

Kangaroo hops off

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KAROON Gas has spud its long-awaited Kangaroo-1 well in the Santos basin off Brazil, with drilling expected to continue into next month.

Kangaroo-1, part of a three-well program Karoon is undertaking in the Santos Basin, is targeting a mean prospective resource of 272 million barrels of oil.

The completion of the three wells will wind up key work requirements on five blocks in the basin.

Karoon's Santos Basin blocks are 112km off the coast of the Santa Catarina region of Brazil, south of Rio de Janeiro, in 400m of water.

Karoon was awarded 100% participation in the blocks during 2008. The five total 865sq.km.

Since acquiring the blocks, Karoon has completed a large array of technical work including Wide Azimuth 3D seismic.

It has also pulled the trigger on a farm-out deal with Pacific Rubiales, covering a 35% farm out of the blocks worth up to \$250 million.

The Canada-based company will pay Karoon \$40 million upfront and has agreed to fund up to \$210 million in exploration costs.

In return, Pacific Rubiales will get 35% of Karoon's wholly owned Santos Basin blocks S-M-1101, S-M-1102, S-M-1037 and S-M-1165, plus an option to buy 35% of S-M-1166.



The Blackford Dolphin semi-sub, courtesy Karoon Gas

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