



19 January 2011

Kate Kidson
Companies Advisor
Australian Stock Exchange Ltd
Melbourne Vic 3000

By Facsimile 03 9614 0303

Dear Kate,

Request for Trading Halt

Karooon Gas Australia Limited (ASX: KAR) ("**Company**") requests a trading halt in order to clarify a news article published in today's Australian Financial Review. This article contains information about the original environmental approval applications to commence its five to eight well drilling program in the Browse Basin, as submitted by the Karoon/ConocoPhillips Joint Venture.

The Company requests the trading halt to be put in place immediately until such time as an announcement regarding the clarification is made. The Company expects to be in a position to make a further announcement within two trading days.

Karooon is not aware of any reason why the trading halt should not be granted.

Kind Regards

A handwritten signature in black ink, appearing to read 'S Hosking', written in a cursive style.

Scott Hosking - Company Secretary
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