

THE AUSTRALIAN				
STOCK QUOTES				Enter company code
<b>MARKET</b>	<b>-1.17%</b> 10.94	ORG <b>-0.69%</b> 14.48	ANZ <b>-0.35%</b> 31.11	MQG <b>-0.73%</b> 55.42   SUI
S&P/ASX 200	AUD/USD	TOP GAINER LNG	TOP LOSER PDN	
<b>-0.67%</b>	<b>-0.16%</b>	<b>+8.78%</b>	<b>-5.56%</b>	
<b>5153.3000</b>	<b>\$0.87</b>	<b>\$3.22</b>	<b>\$0.34</b>	

## Karoon Gas chairman lashes out at spill bid

MATT CHAMBERS THE AUSTRALIAN OCTOBER 10, 2014 3:41PM

**KAROON Gas Australia chairman Bob Hosking has come out swinging against an “unknown party” that is trying to install three new Karoon board members, questioning the suitability of the proposed directors.**

Pegasus CP One has been lobbying Karoon shareholders to install the new directors — including former BP executive Colin Goodall and Metgasco founder Glenda McLoughlin — on the grounds of corporate governance concerns related, among other things, to the high representation of Hosking family members in the company.

In a letter to shareholders today, Mr Hosking said Pegasus was “a small offshore fund managing a shareholding on behalf of an unknown party” that proposed a change in an exploration-led growth strategy that had delivered a 33 per cent compound annual growth rate in shareholder returns since Karoon’s 2004 initial public offering.

“It is proposing Karoon adopt a new strategy which is very unclear, but seems to revolve around increased mergers and acquisitions for unknown assets,” he said.

Pegasus is yet to release its reasons for wanting new directors on the board to the stock exchange but has been circulating a presentation calling for the board changes.

Mr Hosking said Mr Goodall, as a board member at London-listed Lamprell and member of the audit committee “oversaw governance failures” that led to a £2.5m fine from the Financial Services Authority.

He said Mr Goodall had “failed to deliver on strategy” as chairman of Adelaide-based AO Energy, which has since become biotechnology company Reproductive Health Science.

Mr Hosking said Ms McLoughlin “failed to create meaningful value for shareholders during an eight-year term as chief financial officer and executive director with Metgasco”, a NSW coal seam gas player whose market value is now \$23m.

The other board candidate put up by Pegasus, also a former BP executive and AO Energy director, is David Bamford.

Mr Hosking said there were concerns about potential conflicts of interest because Mr Bamford was a director of Premier Oil, which competes with Karoon in Brazil and sometimes has business dealing with Karoon.

Karoon has advised shareholders vote against the appointment of the three directors at its Melbourne annual meeting, in which Karoon also faces a second strike over its remuneration report, on October 27.

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