



ASX

AUSTRALIAN SECURITIES EXCHANGE

MARKET RELEASE

1 May 2007

Karoon Gas Australia Limited

TRADING HALT

The securities of Karoon Gas Australia Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Thursday, 3 May 2007 or when the announcement is released to the market.

Security Code: KAR

James Gerraty

Manager, Issuers (Melbourne)