



ASX RELEASE

16 February 2005

Securities Due For Release From Escrow

Please be advised that Karoon Gas Australia Limited has 1,675,000 fully paid ordinary shares and 837,500 options expiring 30 June 2006 exercisable at 20 cents each, coming out of escrow.

The escrow period will end on 28 February 2005.

Karoon will apply for quotation for both the shares and the options within 10 business days after the end of the escrow period.

Yours faithfully

Hector Peeters
Secretary

For further information please contact:

Bob Hosking
Chief Executive Officer
Phone: 03 5974 1044
Fax: 03 5974 1644
Email: basspetrol@hotmail.net.au
Mobile: 0414667 844

Karoon Gas Australia Ltd. A.C.N. 107 001 338
Karoon Gas Pty. Ltd. ACN 056 976 642 (a subsidiary of Karoon Gas Australia Ltd)
Suite 7A, 34-38 Lochiel Avenue, Mt. Martha 3934 Phone 59741044 Fax 59741644
Po Box 469, Mt Martha 3934
Email: basspetrol@hotmail.net.au