

## ASX Announcement

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### Karoon Gas Australia Ltd Board Structure Update

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As part of a broader set of corporate objectives for the 2014 Financial Year, Karoon Gas Australia Ltd is revising the structure of its Board of Directors. The planned changes are designed to ensure the Board has the appropriate composition and skills mix to effectively manage evolving business risks as the Company progresses into the appraisal phase and, upon success into development.

It is the intention of the Board that the revised structure will also include a majority of independent Non-executive Directors in accordance with Recommendation 2.4 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3<sup>rd</sup> Edition).

Karoon intends to make the following changes:

1. Mr Stephen Power has advised the Board he will retire from his position of Non-Executive Director, effective upon the appointment of a replacement, independent Non-Executive Director;
2. Karoon will then appoint a second new independent Non-Executive Director, which will result in an independent majority on the Board; and
3. Once an independent majority of Directors has been established and following a subsequent evaluation period, the Board intends to realign its members to more closely reflect Principle 2 outlined by the ASX Corporate Governance Council, 'Structure of the board to add value'.

The proposed appointment of new independent directors and subsequent independent Board is expected to be completed prior to the 2014 Karoon Gas Australia Ltd Annual General Meeting. Shareholders will then vote on the new appointments at the meeting.

Karoon has identified and is currently in discussions with a number of candidates that would bring the skills mix and industry experience that would be very complimentary to the Company. The outcome of these discussions is expected to be announced over the coming months.

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

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