

## THE AUSTRALIAN

# Bigger find boosts Karoon

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**KAROON Gas yesterday raised its estimate of the size of its Bilby-1 oil discovery off the coast of Brazil, increasing the likelihood of a commercial development.**

The company updated the market yesterday, only days after announcing it had struck oil at the exploration well.

Shares increased further after a jump earlier in the week, closing yesterday 25.28 per cent higher at \$6.69.

Karoon announced yesterday that further testing had indicated the well has a proven gross oil column of 320m and a potential column of 560m, up from an initial estimate of 200m.

The net oil-bearing reservoir, or the parts of the column that contained oil, was estimated at 70m with porosity levels, which indicated the oil's ability to flow from rock, up to 23 per cent, Karoon said.

The Australian company has discovered oil in two of three wells drilled in the Santos Basin, located south of Rio de Janeiro, with joint venture partner Pacific Rubiales Energy.

Karoon owns 65 per cent of the venture and analysts expect it to sell more of its interest if there is enough oil to underpin a multi-billion-dollar development.

The Bilby-1 discovery follows the success of the Kangaroo-1 well off the coast of Brazil. However, the Emu-1 well was a dry hole.