



2/3B Macquarie Street
Sydney NSW 2000

T: + 61 (0) 2 9251 9088

investors@keypetroleum.com.au

ABN: 50 120 580 618

31 January 2024

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

QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

Key Petroleum Limited attaches herewith the Company's Quarterly Activities Report and Appendix 5B for the quarter ended 31 December 2023.

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) 2 9251 9088

Email: investors@keypetroleum.com.au

Quarterly Report

For the period ended 31 December 2023



Update on Activities

Highlights for the Quarter

- ◆ Key Petroleum Ltd. is eagerly awaiting official renewals for its oil and gas exploration holdings in the Cooper Eromanga Basin, specifically ATP 920 and ATP 924, to extend their tenure by an additional two years. The Department of Resources in Queensland has successfully completed administrative, Native Title, and technical evaluations for these blocks. Key has reviewed and accepted the preliminary renewal endorsement documents from the Department. Key is told that the delay in the renewal approvals is due to the ministerial decision regarding the Lake Eyre Basin Protected Areas, impacting the projected schedules of the Department of Resources. With the recent ministerial release, Key anticipates imminent final approvals for ATP 920 and ATP 924. Upon approval, Key will retain 265 subblocks from ATP 920 and all existing subblocks from ATP 924 (see Figure 1).
- ◆ With several drillable prospects in ATP 920 and ATP 924, Key is focusing on two priority prospects, Alfajor and Taj, pending approval from Queensland's Department of Resources (Mining and Exploration) for the two-year renewal work program. Key possesses granted environment authorities from the Queensland government and has agreements with landowners and Native Title in place. Key will need to secure a drill rig and contractor before commencing site preparations.
- ◆ Throughout the quarter, Key Petroleum Ltd continued to actively pursue farm-in investments for its drilling prospects in ATP 920 and ATP 924. Discussions are ongoing, and obtaining renewal approvals from Queensland's Department of Resources (Mining and Exploration) is expected to boost investor confidence in participating in these valuable acreages. Additionally, the Company continues to assess the potential addition of new oil and gas assets to its portfolio, prioritizing those with production or near-production status and sufficient funding.

Activities for the Upcoming Quarter

- ◆ Key is preparing for the upcoming renewals so that progress can be made towards the drilling of leads/prospects within our exploration portfolio in the Cooper Eromanga Basin. The focus is on advancing discussions with stakeholders to secure specific plan approvals, and we are also working towards securing a rig contractor upon receipt of renewal approvals.
- ◆ Key is having ongoing discussions with potential partners to progress farm-in negotiations to the Heads of Agreement stage. Additionally, Key continues to assess the incorporation of new high-quality production or near-production assets into the Company.

Cooper Eromanga Basin, Queensland

ATP 920

Key Petroleum Limited (Operator) (via wholly owned subsidiary) 80.00%

Pancontinental Oil and Gas NL *20.00%

** Pancontinental is to earn an undivided 20% participating interest in ATP 920 in accordance with Farmin Agreement dated 30 October 2019*

ATP 924

Key Petroleum Limited (Operator) (via wholly owned subsidiary) 75.00%

Pancontinental Oil and Gas NL *25.00%

**Pancontinental is to earn an undivided 25% participating interest in the Ace Area of ATP 924 in accordance with the Farmin Agreement dated 30 October 2019*

Key is in the process of renewing ATPs 920 and 924 for an additional 2 years. The Company is actively pursuing prospective leads in these areas and engaging in discussions with potential farm-in partners. Once a farm-in partner is secured, the Company expects to commence drilling within circa 12 months. Successful drilling is anticipated to lead to commercial development, with potential for additional prospective leads.

