

25 March 2019

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


CLARIFICATION OF 22 MARCH 2019 ANNOUNCEMENT

On 22 March 2019 Key Petroleum Limited (“Key” or “Company”) made an announcement concerning a capital raising via a placement of 142,103,766 ordinary fully paid shares at \$0.005 each to raise A\$710,518 (Placement) before costs. In that announcement reference was made to appraisal and exploration work at the Mount Horner oilfield to be funded by Triangle Energy (Global) Limited (“Triangle” ASX:TEG) in the second half of 2019.

Key wishes to clarify that as yet no work programme or budget for that work has been agreed between Triangle and Key and that therefore the timing of any such work is uncertain except that it must be completed by Triangle in accordance with the Farmout Agreement for Production Licence L7(R1), the subject of Key’s announcement made on 31 October 2018. Further, Key notes, per the 31 October 2018 announcement that the Farmout Agreement is conditional on the usual regulatory approvals and the consent of a landholder under an existing compensation agreement.

For clarity, the funds raised under the Placement will therefore be expended by Key on the following:-

- Preparatory works for drilling Alfajour-1 and Taj-1 within the Tanbar Gas Project ATP 924 of the Cooper Basin as well as other studies work to facilitate the introduction of strategic partners;
- Key’s share of further work at the Mount Horner Oilfield (L7);
- Exploration drilling activities at either the Parce or Wye Knot prospects in the Perth Basin; and
- Additional working capital.



IAN GREGORY
Company Secretary
KEY PETROLEUM LIMITED