

4 March 2016

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 a capital raising via a placement of 175 million shares at \$0.004 each to a sophisticated investor to raise \$700,000 (Placement).

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

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

The Placement was issued pursuant to ASX Listing Rules 7.1 (\$433,415) and 7.1A (\$266,585).

#### Information required under ASX Listing Rule 3.10.5A

Key provides the information as required under ASX Listing Rule 3.10.5A as follows:

The shares issued under the Placement and the dilution effect of that issue are as follows:

Shares on issue prior to Placement	722,358,441	
Shares issued under Listing Rule 7.1	108,353,766	12.07%
Shares issued under Listing Rule 7.1A	66,646,234	7.43%
Total dilution as a result of Placement		19.50%

The number of shares on issue following the Placement is 897,358,441.

Details of the percentage of the issued capital held by pre and post Placement shareholders is as follows:

Shareholders who did not participate in the Placement	100%
Shareholders who did participate in the Placement	0%
Participants in the Placement who were not previously shareholders	100%



# KEY

PETROLEUM LIMITED

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Key issued the Shares to a sophisticated investor 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 did not expose the Company to market volatility that may have been experienced over a more protracted process such as a pro-rata issue.

No underwriting arrangements were in place for the Placement.

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

The shares will be issued on 8 March 2016, at which time a notice under Section 708A and ASX Appendix 3B will be released to ASX.

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