

13 April 2015

ASX Announcement



Echidna-1 Exploration Well Encounters Hydrocarbons Progress Report No 2

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.

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