

30 January 2017

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

### CAPITAL RAISING – PLACEMENT OF SHARES

Key Petroleum Ltd (Key or Company) is pleased to advise that it has completed arrangements for a capital raising via a placement of 250 million shares at \$0.004 each to raise A\$1,000,000.00 (Placement). The Placement shares will be issued to two parties – a sophisticated investor to raise A\$680,000 and an existing shareholder to raise A\$320,000.

Funds raised under the Placement will be expended on the following:-

- Funding Key's share of work commitments in the Perth Basin;
- Assessment of new venture opportunities; and
- Additional working capital.

The placement is being made pursuant to the Company's share placement facility approved at the 2016 Annual General Meeting.

An indicative timetable for completion of the Placement is as follows –

By 3 February 2017	Tranche 1 funds to be received	A\$320,000	80 million shares
By 10 February 2017	Tranche 2 funds to be received	A\$680,000	170 million shares
By 14 February 2017	Shares issued	<b>A\$1,000,000</b>	<b>250 million shares</b>

The Placement was arranged with the two parties as it was considered to be a more efficient and cost effective mechanism to raise the funds required to achieve its stated objectives. Furthermore, the Placement does not expose the Company to market volatility that may be experienced over a more protracted process such as a pro-rata issue.

No underwriting arrangements are in place for the Placement.

There are no fees or costs incurred in connection with the issue.

It is anticipated that the shares will be issued on 14 February 2017, at which time a notice under Section 708A and ASX Appendix 3B will be released to ASX.



**IAN GREGORY**  
Company Secretary  
**KEY PETROLEUM LIMITED**