

31 October 2013



## ASX Announcement

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### Brazilian Regulator Approves Karoon for Petrobras Joint Venture at the Maruja Oil Field

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On 30 August 2010, Karoon executed a Farm-in Agreement with Petróleo Brasileiro S.A. ("Petrobras") to acquire a 20% interest in Blocks S-M-1352 and S-M-1354 in the Santos Basin, off-shore Brazil. This transaction was conditional on obtaining regulatory approval from the Agência Nacional do Petróleo ("ANP") for the assignment of the Blocks.

Since executing the farm-in agreements, Petrobras and the ANP have been in discussions relating to the Block status and during this time, development planning decision making has been ongoing on Maruja. Karoon has recently been advised these discussions are nearing completion and, consequently Karoon is clear to assume its 20% participating interest in Block S-M-1352.

In the period since Karoon executed agreements over SM-1352 and SM-1354, two prospects have been drilled, resulting in the discovery and production testing of oil at Maruja with SM-1352 and an unsuccessful well at Quasi leading to the relinquishment of S-M-1354 in 2011.

#### **Maruja Discovery Summary**

The Maruja-1 well was drilled in the December quarter of calendar year 2010. The well was drilled to a total depth of 3,789 metres and an extended well test was conducted over the interval from 2,202 metres to 2,210 metres. During the 24 hour flow period, the high porosity Oligocene sandstone reservoir achieved a stabilised flow rate of 4,675 bbl/d of oil and a 0.8 mmscf/d of gas through a ½" choke with a flowing well head pressure of 1,050 psia. An oil gravity of 38 degree API was measured.

The Marujá-2 appraisal well was drilled 4.8 kilometres north east of the Maruja-1 discovery and was designed to test the extension and continuity of the oil bearing reservoirs in a down-dip location, approximately 80 metres vertical depth to the discovery. The well encountered excellent quality reservoir sands which were interpreted to be water bearing at this location.

Petrobras is resuming its technical and commercial assessment of the Maruja discovery.

#### **Equity Interest**

Equity interests of the participants in Blocks S-M-1352 are:

Karoon Petróleo & Gás Ltda.	20%
Petróleo Brasileiro S.A. (Operator)	80%

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

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