



ACN 120 580 618

Level 1, 14 Outram Street
West Perth
Western Australia 6005
Tel: +61 8 9327 3500
Fax: +61 8 9327 3510
e-mail: info@keypetroleum.com
www.keypetroleum.com

ASX and Media Release
Monday 14th April 2008

NAMIBIA EXPLORATION AGREEMENT

Key Petroleum Ltd (ASX code: KEY) has signed a Consortium Agreement with Pancontinental Oil & Gas NL (ASX code PCL) for joint petroleum exploration activities offshore Namibia.

Key and Pancontinental believe that the area holds significant oil exploration potential and have been jointly studying existing regional geological and seismic data for some time.

Pancontinental currently holds a Reconnaissance Licence, No RL-1 of 2007 ('RL') covering an area of approximately 30,000 square kilometres, offshore from the coast of Namibia, in an area known as the Walvis basin.

The joint venture partners are now applying for this RL to be converted into a Petroleum Agreement (PA) and an Exploration Licence (EL) and Key has agreed to be a 50% participant in any successful award.

Offshore Namibia is an extension of the West African continental margin, which hosts prolific oil and gas producing areas such as Nigeria and Angola.

Offshore Namibian exploration activity is now increasing rapidly with companies such as Hunt Oil Company, BHP Billiton and Tullow Oil acquiring licences along the Namibian coast.

Under the terms of the joint venture agreement between the partners, Key will pay Pancontinental, on completion of a number of conditions, up to A\$100,000 in reimbursement of past expenditure and will share in certain future costs.

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 5 years experience in the sector. He consents to that information in the form and context in which it appears.

Key Petroleum's managing director/CEO, Ken Russell said, *"This agreement with Pancontinental maintains Key's focus on international petroleum ventures and provides the company with substantial new growth opportunities."*

"Key Petroleum and Pancontinental are targeting oil plays off the Namibian coast and we believe that this area provides strong potential to discover hydrocarbon bearing structures."

"Only a small number of wells have been drilled in Namibia, mostly targeting gas plays"

"This agreement gives Key the opportunity to consolidate its presence in the offshore basins of Africa after its recent gas discovery in the Kiliwani North #1 well in Tanzania on Africa's east coast."

For further background information please see www.keypetroleum.com or contact;

Ken Russell
Managing Director
+ 61 8 9327 3500
info@keypetroleum.com

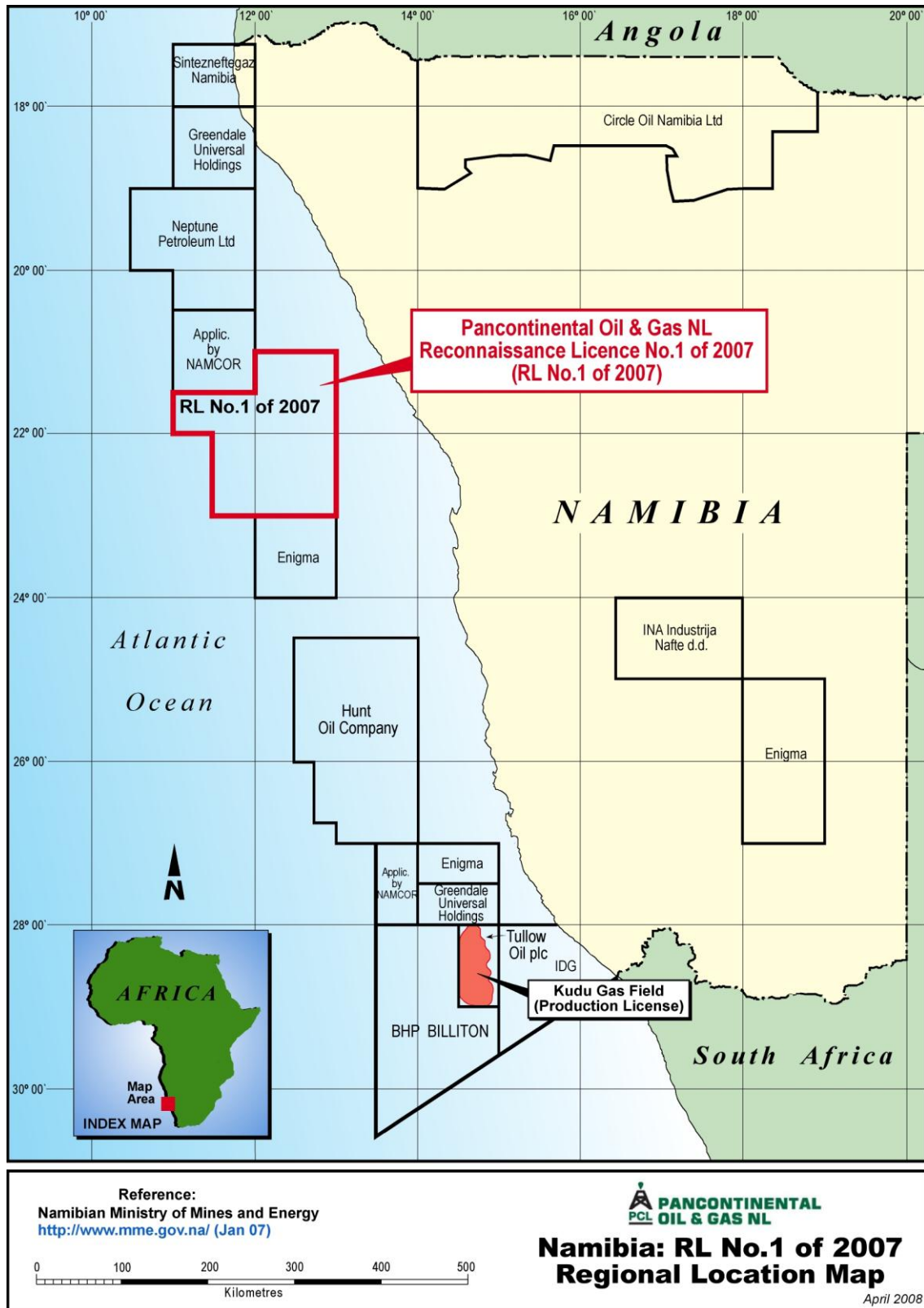
or

John Ribbons
Company Secretary
+ 61 8 9481 7288

or

Ian Howarth
Farrington National
+ 61 3 9223 2465
ian.howarth@farrington.com.au

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 5 years experience in the sector. He consents to that information in the form and context in which it appears.



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 5 years experience in the sector. He consents to that information in the form and context in which it appears.