

Karoon shares leap on Brazilian oil discovery



Full results on the find from the well, which has yet to be drilled to its total planned depth, will only be available over the coming week. **Photo: Jessica Shapiro**

Angela Macdonald-Smith

Karoon Gas shares have surged as much as 28 per cent after the explorer reported its second oil discovery in the last of the three wells in its exploration campaign in Brazil.

Oil was confirmed over a 200-metre section “so far” in the Bilby-1 well in the Santos Basin, [Karoon said on Monday](#), after earlier [halting its shares from trading pending the news](#). Full results on the find from the well, which has yet to be drilled to its total planned depth, will only be available over the coming week.

The Bilby well, drilled in Brazil’s prolific Santos Basin, is targeting a potential discovery of 110 million barrels.

[Executive chairman Robert Hosking said](#) Karoon had had success with three of the four wells it has drilled so far this year, putting it in “a strong position to create very significant value for shareholders as these oil and gas discoveries are further defined and potentially developed.”

Pacific Rubiales, a specialist South American explorer and producer, is partnering Karoon in the Brazilian drilling program.

Karoon said it is seeking a rig for follow-up appraisal drilling on the Kangaroo and Bilby finds in Brazil, and other exploration prospects that have emerged on the back of the discoveries. A rig should be secured in the fourth quarter. The second well in the program, Emu-1, was unsuccessful.

In Australia’s Browse Basin, Karoon is working with US oil major ConocoPhillips.