

**Form 605
Corporations Act 2001
Section 671B**

Notice of Ceasing to be a Substantial Holder

To: Karoon Gas Australia Ltd
ACN/ARSN:

1. Details of substantial holder (s)

Name: FIL Limited and the entities listed in Annexure A ("FIL"),

ACN/ARSN (if applicable)

| | |
|---|------------------|
| The holder ceased to be a substantial holder on | 22 April 2014 |
| The previous notice was given to the company on | 18 December 2013 |
| The previous notice was dated | 18 December 2013 |

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of Change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|----------------------|---|---|-------------------------|
| | | | AUD \$ | Common Stock | Common Stock |
| 12/18/2013 | FIL | BUY | 3.67 | 132,856 | 132,856 |
| 12/27/2013 | FIL | BUY | 4.21 | 22,563 | 22,563 |
| 12/27/2013 | FIL | BUY | 4.21 | 84,783 | 84,783 |
| 12/30/2013 | FIL | BUY | 4.28 | 5,611 | 5,611 |
| 12/30/2013 | FIL | BUY | 4.28 | 21,084 | 21,084 |
| 12/31/2013 | FIL | BUY | 4.33 | 8,349 | 8,349 |
| 12/31/2013 | FIL | BUY | 4.33 | 31,376 | 31,376 |
| 01/02/2014 | FIL | BUY | 4.43 | 22,539 | 22,539 |

| | | | | | |
|------------|-----|-----|------|---------|---------|
| 01/02/2014 | FIL | BUY | 4.43 | 78,304 | 78,304 |
| 01/03/2014 | FIL | BUY | 4.35 | 15,646 | 15,646 |
| 01/03/2014 | FIL | BUY | 4.35 | 54,354 | 54,354 |
| 01/03/2014 | FIL | BUY | 4.35 | 9,216 | 9,216 |
| 01/07/2014 | FIL | BUY | 4.12 | 21,526 | 21,526 |
| 01/07/2014 | FIL | BUY | 4.12 | 148,197 | 148,197 |
| 01/07/2014 | FIL | BUY | 4.10 | 1,958 | 1,958 |
| 01/07/2014 | FIL | BUY | 4.12 | 5,424 | 5,424 |
| 01/08/2014 | FIL | BUY | 4.17 | 26,534 | 26,534 |
| 01/09/2014 | FIL | BUY | 4.11 | 3,571 | 3,571 |
| 01/14/2014 | FIL | BUY | 3.86 | 19,601 | 19,601 |
| 01/15/2014 | FIL | BUY | 3.83 | 8,099 | 8,099 |
| 01/16/2014 | FIL | BUY | 3.90 | 39,761 | 39,761 |
| 01/17/2014 | FIL | BUY | 3.81 | 4,405 | 4,405 |
| 01/20/2014 | FIL | BUY | 3.77 | 4,940 | 4,940 |
| 01/24/2014 | FIL | BUY | 3.64 | 19,684 | 19,684 |
| 02/06/2014 | FIL | BUY | 2.95 | 57,071 | 57,071 |
| 02/06/2014 | FIL | BUY | 2.95 | 194,389 | 194,389 |
| 02/07/2014 | FIL | BUY | 3.07 | 5,297 | 5,297 |
| 02/07/2014 | FIL | BUY | 3.03 | 7,829 | 7,829 |
| 02/10/2014 | FIL | BUY | 3.13 | 22,990 | 22,990 |
| 02/12/2014 | FIL | BUY | 3.03 | 35,106 | 35,106 |
| 02/12/2014 | FIL | BUY | 3.04 | 15,636 | 15,636 |
| 02/21/2014 | FIL | BUY | 3.10 | 39,844 | 39,844 |
| 02/21/2014 | FIL | BUY | 3.12 | 15,532 | 15,532 |
| 02/24/2014 | FIL | BUY | 3.15 | 47,127 | 47,127 |
| 03/11/2014 | FIL | BUY | 2.96 | 8,303 | 8,303 |
| 03/11/2014 | FIL | BUY | 2.97 | 11,220 | 11,220 |
| 03/19/2014 | FIL | BUY | 2.61 | 5,979 | 5,979 |

| | | | | | |
|------------|-----|-----|------|------------------|-----------|
| 03/20/2014 | FIL | BUY | 2.59 | 9,950 | 9,950 |
| 03/21/2014 | FIL | BUY | 2.63 | 108,433 | 108,433 |
| 03/31/2014 | FIL | BUY | 2.59 | 11,283 | 11,283 |
| 04/01/2014 | FIL | BUY | 2.45 | 6,988 | 6,988 |
| 04/02/2014 | FIL | SEL | 2.43 | 5,297 | 5,297 |
| 04/15/2014 | FIL | BUY | 2.65 | 13,099 | 13,099 |
| 04/22/2014 | FIL | BUY | 2.80 | 10,667 | 10,667 |
| | | | | Total Buys | 1417124 |
| | | | | Total Sells | 5,297 |
| | | | | Off market sells | 2,013,967 |
| | | | | Overall decrease | 602,140 |

3. Resulting interest

| Class of Securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| Common Stock FIL | 12,191,443 | 4.77% | 4.77% |

4. Changes in Association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| NA | |

5. Addresses

The addresses of persons named in this form are as follows:

| |
|---------------------|
| Refer to Annexure A |
|---------------------|

Sign Here  _____

Dated: 24 April 2014

Philip Alexander

Regulatory Reporting Manager, Asia Pacific

Duly authorized under Powers of Attorney by and on behalf of FIL Limited

Annexure A

| Name | Address | Registered Holder of Securities | Nature of Relevant Interest | Total |
|--|--|---------------------------------|-------------------------------------|-----------|
| FIL INVESTMENT MANAGEMENT (AUSTRALIA) LIMITED | Level 11, 167 Macquarie Street, Sydney, NSW, 2000 | JP MORGAN, BOURNEMOUTH (C) | Investment Discretion/ Voting Power | 8,320,773 |
| | | NORTHERN TRUST LONDON (C) | Investment Discretion/ Voting Power | 17,726 |
| | | CITIBANK LTD MELBOURNE (C) | Investment Discretion/ Voting Power | 558,535 |
| | | NATIONAL ASTL BK MELBOURNE (S) | Investment Discretion/ Voting Power | 233,459 |
| | | CITIBANK LONDON | Investment Discretion/ Voting Power | 903,234 |
| FIL PENSION MANAGEMENT | 25 Cannon Street, London, EC4M 5TA Great Britain | CLEARSTREAM BANKING SA LUX (C) | Investment Discretion/ Voting Power | 49,405 |
| FIL INVESTMENT MANAGEMENT (SINGAPORE) LIMITED | 8 Marina View #35-06, Asia Square Tower 1, Singapore 018960 | BROWN BROS HARRIMN LTD LUX (C) | Investment Discretion/ Voting Power | 171,503 |
| | | MASTER TRUST BANK OF JAPAN (C) | Investment Discretion/ Voting Power | 87,726 |
| FIL INVESTMENT MANAGEMENT (HONG KONG) LIMITED | Floor 21, Tower 2 Pacific Place, 88 Queensway, Admiralty, Hong Kong | BROWN BROS HARRIMN LTD LUX (C) | Investment Discretion/ Voting Power | 1,835,904 |
| FIL LIMITED | Pembroke Hall, 42 Crow Lane, Pembroke | BROWN BROS HARRIMN LTD LUX (C) | Investment Discretion/ Voting Power | 13,178 |