

15 June 2016



ASX Announcement

Santos Basin JV Partner Status Update

Karoon Gas Australia Ltd (ASX: KAR) makes this announcement in respect of its 65% owned Santos Basin Brazil blocks S-M-1037, 1101, 1102, 1165 & 1166 (the 'Blocks').

As announced on 14 June 2016, Karoon issued a default notice to joint venture partner Pacific Exploration and Production Corp. ('Pacific') in respect of an overdue payment. Pacific holds a 35% interest in the Blocks.

Karoon is pleased to confirm that the overdue payment has been made and this matter is now resolved.

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About Karoon Gas Australia Ltd

Karoon Gas Australia Ltd is an international oil and gas exploration company with projects in Australia, Brazil and Peru.

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.