

Key Petroleum Ltd

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Key Petroleum executes MOU with Santos for gas processing

Key Petroleum Ltd (ASX:KEY) has executed a non-binding gas processing memorandum of understanding with Santos Limited and wholly-owned subsidiaries of Beach Energy.

The gas processing MOU forms the basis for negotiation of a future formal processing and transportation agreement, allowing raw gas from Key's Tanbar Gas Project in ATP 924 to be processed into sales gas to supply the east coast Australian gas market.

Gas prices have been surging above \$10 per GJ in Sydney and between \$9 and \$10 per GJ in Victoria and Brisbane, with the gas shortage likely to continue and the price likely to remain high.

Price: A\$0.008

Market Cap: A\$11.26M

1 Year Share Price Graph



March 2018 August 2018 March 2019

Share Information

Code: KEY

Listing: ASX

52 week High Low
A\$0.01 A\$0.00

Sector: Mining

Website: www.keypetroleum.com.au

Company Synopsis:

Key Petroleum (ASX:KEY) is an oil and gas exploration company focused on unlocking the potential of the Canning and Perth basins onshore Western Australia.

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READ: Key Petroleum farms out L7 production licence in Perth basin to Triangle Energy

Key Petroleum director Kane Marshall said: "We are delighted to be working with Santos and Beach Energy and this MoU demonstrates a clear pathway to commercialisation of future gas discoveries within our Tanbar Gas Project, subject to final binding terms being agreed.

"Importantly there is flexibility for financing of future developments whereby capex intensive gas processing infrastructure may not be required if it can be processed and transported via Santos-operated infrastructure in the manner contemplated by this MOU.

"2019 looks set to be a busy year for Key and we look forward to providing our shareholders updates of further developments in relation to each of our Perth Basin and Cooper Basin projects."

"Pleased" with the terms of the MoU

Santos and its joint venture partner Beach Energy own gas processing facilities at Moomba in South Australia.

Key, Santos and Beach Energy have agreed non-binding indicative terms for gas progressing and transportation services, with the confidential commercial terms forming the basis for the negotiation of a binding agreement to be executed between the parties.

Key's board is pleased with the terms of the MOU which will support potential economic developments of gas discoveries within Key's Tanbar Gas Project at ATP 924 going forward.

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