efficient manner, and are not suitable for production.

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

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

Kronos-1 Location:

Latitude: 13 deg 41' 53.84" S	Northing: 8 485 495 mN
Longitude: 122 deg 11' 29.96" E	Easting: 412 591 mE

For further information please see the Karoon website or contact:

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