

17 July 2014



## ASX Announcement

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### Browse Basin Gas Discovery at Pharos-1 Exploration Well, WA-398-P Progress Report No 5

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- Logging program indicates gas charged Montara Formation sandstone reservoir
- Karoon's assessment shows a 53 metre gross interval with 34 metres net pay interpreted
- Drill Stem Testing to commence in the coming weeks

As at 0600 WST on 16th July 2014 wireline logging of the Pharos-1 borehole was ongoing.

Since the last update, the 6-1/2" hole section was drilled from 4,949mRT to a total depth of 5,220mRT. Final Total Depth of 5,220mRT was reached at 1940 WST on 10th July 2014. Wireline logging operations commenced on the 12th of July 2014 and are ongoing at the time of this release.

The presence of movable hydrocarbons is supported by petrophysical log interpretation, formation pressure gradients and downhole gas sampling. Preparations for a production test will commence on the completion of the wireline logging program.

Pharos-1, the sixth and final well in the Browse Basin Phase 2 Exploration Drilling Campaign is located approximately 9 kilometres north east of Proteus-1 and will be a further test of the Proteus-Crown trend. Pharos-1 is targeting an extension of the discovery made at Proteus-1 which established excellent reservoir quality and condensate bearing gas in the Montara formation.

The exploration campaign, operated by ConocoPhillips, is using the Transocean Legend semi-submersible rig for the final well. The principal objective of the campaign is to better define the size and quality of the hydrocarbon resource within the exploration permits which contain the Greater Poseidon trend.

ConocoPhillips is the operator of the WA-398-P Browse Basin permit in which Karoon Gas Australia Ltd currently holds 40%.

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

Scott Hosking | Company Secretary  
T: +613 5974 1044  
E: [shosking@karoongas.com.au](mailto:shosking@karoongas.com.au)

James Wootton | Investor Relations  
T: +613 9616 7520  
E: [jwootton@karoongas.com.au](mailto:jwootton@karoongas.com.au)

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

## **About Karoon Gas Australia Ltd**

Karoon Gas Australia Ltd is an international oil and gas exploration company with projects in Australia, Brazil and Peru and a member of the S&P/ASX 200 Index.

Karoon looks for high equity interests in early stage exploration opportunities containing large potential targets in basins with proven Petroleum Systems. Karoon strives to create shareholder value through the geotechnical work-up of the acreage, leveraging its high equity interests to explore and appraise these opportunities to achieve commercialisation.

While the company's core strategy is identifying off-shore early stage exploration opportunities, Karoon's longer-term strategy is to retain residual equity interests in the assets as they go into production.