



26 May 2014

James Gerraty
Manager – Listings (Melbourne)
Australian Stock Exchange Ltd
Melbourne Vic 3000

By facsimile (03) 9614 0303

Dear James,

Continued voluntary suspension of trading

Karoon Gas Australia Limited (ASX: KAR) (“**Company**”) requests that the voluntary suspension of trading continue pending the release of a material announcement in relation to continued commercial discussions and funding position.

The Company continues to be engaged in discussions with various stakeholders and potential new investors. These discussions will be ongoing through the coming week. The Company will update the market further when the discussions have been finalised or have sufficiently progressed to a point where an announcement can be made.

The Company requests that the suspension remain in place until such time as an announcement can be made. The Company will provide an update on status before or on Monday 2 June 2014.

Karoon is not aware of any reason why the voluntary suspension of trading should not be granted.

Kind regards

A handwritten signature in black ink, appearing to read 'S Hosking', is positioned above the typed name of the Company Secretary.

Scott Hosking - Company Secretary
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