

8 September 2020

The Manager
The Australian Securities Exchange
The Announcements Officer
Level 4/20 Bridge Street
SYDNEY NSW 2000

SALE OF 40% INTEREST IN WA-481-P, OFFSHORE PERTH BASIN

Key Petroleum Ltd (“Key” or “Company”) advises that Key and Pilot Energy Limited (“Pilot”) have agreed to rationalise the ownership of the permit WA-481-P (“the 481 Permit”) whereby Key will sell its 40% interest in the 481 Permit to Pilot. In consideration for the transfer of this interest, Pilot will issue to Key (or its nominee) 21 million shares in Pilot that will be fully paid ordinary listed shares. Based on the above transfer the Parties will terminate the Joint Venture Agreement between each other in relation to the 481 Permit.

Key points in the executed Terms Sheet for this transaction include –

- The 21 million shares in Pilot will be issued to Key (or its nominee), subject to approval by Pilot’s shareholders, in two tranches comprising –
 - 5 million shares to be issued within 3 business days of signing of the definitive transaction documents for the transaction;
 - 16 million shares to be issued as per the completion date below; and
- The transaction will complete 3 business days following the satisfaction of all conditions precedent or at a date agreed in writing by the Parties. It is anticipated that this will occur 3 business days following the receipt of Pilot shareholder approval.

The Company will now concentrate on its other interests in the Perth and Cooper Eromanga Basins.

This announcement has been authorised by the Board of Directors.

For more information please contact:

IAN GREGORY
Company Secretary
Key Petroleum Limited

Telephone: +61 (0) 8 9381 4322
Email: investors@keypetroleum.com.au