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ASX and Media Release

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EXPLORATION PERMIT STATUS GRANTED OFFSHORE ITALY

Key Petroleum Limited (ASX:KEY) has received notification from the Italian Ministry of Economics that it has been awarded Exploration Permit status, effective from 21st April 2010, for its west of Sardinia Island application block, previously designated d90E.R-PU.

This conversion from Application to Exploration status follows a number of years of working closely with the Company's Italian consultants, advisors and the Italian authorities at the Ministry of Economics and will finally allow the Company to move forward with its exploration plans for this prospective area.

The Company has also been advised by the Ministry that its two Lampedusa application areas are about to be converted to Exploration Permit status.

Recent geological studies undertaken by Key Petroleum's technical and geological team have identified at least four prospective structural leads in the two Lampedusa blocks. Preliminary technical work by the Company has indicated that these structures could contain combined mean unrisked (in-place) Prospective Resources in excess of 1 billion barrels of oil. New seismic data and technical work is required to quantify and risk the potential. Water depths throughout these two blocks are mostly in the range of 50 to 100 meters.

The two Lampedusa blocks are in a prime location, lying on the Pelagian Shelf, a geological extension of Tunisian and Libyan basins where the combined discovered hydrocarbon volume is in excess of some 7 billion barrels oil equivalent.

In offshore Italian waters an Exploration Permit is granted for six years and may be extended for two further periods, each of three years. The work commitments attached to the individual blocks are as follows;

Permit Area	Designated No:	Work Commitment
Lampedusa	d341C.R.-PU	Within 12 months commence specific G&G studies and record 165km new seismic Within 30 months drill one well to 2800m
Lampedusa	d342C.R. - PU	Within 12 months commence specific G&G studies and record 165km new seismic Within 30 months drill one well to 2800m
West Sardinia	Previously d90E.R-PU Now E.R.54.PU	Within 12 months commence specific G&G studies and record 200km new seismic. Within 48 months drill one well to 2500m

Key Petroleum's Managing Director /CEO, Ken Russell, said, *"Our persistence and patience has finally been rewarded with these long held, 100% owned, applications now being designated Exploration Permits. The Company can now build on this position to take advantage of the increasing demand for energy throughout Europe"*.

Background:

Key Petroleum Ltd is an active Operator and producer of oil in the United Kingdom. It is 100% owner of the Brockham and Lidsey Oil Fields in the onshore Weald Basin of Southern England. The Company is planning to drill the Lidsey #2 horizontal well to access additional reserves during 2010.

Key Petroleum is also currently involved in oil and gas exploration and development projects in Tanzania where it is the Operator of the West Songo Songo block with a 50% interest and is located next to the producing Songo Songo gas field. It also has a 20% interest in the Nyuni block where the 40 mmscf/day Kiliwani North #1 gas discovery was made and is a separate gas accumulation from the Songo Songo field.

For further background information please see the company's website at <http://www.keypetroleum.com> or contact

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NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr. Ken Russell, Managing Director/CEO of Key Petroleum Ltd, who has at least 35 years experience in the sector. He consents to that information in the form and context in which it appears.