

29 July 2016



## ASX Announcement

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### Santos Basin JV Partner Status Update

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Karooon Gas Australia Ltd (ASX: KAR) would like to update stakeholders on further developments relating to Karoon's 65% owned Santos Basin Brazil blocks S-M-1037, 1101, 1102, 1165 & 1166 (the 'Blocks').

Karooon has issued default notices to its joint venture partner Pacific Exploration and Production Corp. ('Pacific') consistent with its rights under the relevant Joint Operating Agreements ('JOAs'). Pacific holds a 35% interest in the Blocks. Notices relate to Pacific's failure to make payments under the JOAs.

Both parties are working together to resolve the issue and Karoon will provide further updates as necessary.

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#### About Karoon Gas Australia Ltd

Karooon Gas Australia Ltd is an international oil and gas exploration company with projects in Australia, Brazil and Peru.

Karooon looks for high equity interests in early stage exploration opportunities containing large potential targets in basins with proven Petroleum Systems. Karoon strives to create shareholder value through the geotechnical work-up of the acreage, leveraging its high equity interests to explore and appraise these opportunities to achieve commercialisation.

While the company's core strategy is identifying off-shore early stage exploration opportunities, Karoon's longer-term strategy is to retain residual equity interests in the assets as they go into production.