

1 July 2014



ASX Announcement

Browse Basin Permits WA-315-P and WA-398-P Joint Venture Pre-emption Rights Expired

Karooon is pleased to advise the pre-emption rights associated with the sale of the Company's interest in the Browse Basin permits WA-315-P and WA-398-P to Origin Energy ("Origin") have now expired.

This clears the way for Origin's purchase of the permits from Karoon.

The current joint venture partners (ConocoPhillips, PetroChina and Karoon), and Origin will now complete transfer documentation, which is subject to regulatory approval.

The sale is expected to complete during the third Quarter 2014.

Under the terms of the Sale and Purchase Agreement ("SPA") with Origin, the consideration payable to Karoon is structured as follows:

1. An upfront cash payment of US\$600 million payable upon Completion;
2. A deferred cash payment of US\$75 million payable on Final Investment Decision ("FID");
3. A deferred cash payment of US\$75 million payable on First Production; and
4. A deferred resource cash payment of up to US\$50 million payable on First Production. Origin will pay US\$5 million for every 100 BCFe of Independently Certified 2P reserves exceeding 3.25 Tcfe across the permits at the time of FID up to a maximum of US\$50 million.
5. In addition, Origin will be responsible for all costs associated with the current Pharos-1 exploration well, located in permit WA-398-P.

In addition, following the agreement of key terms (as previously announced) for a US\$100 million Bridge Facility between Karoon and National Australia Bank, Karoon is pleased to advise that the Bridge Facility Agreement is now signed.

The US\$100 million funding under the Bridge Facility ensures Karoon will have sufficient capital at hand to continue its ongoing work program during the period up to completion of the Origin SPA.

For further information please see the Karoon website or contact:

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