

13 April 2015

## ASX Announcement



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### Echidna-1 Exploration Well Encounters Hydrocarbons Progress Report No 2

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Karooon Gas Australia Ltd's Echidna-1 well, has intersected an oil bearing section in Paleocene sands, as shown on mudlog and Logging While Drilling data. The mudlog shows elevated gas readings and oil fluorescence in sandstones. Wireline logging will now be conducted to ascertain the extent of the gross and net columns.

As at 1230 hrs AEST on 12 April 2015, the Echidna-1 exploration well had reached the planned total depth of 2,379 mRT. Since spudding on 31 March, the well was drilled to its total depth.

The presence of a Paleocene oil column needs to be confirmed with data from the planned wireline logging program to be undertaken immediately. The wireline program will involve taking pressure data, reservoir fluids sampling and petrophysical logging.

Additional intervals of elevated mudlog gas and oil fluorescence have been observed in the Maastrichtian section and will be further evaluated during the wireline logging program.

Karooon holds a 65% interest in and is operator of the jointly held block S-M-1102, Santos Basin, Brazil. Pacific Rubiales Energy Corp. (TSX: PRE) (BVC: PREC) holds the remaining 35% working interest.

#### **Upcoming Well Program**

The current exploration and appraisal drilling campaign, operated by Karoon, is using the 'Olinda Star' semi-submersible drilling rig for the entire campaign.

The rig contract provides Karoon with one additional option well allowing flexibility for further appraisal of the Kangaroo oil discovery, or possibly targeting other prospects.

#### **About Karoon Gas Australia Ltd**

Karooon 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.

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.

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

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This announcement may contain certain “forward-looking statements” with respect to the financial condition, results of operations and business of Karoon and certain plans and objectives of the management of Karoon. Forward looking statements can generally be identified by words such as ‘may’, ‘could’, ‘believes’, ‘plan’, ‘will’, ‘likely’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this announcement. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements. Any forward-looking statements, opinions and estimates provided in this announcement necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of Karoon. Such statements may cause the actual results or performance of Karoon to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this announcement.

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