

3 September 2014

ASX Announcement



Corporate Governance Update: Executive Chairman Roles to be Separated

As part of Karoon Gas Australia's governance restructure plans, the Board and the Nomination Committee have commenced the process of separating the roles of the Executive Chairman function.

Mr Robert Hosking will retire as Executive Chairman and take up the position of Managing Director once an appropriate candidate has been appointed to the role of independent Non-Executive Chairperson.

The Board and the Nomination Committee are currently formalising each role after which the Board will formally commence a search using a global executive search consultant to assist in the identification of an appropriate independent Non-Executive Chairperson.

The process is expected to be complete before 30 June 2015.

Executive Chairman, Mr Robert Hosking said today; *"Over the last decade Karoon has grown from an A\$8 million company into a A\$1 billion global oil and gas explorer. Over the next 18 months Karoon is set to commence a planned five to seven well drilling program across three basins in three countries. Along with other work program commitments and ongoing farmout programs, the Company is now at a size and complexity that the Board believes that the timing is right to separate the two functions. This will allow me to dedicate my time and energy into the growing demands of the day to day management of the business."*

With Mr Robert Hosking moving into the role of Managing Director, Karoon shareholders will be represented by an independent Non-Executive Chairperson providing a clear separation of the day to day management of the Company from the oversight function.

In addition, following a review of Karoon's corporate governance structure, a Risk and Governance Committee has been established comprising independent Non-Executive Directors and chaired by Mr Peter Turnbull. The committee has been established to oversee the risk management function along with providing ongoing governance recommendations to the Board for the benefit of shareholders.

About Karoon Gas Australia Ltd

Karoon Gas Australia Ltd is an international oil and gas exploration company with projects in Australia, Brazil and Peru and a member of the S&P/ASX 200 Index.

Karoon 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.

For further information please see the Karoon website or contact:

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