

24<sup>st</sup> June 2013



## ASX Announcement

---

### Karooon Peru Block Z-38 – Approval of Environmental Impact Study

---

Karooon is pleased to announce that it has passed final regulatory hurdles to commence drilling in Block Z-38 located in the offshore Tumbes Basin, 10 kilometres from the north west coast of Peru. Directorial Resolution N° 163-2013-MEM/AE was passed on the 19 June 2013 and approved the Environmental Impact Study to drill up to 10 exploration and 10 appraisal wells in Block Z-38.

Karooon is currently in the planning stage to drill at least two wells in Peru and long lead items are being delivered. The approval of the Environmental Impact Assessment allows Karoon to actively search for a drilling unit to start the first exploration drilling campaign. The campaign is expected to commence late in the first half of calendar year 2014 and discussions are underway to farm down Karoon's 75% interest in the Block.

The upcoming drilling campaign is the result of four years of geotechnical work including 2D and 3D seismic acquisition, processing and interpretation, the recovery of drop cores, offset well analysis and regional geological studies. Northern Peru has produced over 1.6 billion barrels of oil since 1863, making it the second oldest oil producing region in the world. Oil samples recovered from drop cores in Block Z-38 and nearby production prove the presence of oil and gas within Block Z-38 however, the exploration drilling in the Block will be the first drilling in waters over 150 metres in 20 years. The water depth is approximately 400 metres.

Karooon has Degolyer and MacNaughton certified gross mean prospective resource of 2.4 billion barrels of oil equivalent, distributed over 15 prospects, with three main prospects having over 300 million barrels each. Recent work has provided additional prospectivity in similar geology to the nearby Corvina and Albacore fields, located in Block Z-1.

#### **Equity Interests**

Equity interests in Block Z-38 are:

KEI (Peru Z-38) Pty Ltd, Sucursal del Peru (Operator)	75%
Pitkin Petroleum Peru Z-38 SRL	25%

\* Karoon's 75% equity interest is subject to completion of farm-in obligations.

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

##### **Shareholder Enquiries**

Scott Hosking: Company Secretary	James Wootton: Investor Relations
Telephone: +613 5974 1044	Telephone: +613 9616 7520
Email: <a href="mailto:shosking@karoongas.com.au">shosking@karoongas.com.au</a>	Email: <a href="mailto:jwootton@karoongas.com.au">jwootton@karoongas.com.au</a>
Website: <a href="http://www.karoongas.com.au">www.karoongas.com.au</a>	

##### **Media Enquiries**

Ian Howarth: Collins Street Media
Telephone: +614 0782 2319
Email: <a href="mailto:ian@collinsstreetmedia.com.au">ian@collinsstreetmedia.com.au</a>