



7 February 2011

(ASX Code: KAR)

ASX ANNOUNCEMENT

Maruja Field Appraisal

Karooon advises that the semi-submersible 'the Diamond Offshore Ocean Yorktown semisubmersible drilling rig' has now moved onto location and is preparing to commence drilling on the Maruja-2 appraisal well. The well's surface location is 4.8 km north east of the Maruja-1 discovery well.

The Maruja-2 well objectives are to test the extension of the Maruja-1 (1-SPS-76) reservoir over the north-east part of the closure. A vertical well will be cored to provide detailed reservoir evaluation and a sidetrack drilled to test reservoir continuity.

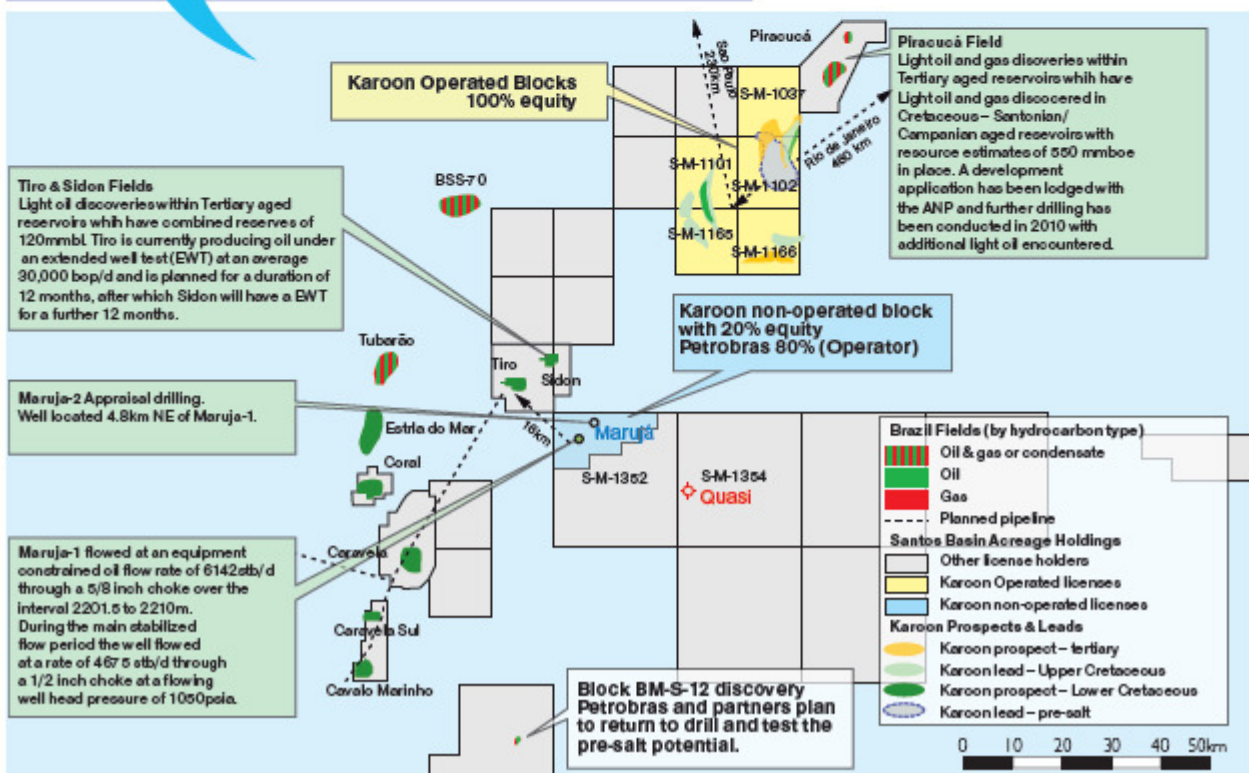
The Yorktown rig will be operated by Petrobras.

Equity Interests

Karooon's wholly owned subsidiary, Karoon Petroleo & Gas S.A., has entered into an agreement to acquire a 20% interest in block S-M-1352 which is part of the BM-S-41 Concession, which is subject to regulatory approval from the Agencia Nacional do Petroleo, the Brazilian national Petroleum agency (ANP). Upon receipt of regulatory approvals (including from the ANP) and subject to satisfying farm-in obligations, equity interests of the participants in BM-S-41/S-M-1352 will be:

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|-----------------------------|-----|
| Karooon Petroleo & Gas S.A. | 20% |
| Petrobras | 80% |

Brazil Santos Basin Marujá location



1-SPS-75 Location:

Latitude 26° 30' 26.630" South, Longitude 46° 23' 2.61" West

For further information please see the Karoon website or contact:

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