



29th of April 2005

ASX ANNOUNCEMENT

Share Purchase Plan and Broker Fee Information

On the 27th of April 2005 Karoon Gas Australia Ltd announced details of a Share Purchase Plan under which shareholders who are registered on Karoon's shareholder register on the 6th of May 2005 are entitled to purchase up to \$5,000.00 worth of Karoon Gas Australia Ltd shares at \$1.20 per share. **This offer does not apply to Karoon Option Holders.**

Important Dates:

- 6th May 2005** Record Date. Shareholders on the Karoon share register at close of business on 6th May 2005 will be entitled to apply under the Share Purchase Plan.
- 17th May 2005** Offer closes
- 24th May 2005** Issue of shares and dispatch of holding statements

Karoon has the discretion to accept applications in excess of the targeted 2.5 million shares.

Fees Payable to Brokers for handling the Share Purchase Plan:

Karoon Gas Australia Ltd announced that it will pay a 3% broker handling fee to facilitate acceptances under the Share Purchase Plan. The consideration will be payable to any Participating Organisation of the Australian Stock Exchange:

1. Where the acceptance for a broker sponsored client is initiated through CHESS by a broker participant on behalf of their client; or
2. Whose stamp appears on the Acceptance Form

Karoon Gas Australia Ltd expects to pay the handling fee to each Participating Organisation by late May 2005. It is expected that Karoon will make one lump sum payment to each eligible Participating Organisation. (Please note that it is the responsibility of each Participating Organisation to allocate the handling fee among their individual private client advisers as Karoon will not track this information.)

Any documentary evidence required should be sent to Computershare GPO Box D182 Perth WA 6840.

For further information please contact:

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