

12 August 2014



ASX Announcement

Sale of Browse Basin permits to Origin Energy now complete Karooon receives upfront US\$600 million payment

Karooon Gas Australia Ltd (ASX:KAR) has today received a cash payment of US\$600 million as a result of the completion of the sale of its 40 per cent interest in Browse Basin permits, WA-315-P and WA-398-P to Origin Energy Limited. A further reimbursement of back costs associated with the Pharos-1 well will be received in the coming weeks.

Origin has received regulatory approval from NOPTA and has been confirmed as a titleholder on WA-315-P and WA-398-P.

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 was received today;
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 provide Karoon with a reimbursement of back costs associated with the current Pharos-1 exploration well, located in permit WA-398-P.

Karooon Gas executive chairman, Bob Hosking, said, “The completion of this transaction allows Karoon to focus on the upcoming appraisal of our Kangaroo oil discovery offshore Brazil and to continue to add value to the company’s extensive exploration acreage elsewhere in Brazil, Peru and in Australia.”

For further information please see the Karoon website or contact:

Scott Hosking | Company Secretary
T: +613 5974 1044
E: shosking@karoongas.com.au

James Wootton | Investor Relations
T: +613 9616 7520
E: jwootton@karoongas.com.au

Ian Howarth | Collins Street Media
T: +614 0782 2319
E: ian@collinsstreetmedia.com.au