



Thursday, 6th May 2010

**(ASX Code: KAR)**

**ASX ANNOUNCEMENT**

**Kronos-1 PROGRESS REPORT NO 11**

Karoon Gas and WA-398-P joint venture partner, ConocoPhillips (operator) will conduct a production test on the Kronos-1 exploration well in the Browse Basin.

The decision to conduct a production test, expected to take up to 20 days, follows the completion of coring and a full suite of wireline logs, including pressure measurements, in the well.

Petrophysical interpretation indicates the presence of net pay gas sands with good reservoir properties. Wireline pressure data demonstrates that a gas gradient is present across the sands.

Since the last report the well has been drilled from 5249 mRT to a total depth of 5329 mRT and work to install a 4 ½ inch liner in preparation for a production test is currently underway.

**Reporting schedule**

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.

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:

Karooon 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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