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ASX and Media Release

Monday 25th February 2008

TANZANIA DRILLING PROGRAMME KILIWANI NORTH #1 – DRILLING COMMENCES

Key Petroleum (ASX code: KEY) advises that drilling of Kiliwani North #1 started on 23rd February 2008.

Kiliwani North #1 is being drilled from Songo-Songo Island, offshore Tanzania, using the Caroil #6 land rig and is located approximately 2 km from the producing Songo Songo gas field. The well will be drilled as a vertical exploration well to a depth of approximately 2012 metres RKB. Kiliwani North #1 has been designed to intersect (i) a possible new oil play in the Nyuni block and (ii) to investigate the lower cretaceous sand stones, which are the reservoirs at the Songo-Songo producing gas field.

Kiliwani North #1 is the second well in the joint ventures 2 well programme and it is expected that it will take approximately 35 days for it to be drilled and evaluated. Further announcements in relation to the drilling of Kiliwani North #1 will be made at times deemed prudent by the company or joint venture. No comments will be made in regard to hydrocarbons until the well has been fully logged and evaluated.

Ken Russell, managing director and CEO of Key Petroleum said, *“The drilling team in Tanzania did a good job once again to relocate the rig to the new well site in a quick and importantly for all, safe manner. During this time of relocation the team also performed critical maintenance on equipment that is kept with the rig. When combined with the “learning’s” captured from the drilling of Kiliwani #1 that will be carried forward into the drilling of Kiliwani North #1 it should allow us to view the drilling progress with minimum disruptions and hopefully a positive result”.*

Key Petroleum is an Australian based oil and gas exploration company. It currently has interests in Tanzania, Italy and Suriname.

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.

Participants in the Kiliwani North #1 well with Key Petroleum Ltd (20%) are:

Ndovu Resources Ltd. (Aminex)	39%	(Operator)
RAK Gas Commission	25%	
East African Exploration Ltd.	10%	
Bounty Oil and Gas NL	6%	

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

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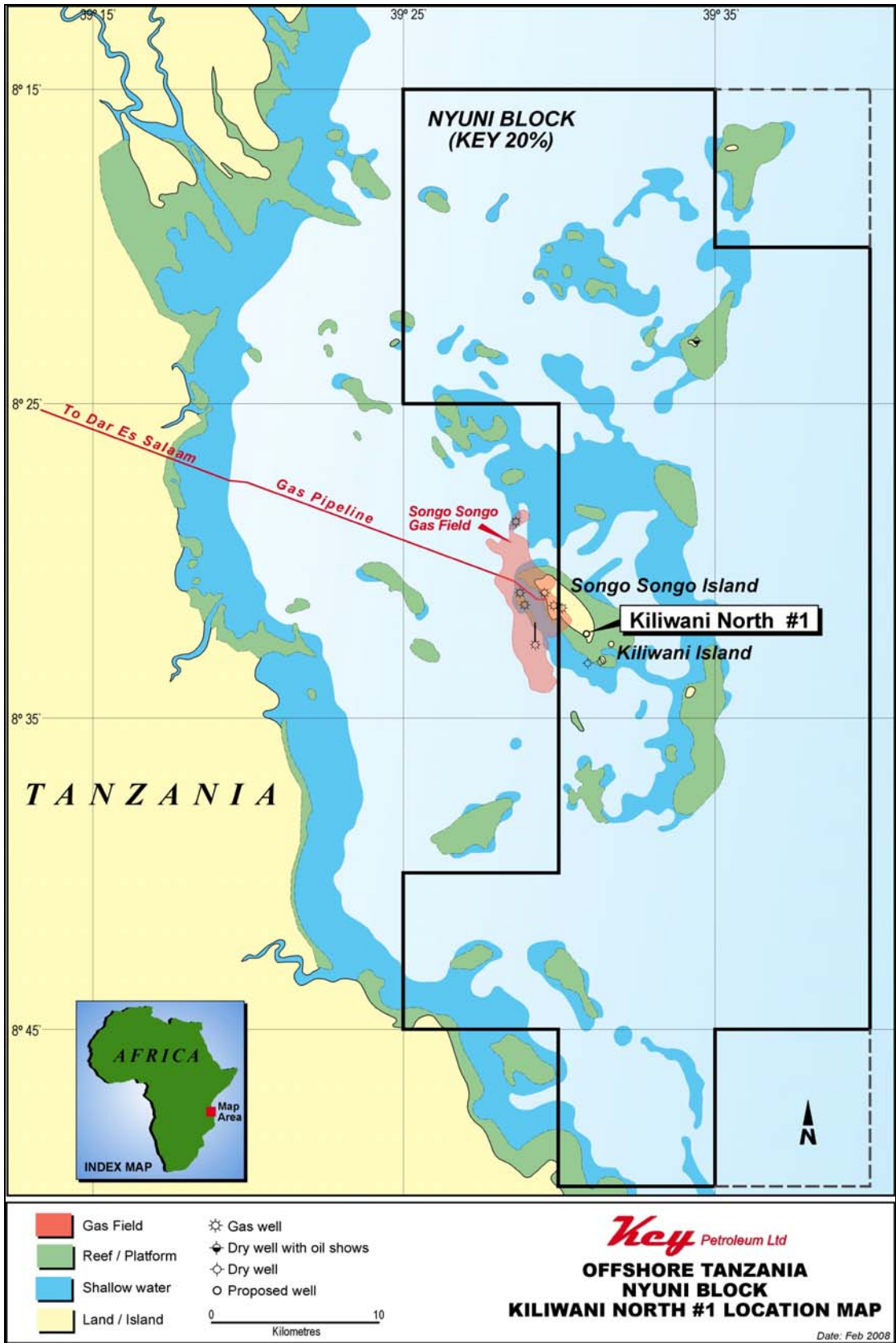
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