

Peru Drilling Update No 4: Marina-1 Exploration Well

Karoon Energy Ltd's ("Karoon") Marina-1 exploration well in Block Z-38 Tumbes Basin offshore Peru, has drilled down to a depth of 1654m MD. The 13 3/8 inch casing has been run with the forward plan to drill the primary targets of the Tumbes and Cardalitos formations where multiple target levels have been identified over a 1400m interval.

The shallower sections of La Cruz and Mal Pelo formations were encountered down to 1654m MD and preliminary logging results indicate that the well encountered water bearing sands and some gas shows in thin beds which are not considered to be commercial. The information obtained from the shallow sections provides insights into similar in the deeper waters. La Cruz and Mel Pelo results are independent of the deeper primary targets.

Operationally the well is progressing to plan. It is on time and on budget, with no safety or environmental incidents. The total drilling operation is estimated to take 30 days and shall drill to approximately 2994m TVDSS.

Karoon's wholly owned subsidiary, KEI (Peru Z-38) Sucursal del Peru, owns a 40% operating equity interest in the Block Z-38 with Tullow Oil plc (LSE:TLW) holding 35% and Pitkin Petroleum holding the remaining 25% equity interest.

Important Note

Should investors have any questions or queries please contact the following regarding;

- The company, James Wootton on 03 9616 7500 or jwootton@karoonenergy.com.au.
- Australian Media enquiries, Tim Duncan Ph +61 408 441 122, tduncan@hintons.com.au and
- Peruvian media enquiries, Jaime La Rosa at Porter Novelli Peru, Ph 511 6340707, jaime.larosa@porternovelliperu.com.

Authorised for lodgement by Scott Hosking, Company Secretary.

About Karoon Energy Ltd

Karoon Energy Ltd. is an ASX-listed international oil and gas exploration company with projects in Australia, Brazil and Peru.

Karoon's strategic vision is to transform into a global E&P company with material production to underpin growth through a highly prospective exploration portfolio and entrepreneurial spirit.

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.