



Friday, 23<sup>rd</sup> December 2011

**(ASX Code: KAR)**

## **ASX ANNOUNCEMENT**

### **GLOBAL DRILLING PROGRAM UPDATE**

#### **Browse Exploration Drilling Campaign- Transocean Legend**

The “Transocean Legend” drilling rig is nearing completion of maintenance prior to the commencement of a firm drilling programme comprising five wells with an option for three additional wells in Karoon/ConocoPhillips Browse Basin permits.

The drilling campaign is now expected to commence in early-February 2012 when the “Transocean Legend” drilling rig is mobilised by the Karoon/ConocoPhillips Joint Venture to the Boreas-1 exploration well location in WA-315-P.

ConocoPhillips is the operator of the jointly held WA-314-P, WA-315-P and WA-398-P Browse Basin permits containing the previously announced Poseidon and Kronos gas discoveries.

#### **Santos Exploration Drilling Campaign- Blackford Dolphin**

The “Blackford Dolphin” is currently on schedule for a second quarter 2012 commencement of a three well drilling program in Karoon’s 100% owned Santos Basin Blocks. Karoon is completing the final stages of selecting well locations and planning for the program.

Karoon owns and operates 100% of Santos Basin Blocks 1037, 1101, 1102, 1165 and 1166.

#### **Peruvian Exploration Campaign- Tenders Received**

Karoon is receiving tenders for the provision of a drilling rig for a minimum of two wells in the Tumbes Basin Block Z-38. The likely timing for the commencement of drilling is expected to be the end of 2012 and Karoon will keep the market informed when a rig is secured.

Karoon is currently the 75% equity holder and the operator of Tumbes Basin Block Z-38. The remaining 25% interest is held by Vietnam American Exploration LLC.

### **SOUTH AMERICAN FARMOUT UPDATE**

Karoon is continuing to host dataroom appointments for its farmout of equity interests in Tumbes Basin, Peru and Santos Basin, Brazil Blocks. Karoon continues to have strong interest with several parties now moving through internal reviews, declaring an interest or scheduling visits.

Karoon hopes to complete the farmouts in Brazil and Peru in the first quarter 2012 in preparation for the commencement of the Brazilian drilling campaign in the second quarter and the drilling preparations for Peru continuing throughout 2012.

**For further information please see the Karoon website or contact:**

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