



Tuesday, 15 December 2009

(ASX Code: KAR)

ASX ANNOUNCEMENT

WA-398-P PROGRESS REPORT NO 11

On Saturday 12th December, poor weather conditions associated with the developing Cyclone Lawrence necessitated nonessential personnel evacuation and the temporary suspension of drilling operations on the Transocean Legend Drilling Rig.

Similarly, the Poseidon 3D seismic acquisition program being carried out by the Geowave Voyager Seismic Vessel was temporarily suspended.

Operations on the rig and seismic vessel will resume as soon as weather conditions allow.

The Transocean Legend semi-submersible rig is drilling the exploration well, which is operated by ConocoPhillips.

Poseidon-2 is located in WA-398, on the southern flank of the north-east trending structural high of the greater Poseidon structure. The objective of the well is to test the extent, presence and quality of reservoirs down-dip from Poseidon-1 where the Plover Formation is interpreted to thicken. The well has reached its total depth of 5356 mRT.

A full suite of wireline logs and other tests to evaluate the well results are still to be completed on the Poseidon 2 well.

As with the recent gas discovery well, Poseidon-1, Poseidon-2 is planned to be plugged and abandoned following final well evaluation and production testing if applicable.

Equity interests of the participants in WA-398-P are:

Karooon Gas (Browse Basin) Pty Ltd	40%
ConocoPhillips (Browse Basin) Pty Ltd	60%

Poseidon-2 Location:

Latitude: 13 deg 40' 07.13" S	Northing: 8 488 802 mN
Longitude: 122 deg 16' 32.25" E	Easting: 421 662 mE

For further information please see the Karoon website or contact:

Scott Hosking:	Company Secretary	Ian Howarth:	Collins Street Media
Telephone:	03 59741044	Telephone:	0407 822 319
Fax:	03 59741644	Email:	ian@collinsstreetmedia.com.au
Email:	shosking@karoongas.com.au		
Website:	www.karoongas.com.au		