



ASX Announcement

4 February 2009

Poseidon-1 Exploration Well in WA-315-P

Progress Report No 2

Karoon Gas Australia Ltd advises that as at 06:00 hours (WDT) today, preparations to run and test BOP's (Blow-Out Prevention equipment) are continuing, prior to drilling ahead. Since the last report, a 17-1/2" hole was drilled and surface casing was set and cemented at 2288m Rotary Table (RT).

The Sedco-703 semi-submersible rig is drilling the exploration well, which is operated by ConocoPhillips.

Poseidon-1 is the first well in a multi- well drilling program in the Browse Basin permits WA-314-P, WA-315-P and WA-398-P by the Karoon/ConocoPhillips joint venture.

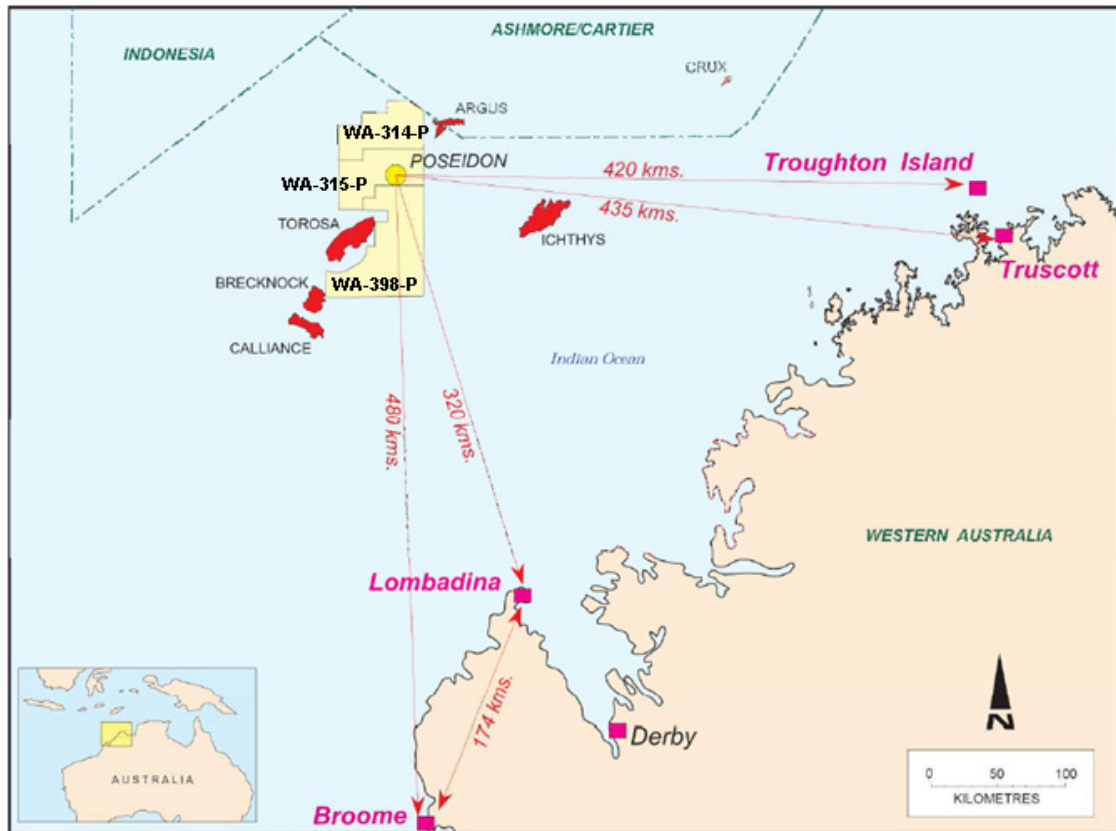
The Poseidon-1 well is located in WA-315-P, approximately 480km North of Broome, Western Australia. Poseidon -1, with a planned total depth of 4800m True Vertical Depth Sub Sea (TVDSS) is targeting potential hydrocarbons in the Middle and Upper Jurassic sandstones.

Equity interests of the participants post farm-out in WA-314-P and WA-315-P are:

Karoon Gas Australia Ltd	49%
ConocoPhillips (Browse Basin) Pty Ltd	51%

Equity interests of the participants in WA-398-P are:

Karoon Gas Australia Ltd	40%
ConocoPhillips (Browse Basin) Pty Ltd	60%



Poseidon-1 Location:

Latitude: 13 deg 37' 22.46" S
 Longitude: 122 deg 18' 25.82" E

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