



Friday, 19th November 2010

(ASX Code: KAR)

ASX ANNOUNCEMENT

BRAZIL IPO UPDATE

Karoon advises that due to unfavourable financial market conditions, Karoon will not continue with the IPO of the South American assets at this time.

Recent capital raisings by Brazilian oil and gas companies have not performed to market expectations causing some hesitation by investors.

Karoon will now consider waiting for conditions to improve before reassessing the best value creation opportunities.

For further information please see the Karoon website or contact:

Scott Hosking: Company Secretary
Telephone: 03 59741044
Fax: 03 59741644
Email: shosking@karoongas.com.au
Website: www.karoongas.com.au

Ian Howarth: Collins Street Media
Telephone: 0407 822 319
Email: ian@collinsstreetmedia.com.au