



1<sup>st</sup> December 2006

(ASX Code: KAR)

**Executive Director Sale of Shares in Karoon Gas**

A sale of Karoon Gas fully paid shares was effected during this week on behalf of Mr Robert Hosking and Mr Mark Smith, both Directors of the Company.

This transfer was completed as part of a plan that was set out in June of this year which included the creation of a short term margin loan facility, to convert options held by both Directors. The Directors will be using the proceeds from the sale of shares this week to repay their earlier margin loans, pay the required statutory taxes and convert further options to fully paid shares in the immediate future.

This sale of share's, should in no way be construed as a representation of the current operational or financial situation at Karoon Gas Australia Ltd and has been a matter of personal financial re-organisation and elimination of debt.

The Directors of Karoon Gas have no intention to sell any further shares in the foreseeable future.

**For further information please contact:**

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