



**Monday, 13 September 2010**

**(ASX Code: KAR)**

## **1-SPS-75 Quasi Prospect Progress Report No 2**

### **Quasi Results**

Subsequent to today's announcement regarding the Karoon's 20% farmin with Petrobras, the first well Quasi -1 has now been completed. Wireline tests have been completed and no commercial hydrocarbons were encountered. The well is expected to be permanently plugged and abandoned and the rig released on or about the 15<sup>th</sup> of September, 2010. Quasi was a high risk strategic test. Karoon is required to contribute 20% of the well costs to earn 20% interest in this well. Karoon estimates its net exposure to be approximately USD6.5 million.

The Quasi BM-S-41/S-M-1354 Well drilled in the Santos Basin offshore Brazil reached a total depth of 2011 meters on the 7<sup>th</sup> of September, 2010.

### **Forward Plan**

Drilling on the Maruja Prospect is expected to commence in September 2010. In accordance with the farmin agreement, Karoon will pay 35% of well costs in exchange for 20% equity in the BM-S-41/S-M 1352.

The Maruja prospect is lower risk four way closure targeting the same sands as seen in the nearby Tiro and Sidon fields.

The recent Petrobras discoveries at Tiro and Sidon in Block BM-S-40 are located 16 km from the Maruja Prospect. These discoveries were in good quality tertiary aged sandstone reservoirs estimated to contain cumulatively 120Mmbo. The map on the next page illustrates the position of relevant blocks. Petrobras has lodged a development application with the relevant government authority and is currently producing oil at the Tiro discovery under an extended well test.

### **Petrobras a world class partner**

Petrobras is the world's fourth largest energy company, the largest company in Latin America by market capitalization, and the largest company headquartered in the Southern Hemisphere. Karoon looks forward to further developing its strategic relationship with Petrobras.

The transaction further illustrates Karoon's strategy of expanding and diversifying its asset base by securing equity interests in good quality, prospective exploration areas.

**For further information please see the Karoon website [www.karoongas.com.au](http://www.karoongas.com.au) or contact:**

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### Brazil Santos Basin - Karoon farm-in and existing blocks

