

5 August 2019

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 ordinary fully paid shares at \$0.0032 each to raise up to A\$400,000 (Placement) before costs. The Placement shares will be issued to institutional and sophisticated investors.

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

- Preparatory works for drilling Ace-1 within the Meeba project recently subject to a farmout with Pancontinental Oil and Gas that will target a conventional oil and gas prospect with up to 20 mmbbls and 73 Bcf gas¹;
- Preparatory drilling works for Alfajour-1 within the Tanbar Gas Project ATP 924 of the Cooper Basin; and
- Additional working capital.

The placement is being made pursuant to ASX Listing Rule 7.1A.

The Placement was arranged with the investors as it was considered to be a more efficient and cost-effective mechanism to raise the funds required for Key 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.

A further announcement will be made when the shares are issued, at which time a notice under Section 708A and ASX Appendix 3B will be released to ASX.

A handwritten signature in black ink, appearing to read "I. Gregory", is written over a circular stamp or seal.

IAN GREGORY
Company Secretary
KEY PETROLEUM LIMITED

¹ Refer to ASX Announcement dated 15 July 2019 for further details.