



11 December 2007

(ASX Code: KAR)

Acquisition of Interest in Permit AC/P8 Completed

Karoon Gas Australia Ltd (ASX: KAR) has formally completed its agreement to acquire a 66.67% interest in petroleum permit AC/P8 from Woodside Energy Ltd.

AC/P8 is in wholly Australian controlled waters in the Timor Sea and lies adjacent to the large Laminaria and Coralina oil fields.

Karoon will now seek approval for the extension of the permit, which otherwise expires in February 2008 and expects to be able to announce the terms of the extension during the first quarter of 2008.

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