

31 January 2014



## ASX Announcement

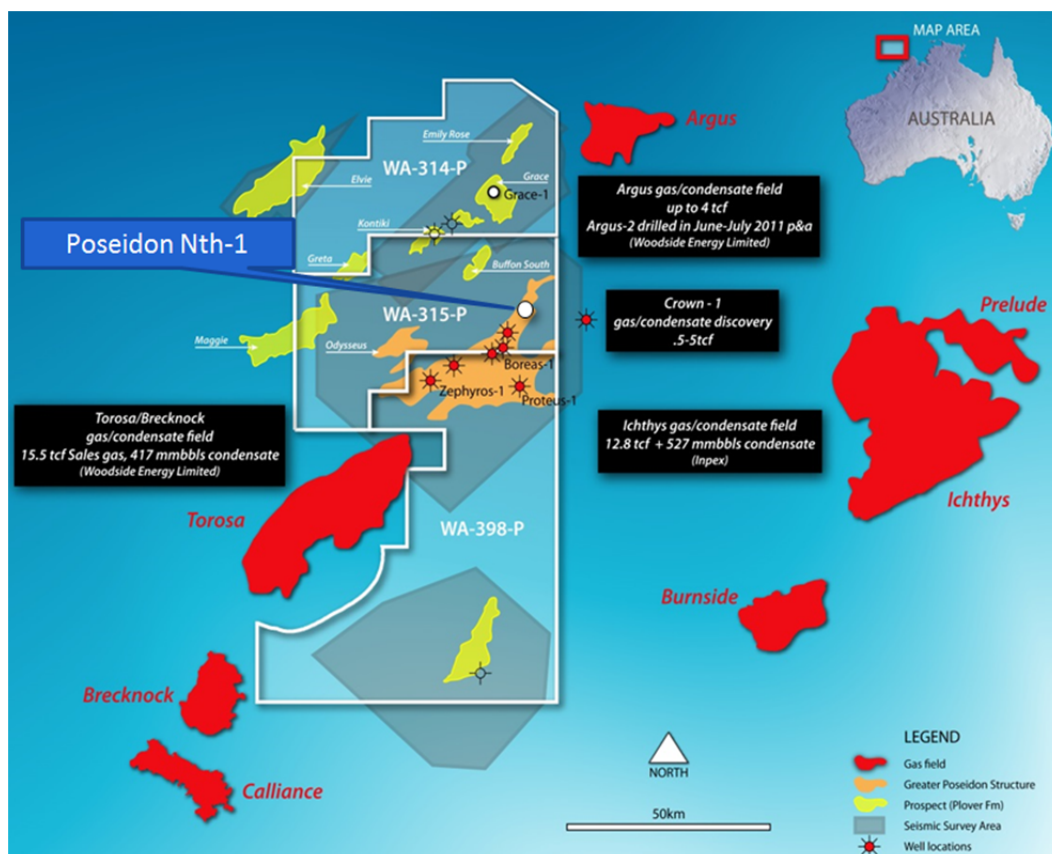
### Grace-1 Exploration Well in WA-314-P Progress Report No 10

At 0600 WDT on 31 January 2014, following the completion of a wireline logging program, preparations are now underway to plug and abandon the Grace-1 well. No significant hydrocarbons were encountered.

The wireline logging program including pressure measurement and reservoir fluid sampling across a zone of interest encountered in the Jurassic volcanic interval was completed. The zone was found to be water bearing.

Once the well is plugged and abandoned, the Transocean Legend has a one month maintenance period to complete after which the fifth exploration well in the drilling campaign, Poseidon North-1 is scheduled to spud.

Poseidon North-1 is located 6.5 km north east of Poseidon-1 in a crestal position on a large tilted fault block. The primary target is the Plover Formation with a secondary target in the Montara Formation. Poseidon North-1 has the potential to add significant resources to that already discovered in the greater Poseidon area.



Karoon Gas Australia Ltd ABN 53 107 001 338

Head Office: PO Box 469 Mt Martha Victoria 3934 ● T: +613 5974 1044 F: +613 5974 1644

Technical Office: 25/367 Collins Street Melbourne Victoria 3000 ● T: +613 9616 7500 F: +613 9640 0406

Website: [www.karongas.com.au](http://www.karongas.com.au)

ConocoPhillips is the operator of the jointly held WA-314-P Browse Basin permit in which Karoon Gas Australia Ltd holds 90%.

## Phase 2 Exploration Campaign

The exploration campaign, operated by ConocoPhillips, plans to utilise the Transocean Legend semi-submersible rig for the entire campaign and is expected to continue through 2014.

A minimum of six wells will be drilled, with four drilled to date. The principal objective of the campaign is to better define the size and quality of the hydrocarbon accumulations within the exploration permits which contain the greater Poseidon trend.

Additional well locations for the remainder of the campaign will be announced as they obtain joint venture approval.

**For further information please see the Karoon website or contact:**

Scott Hosking | Company Secretary  
T: +613 5974 1044  
E: [shosking@karoongas.com.au](mailto:shosking@karoongas.com.au)

James Wootton | Investor Relations  
T: +613 9616 7520  
E: [jwootton@karoongas.com.au](mailto:jwootton@karoongas.com.au)

Ian Howarth | Collins Street Media  
T: +614 0782 2319  
E: [ian@collinsstreetmedia.com.au](mailto:ian@collinsstreetmedia.com.au)