

16 February 2010

(ASX Code: KAR)

Santos Basin, Brazil Exploration Update

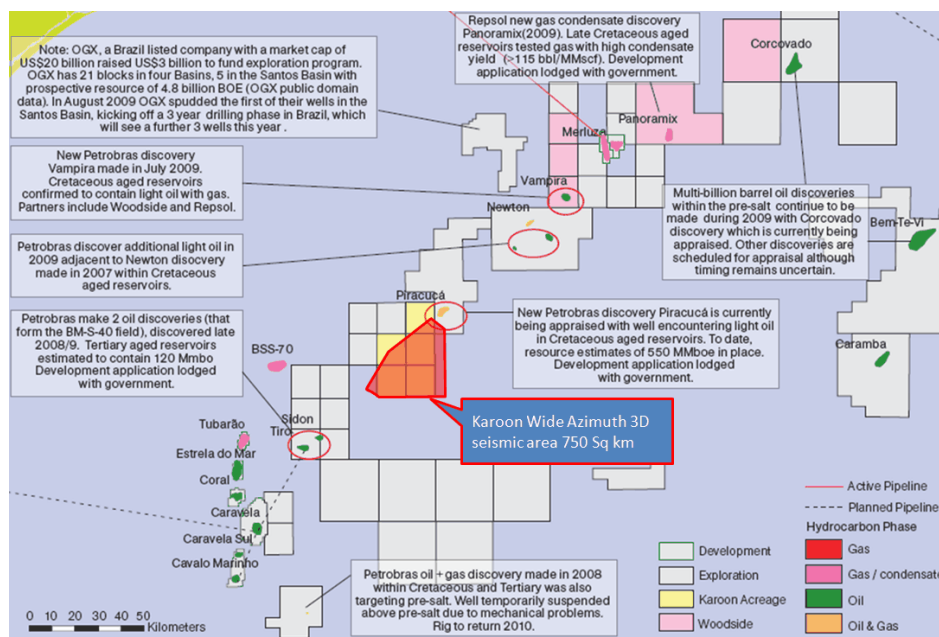
A new 750 square kilometre 3D seismic acquisition program over Karoon’s Santos Basin blocks offshore Brazil started on the February 10, 2010 using the WesternGeco seismic vessel the Western Patriot.

The objective of this program is to provide uniform, high-quality Wide Azimuth, 3D seismic coverage over Karoon’s Santos Basin blocks. This high quality Wide Azimuth 3D seismic acquisition program, the first of its kind in Brazil, and is designed to image beneath and around salt structures allowing more accurate prospect definition.

This new seismic data will aid in the positioning of exploration wells expected to be drilled late in 2010 or during 2011.



Photo; “Western Patriot” Courtesy WesternGeco .



Karooon holds a 100% equity interest in all five Santos Basin Blocks.

Tumbes Basin, Peru, Exploration Update

The 1500 square kilometre 3D seismic acquisition in offshore block Z-38 is now 85% complete. The CGG Veritas vessel the M/V Geowave Endeavour commenced the seismic acquisition during January 2010 and is expected to complete the work in the near future. Interpretation from this acquisition is expected to be ongoing through 2010.

The objective of this seismic acquisition is to provide prospect delineation for drilling during 2011 and to gain a better understanding of previously underexplored areas within Block Z-38. The 2009 Block Z-38 2D seismic acquisition was used to position the 3D seismic acquisition more effectively over the most prospective areas within the block.

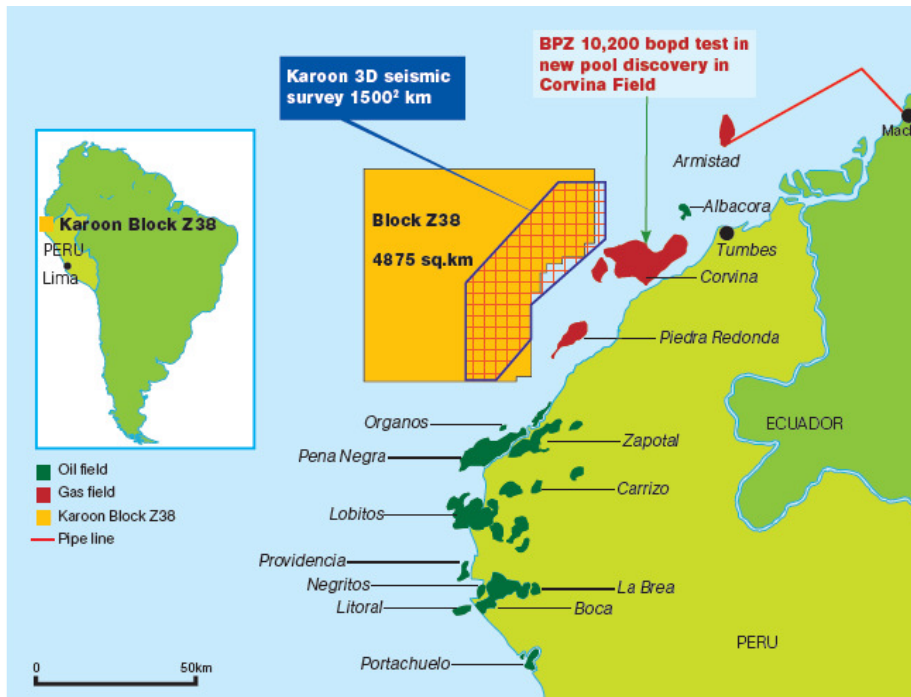


Photo: Town of Tumbes, Northern Peru. The “M/V Geowave Endeavour” enroute to Karoon’s jointly held Block Z-38. Karoon has completed agreements to gain up to 75% equity interest in Block Z-38. Currently Karoon holds a 60% equity interest.

For further information please see the Karoon website www.karoongas.com.au or contact:

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