

30 August 2013



ASX Announcement

Browse Basin Gas Discovery at Proteus-1 Progress Report No 12

- Logging program indicates multiple gas charged reservoirs within the Jurassic.
- An 87 metre gross interval with high net pay penetrated.
- Drill Stem Testing to commence in the next week.

At 06:00 WST on the 30th of August wireline logging of the Proteus-1ST2 borehole was ongoing.

Since the last update the 4-1/8" hole section was drilled from the 5" liner shoe at 4920 metres below rotary table ("mRT") to a total depth of 5250 mRT. Final Total Depth of 5250 mRT was reached at 12:00 WST on 26th August. Wireline logging operations commenced on the 28th of August 2013 and are ongoing at the time of this release.

The presence of movable hydrocarbons in good quality Jurassic reservoir units is supported by petrophysical log interpretation, formation pressure gradients and gas samples recovered to the surface.

The logging program is near completion and the Joint Venture will be conducting a production test over the coming weeks.

Success in the Proteus-1 well builds on significant gas discoveries in the Boreas-1, Kronos-1 and Zephyros-1 wells drilled earlier in the current drilling campaign.

ConocoPhillips is the operator of the WA-314-P, WA-315-P and WA-398-P Browse Basin permits containing the previously announced Greater Poseidon gas discoveries. Karoon Gas Australia Ltd holds a 40% equity interest in permit WA-315-P and WA-398-P, and a 90% interest in permit WA-314-P.

Proteus-1 is the third well in the exploration program. Proteus-1 is located in permit WA-398-P on a large tilted fault block approximately 14 kilometres south south east of the Poseidon-1 discovery well.

The Transocean Legend semi-submersible rig is drilling the exploration well, which is operated by ConocoPhillips.

Upcoming Well Program

The exploration program, operated by ConocoPhillips, plans to utilize the Transocean Legend semi-submersible rig for the entire campaign and is expected to continue through 2013.

A minimum of six wells will be drilled during the second phase Browse drilling campaign. The principal objective of the exploration program is to better define the size and quality of the hydrocarbon accumulations within the exploration permits which contain the greater Poseidon trend.

Ongoing progress reports

In addition to complying with its continuous disclosure obligations, Karoon proposes to provide fortnightly progress reports during drilling operations.

For further information please see the Karoon website or contact:

Scott Hosking | Company Secretary
T: +613 5974 1044
E: shosking@karoongas.com.au

James Wootton | Investor Relations
T: +613 9616 7520
E: jwootton@karoongas.com.au

Ian Howarth | Collins Street Media
T: +614 0782 2319
E: ian@collinsstreetmedia.com.au