

11 August 2015



## ASX Announcement

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### Levitt-1 Exploration Well Progress Report No 3

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As at 1930 AWST on 8 August 2015, the Levitt-1 exploration well in WA-482-P Carnarvon Basin, off-shore Western Australia reached a final total depth of 4,929 mRT.

No hydrocarbons shows were noted while drilling and petrophysical analysis of LWD data indicates the good quality reservoir of the Legendre and North Rankin formations to be water bearing at this location.

Since the June 2015 Quarterly Report, announced 31 July 2015, the 9-5/8" casing was run and cemented in place. The 8-1/2" hole section was then drilled 504 metres from 4,425 mRT to TD.

A wireline logging program is now underway. Once the wireline logging program is complete, the well will be plugged and abandoned, completing the current exploration drilling program in WA-482-P.

Karoon has a 50% equity interest in WA-482-P and is carried for 90% of the cost of the well. Joint venture partner, and operator Quadrant Energy Australia Ltd has the remaining 50% interest. The net cost to Karoon is expected to remain within the US\$5 million budget.

#### Significant Prospectivity Remains

WA-482-P is a very large block with multiple geological play types in varying locations and depths across the permit. The acreage is positioned over a large thick Jurassic depocentre (Wigmore Sub-Basin) interpreted to have generated oil in the east and north of the permit.

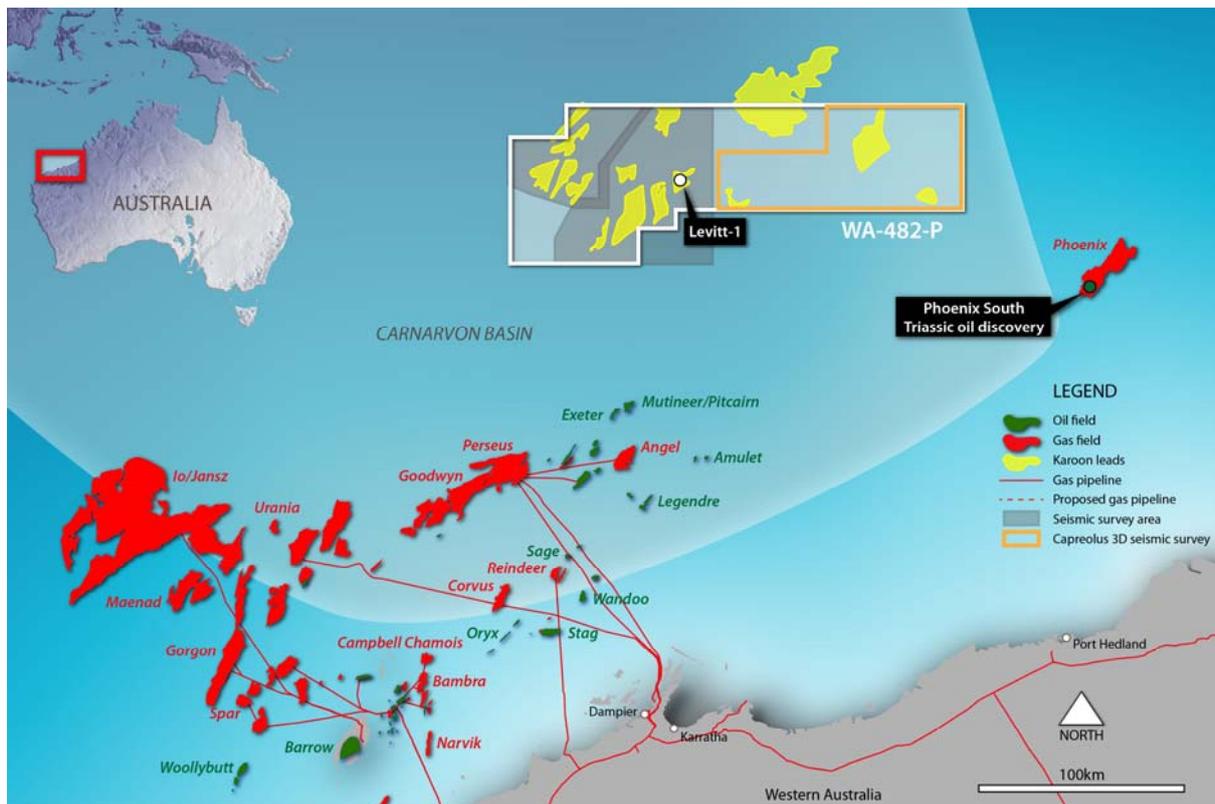
Levitt-1, along with the acquired Chrysalids and Capreolus 3D seismic surveys over the majority of the permit, will provide important information that will add to the understanding of the petroleum systems in the permit. The joint venture will use the new well and 3D seismic data to progress the evaluation of areas both in proximity, as well as to the north and east of Levitt-1 where prospectivity remains attractive in the Wigmore Sub-Basin.

With this, the joint venture will have new well data and 3D seismic over the bulk of the permit area. Over the course of the next 12 months, geological and geophysical studies will delineate and rank remaining prospects to identify the most prospective locations for following drilling programs.

Managing Director, Mr Robert Hosking said:

*"Whilst a dry hole at Levitt-1 is disappointing, there remains enormous potential in the remainder of this large 13,539 sq km permit.*

*To the north and east in the Wigmore Sub-Basin new 3D seismic shows the presence of many structures and a thicker Jurassic source interval than seen in offset wells. I remain very enthusiastic about the exploration potential in this permit."*



### 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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This announcement may contains 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.

Karoon disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.