

6 September 2012

**ASX ANNOUNCEMENT**



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**Boreas-1 Exploration Well in WA-315-P  
Progress Report No 11**

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At 0700hrs WST, Karoon advises that Boreas-1 intersected the primary reservoir objective and the drilling assembly was being pulled out of the hole in preparation to commence coring operations.

The well intersected a sand interval characterized by a ROP (Rate of Penetration) increase, sandy drill cuttings and an increase in the mudlog gas readings indicating a potential gas bearing reservoir. Coring operations will be undertaken to allow more extensive analysis of rock properties in potential reservoir intervals in the Boreas-1 well.

On completion of the coring and drilling operations to Total Depth, wireline logging, pressure and sampling programs will be used to define the thickness and properties of any sands penetrated and the presence and characteristics of any movable hydrocarbons which they may contain.

Production testing will be undertaken should hydrocarbon bearing sands be encountered and confirmed by the wireline logging and the pressure and sampling programs.

The Transocean Legend semi-submersible rig is drilling the exploration well, which is operated by ConocoPhillips.

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. Karoon Gas Australia Ltd holds 40% of the permit WA-315-P and WA-398-P, and 90% of permit WA-314-P.

Boreas-1 is located approximately 4 kilometres south of Poseidon-1 in WA-315-P on a large tilted fault block which is part of the of the north-east trending structural high of the greater Poseidon structure. The objective of the well is to test the extent, presence and quality of reservoirs within the Boreas-1 fault block.

**Upcoming Well Program**

The exploration program, operated by ConocoPhillips, plans to utilise the Transocean Legend semi-submersible rig for the entire campaign and is expected to continue through 2013.

A minimum of five wells will be drilled during the exploration program. The principal objective of the exploration program is to better define the size and quality of the hydrocarbon accumulations within the exploration permits which contain the greater Poseidon trend.

The second well, Zephyros-1, is located in permit WA-398-P on a large tilted fault block approximately 8 kilometres south west of Kronos-1 discovery location. The third well, Proteus-1, is located in WA-398-P on a large tilted fault block approximately 14 kilometres south east of the Poseidon-1 discovery location.

Additional well locations for the remainder of the program will be announced as they obtain joint venture approval.

### **Ongoing progress reports**

In addition to complying with its continuous disclosure obligations, Karoon proposes to provide fortnightly progress reports during drilling operations.

### **Further information**

For further information please see the Karoon website or contact:

#### Shareholder Enquiries

Scott Hosking:           Company Secretary  
Telephone:               +613 59741044

James Wootton:       Investor Relations  
Telephone:               +613 9616 7520

Email: [shosking@karoongas.com.au](mailto:shosking@karoongas.com.au)

Email: [jwootton@karoongas.com.au](mailto:jwootton@karoongas.com.au)

#### Media Enquiries

Ian Howarth:   Collins Street Media  
Telephone:     +614 0782 2319  
Email:         [ian@collinsstreetmedia.com.au](mailto:ian@collinsstreetmedia.com.au)