

6 March 2014



ASX Announcement

Brazilian Regulator Approves the Assignment of a 35% equity interest in Karoon's Santos Basin Block S-M-1166 to Pacific Rubiales

Karoon (ASX:KAR) is pleased to announce it has received notification from the Agência Nacional do Petróleo ("ANP") that the assignment of block S-M-1166 to Pacific Rubiales Energy Corp (TSX:PRE; BVC:PREC; BOVESPA:PREB) ("Pacific Rubiales") has been approved and that the transfer of a 35% participating interest in the block is now complete.

This follows the ANP approval for the assignment and subsequent transfer of a 35% interest in blocks S-M-1037, S-M-1101, S-M-1102 and S-M-1165 to Pacific Rubiales, announced on 28 October 2013.

On 19 September 2012 Karoon announced the execution of the final agreements for Pacific Rubiales to acquire a 35% interest in Karoon's wholly owned Santos Basin Blocks, S-M-1101, S-M-1102, S-M-1037 and S-M-1165 with an option to acquire a 35% interest in S-M-1166. This transaction was conditional on obtaining regulatory approval from the ANP for the assignment.

As a consequence of this most recent approval, Pacific Rubiales is now a 35% equity interest holder in the Kangaroo and Bilby oil discoveries and in any additional exploration potential in Santos Basin Blocks S-M-1037, S-M-1101, S-M-1102, S-M-1165 and S-M-1166 (the "Blocks"). Pacific Rubiales is also required to fund its pro rata commitment in any further work programs in the Blocks.

For further information please see the Karoon website or contact:

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