



**31 March 2011**

**(ASX Code: KAR)**

**ASX ANNOUNCEMENT**

**Marujá Field Appraisal**

Karoon advises that the Marujá-2 appraisal well is currently completing its drilling operations in this location, after drilling an initial deviated well (3-SPS-83D) to a measured depth of 2,530m, followed by side-track vertical well (3-SPS-84P) drilled to a measured depth of 2,389m. Both wells encountered excellent quality reservoir sands which were interpreted to be water bearing at this location.

Marujá-2 surface location is 4.8 km north east of the Marujá-1(1-SPS-76) oil discovery which flowed oil at a stabilized rate 4,675 stb/day from drill stem test interval 2,201-2010m. The objectives of the Maruja-2 well were to test the extension and continuity of the oil bearing reservoirs in a down-dip location, approximately 80m vertical depth to the discovery, within the north-west part of the overall structural closure. Whilst continuity of excellent quality reservoirs and free water has been proven, the extent and depth of an oil water contact and therefore the oil column, in the up-dip attic part of the culmination, has yet to be defined.

The results of this drilling campaign will be integrated with the oil discovery and an assessment of the remaining potential of the Marujá Oil discovery will be made in the near future. The Yorktown rig is being operated by Petrobras and is expected to be released from contract, once the abandonment program has been completed over the next few days.

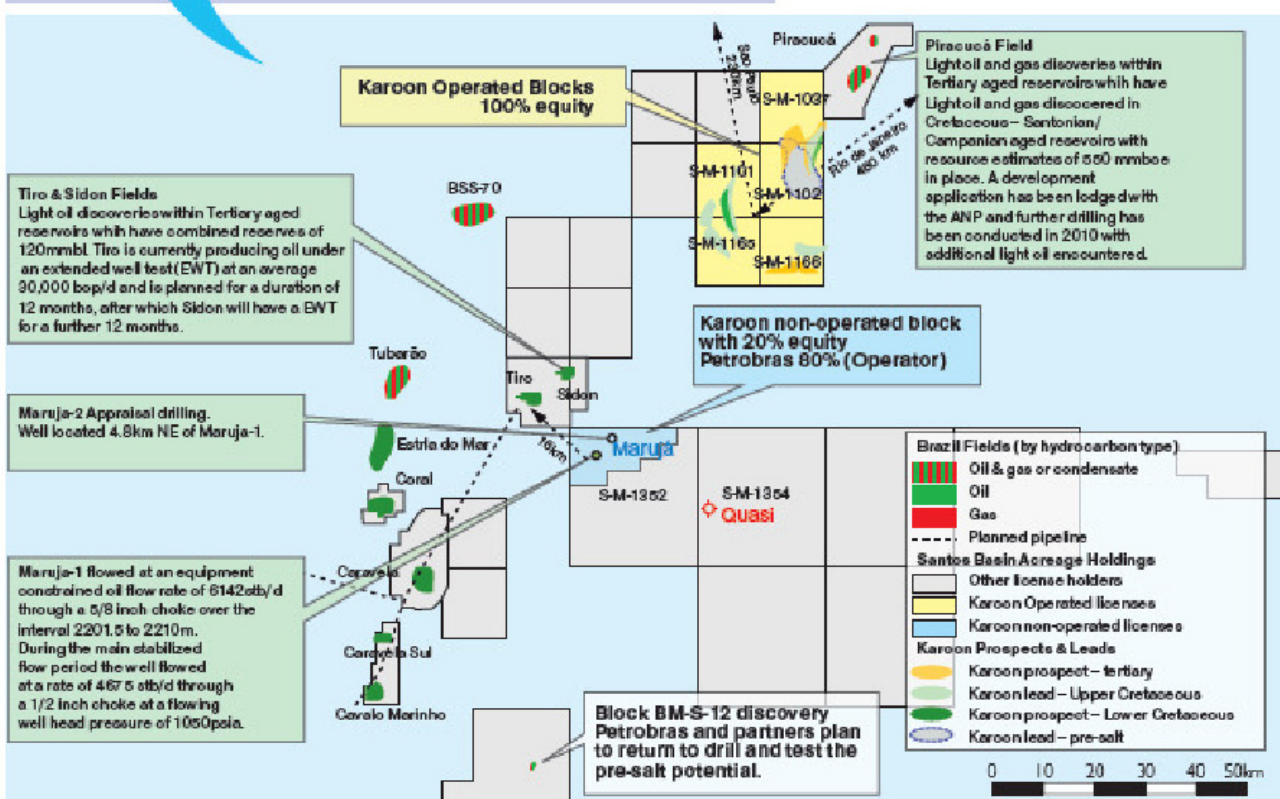
**Equity Interests**

Karoon's wholly owned subsidiary, Karoon Petroleo & Gas S.A., has entered into an agreement to acquire a 20% interest in block S-M-1352 which is part of the BM-S-41 Concession, which is subject to regulatory approval from the Agencia Nacional do Petroleo, the Brazilian national Petroleum agency (ANP). Upon receipt of regulatory approvals (including from the ANP) and subject to satisfying farm-in obligations, equity interests of the participants in BM-S-41/S-M-1352 will be:

Karoon Petroleo & Gas S.A.	20%
Petrobras	80%



# Brazil Santos Basin Marujá location



## 1-SPS-75 Location:

Latitude 26° 30' 26.630" South, Longitude 46° 23' 2.61" West

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