

ASX Announcement
ANP approves Neon (Echidna) and Goia (Kangaroo) Declaration of Commerciality

Karoon is pleased to announce that it has received approval from the ANP for the Neon (Echidna) and Goia (Kangaroo) Declaration of Commerciality.

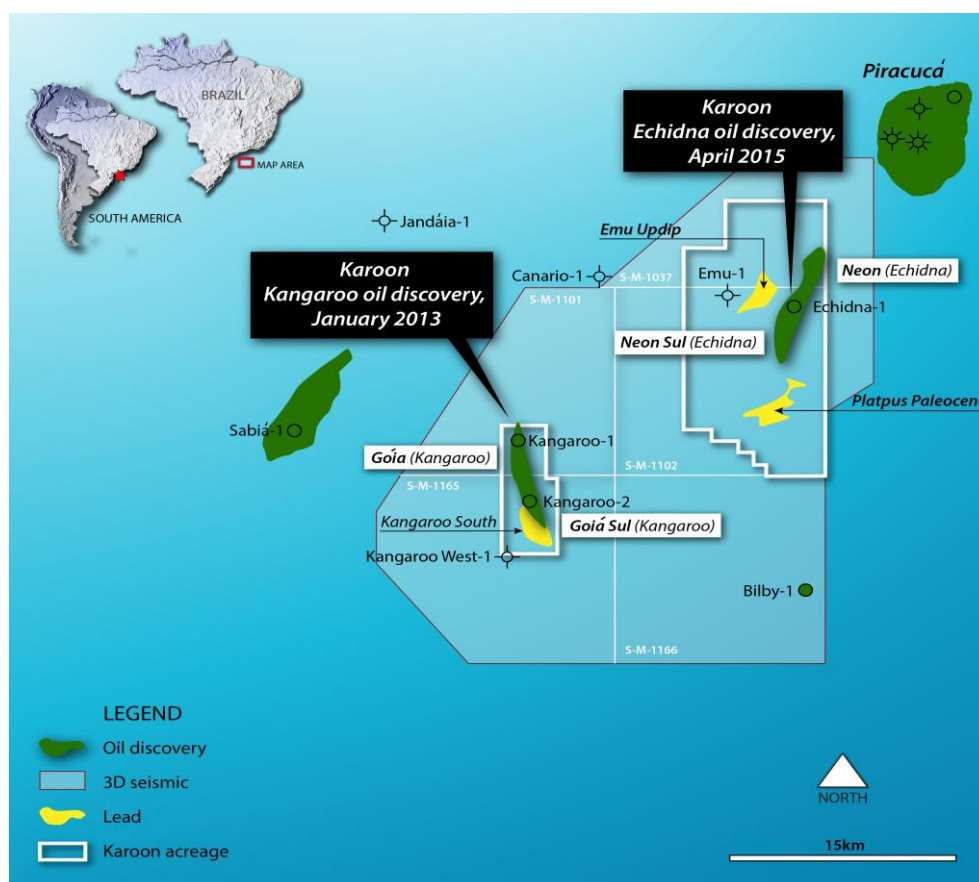
In relation to the Kangaroo and Echidna discoveries, Santos Basin Brazil, Karoon has received ANP approval of the Final Discovery Evaluation Report (RFAD) for wholly owned Santos Blocks S-M-1037, S-M-1101, S-M-1102, S-M-1165 and S-M-1166 along with a Declaration of Commerciality (DoC).

Karoon Gas Australia Ltd (ASX: KAR) submitted the RFAD and DoC documents in early May to the Brazilian oil and gas regulator, Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP). The documents outline two distinct areas identified for retention which include the Echidna and Kangaroo oil accumulations along with some near field prospective resource opportunities.

As is the convention in Brazil, on Declaration of Commerciality, field names are given to those parts of a field that are in different blocks and are named after marine organisms. As each field straddles two blocks, Kangaroo will officially become GOIÁ and GOIÁ SUL and Echidna will become NEON and NEON SUL.

The RFAD and DoC approval from the ANP mark the end of the Exploratory Phase and the commencement of the Development and Production Phase. While approval marks the start of the Development and Production Phase, this does not constitute a final investment decision ('FID').

A FID will be assessed by Karoon independently of these approvals and Karoon is expected to be in a position to decide on FID later in 2018.



About Karoon Gas Australia Ltd

Karoon Gas Australia Ltd is an international oil and gas exploration company with projects in Australia, Brazil and Peru.

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.

Forward looking statements

This announcement may contain certain "forward-looking statements" with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this announcement. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements. Any forward-looking statements, opinions and estimates provided in this announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of Karoon. Such statements may cause the actual results or performance of Karoon to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this announcement.

Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

For further information please see the Karoon website or contact:

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