



## **ASX RELEASE**

**16<sup>th</sup> December 2004**

### **Karoon Gas Update – Megascolides – 1 Drilling Operations Narracan Trough West Gippsland**

#### **Progress Update No 9**

Further to the last ASX Release dated the 9<sup>th</sup> December 2004, the latest drilling information is that at 0800 hours on the 16<sup>th</sup> December the Megascolides–1 well had reached a depth of 1916m in 8-1/2” hole.

The well penetrated the Crayfish formation and has intersected tight quartz sandstones with oil fluorescence, these were associated with an increase in gas readings and drill rates. Three cores were then cut and found minor oil fluorescence in thin tight sandstones. These shows will be evaluated with wireline logging. Drilling is continuing to an expected total depth of approx. 2000 metres.

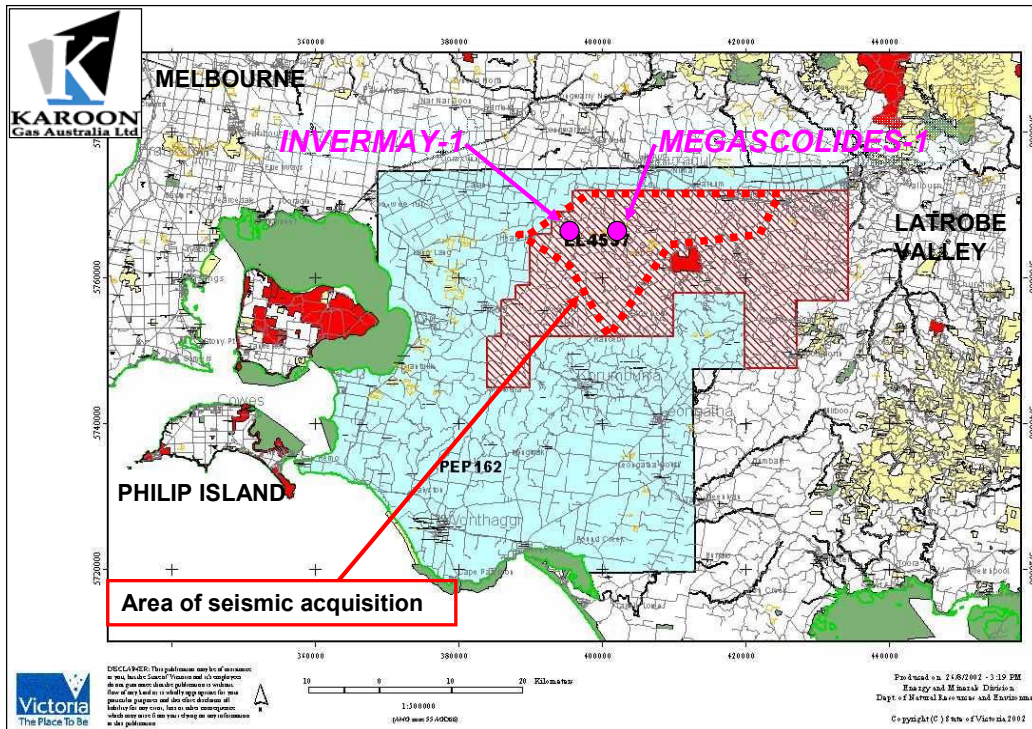
Karoon Gas (through its 100% owned subsidiary Karoon Gas Pty Ltd) has a 100% registered interest in PEP 162 and EL 4537, within the Western on-shore Gippsland Basin of Victoria. The Megascolides – 1 drilling site is located in PEP 162 and EL 4537, approximately 100 Kilometres South East of Melbourne.

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**KAROON GAS AUSTRALIA LTD. ACREAGE, SEISMIC AND PLANNED WELL LOCATIONS**



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