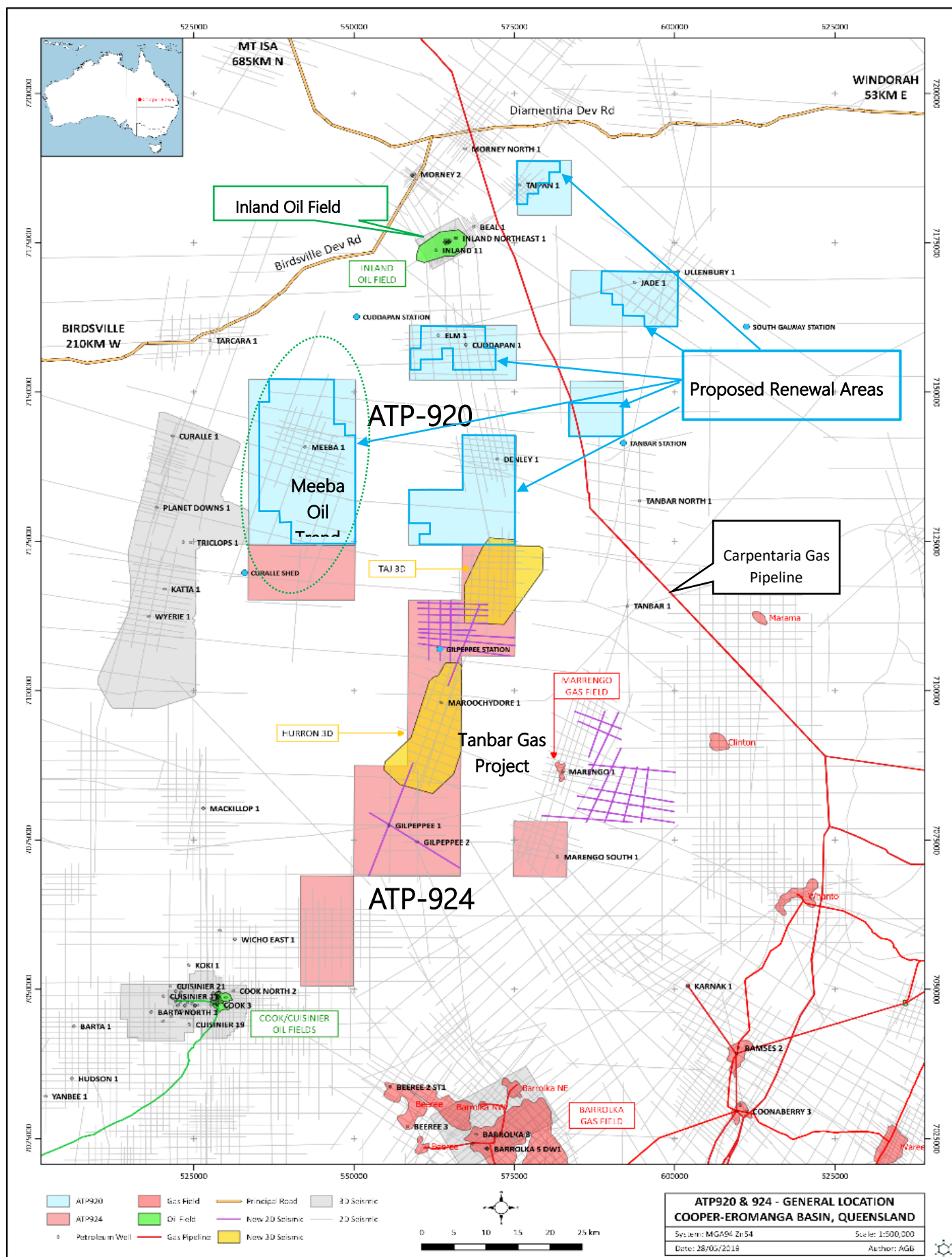


Figure 1: ATP 920 (renewal areas) and ATP 924

Corporate and Current Outlook for Key

- ◆ At the end of the December 2023 quarter, the Company had A\$481,000 cash on hand.
- ◆ Following the sale of Key's 40% interest in WA-481-P, Key received 21 million ordinary fully paid Pilot Energy (PGY) shares. During the quarter, Key sold 11.3 million ordinary fully paid shares of PGY at an average price of \$0.0225 per share which netted A\$251,453. Subsequent to the quarter, Key sold the remaining 40,146 PGY shares at \$0.0215 which netted \$753. Key now has fully exited its investment in Pilot Energy.
- ◆ During the quarter, Key executed a successful A\$295,000 (before costs) capital raise through the placement of 295,000,000 ordinary fully paid shares at \$0.001 each to Ms Wanyan LIU, a professional investor. The raised funds will be utilized for the further development of Key's Cooper Eromanga Basin permits, assessment of new venture opportunities, and additional working capital.
- ◆ Available cash on hand (A\$481,000), including cash received from the capital raise (A\$295,000), will provide sufficient funds to cover the cash requirements of the Company for both the Cooper Eromanga Basin work program and possible addition of new assets over the next quarters.
- ◆ During the quarter, the Company paid the amounts noted at Items 6.1 and 6.2 on the Appendix 5B, being payments of \$120,000 to related parties and their associates. This was the aggregate amount paid to the directors including directors' fees and consulting fees (\$81,000), and corporate administration and management fees (\$39,000).
- ◆ Total E&E expenditure for the quarter was \$6,000.

Petroleum Permit Schedule

Petroleum Permit	Type	Location	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Disposed during Quarter
ATP 924	Authority to Prospect	Cooper Eromanga Basin, QLD	100% ▲	100%	-	-
ATP 920	Authority to Prospect	Cooper Eromanga Basin, QLD	100% ●	100%	-	-

▲ Pancontinental is to earn an undivided 25% participating interest in the Ace Area of ATP 924 in accordance with the Farmin Agreement dated 30 October 2019

● Pancontinental is to earn an undivided 20% participating interest in ATP 920 in accordance with Farmin Agreement dated 30 October 2019

ASX Listing Rule 5.4.3

IAN GREGORY
 COMPANY SECRETARY

Dated: 31 January 2024
Perth, Western Australia

CAUTIONARY STATEMENT

The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Key Petroleum Ltd and consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

The information contained in this report has been prepared in good faith by Key Petroleum Ltd. However, no representation or warranty, expressed or implied, is made as to the accuracy, correctness, completeness or adequacy of any statement, estimates, opinions or other information contained in this document.

Certain information in this document refers to the intentions of Key Petroleum Ltd, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties, and other factors that may cause Key Petroleum Limited's actual results, performance or achievements to differ from those referred to in this document. Accordingly, Key Petroleum Ltd, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of events referred to in this presentation will occur as contemplated.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Key Petroleum Limited

ABN

50 120 580 618

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(100)	(134)
(e) administration and corporate costs	(116)	(270)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(216)	(404)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(6)	(9)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	254	254
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	248	245

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	295	295
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	295	295

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	154	345
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(216)	(404)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	248	245
4.4	Net cash from / (used in) financing activities (item 3.10 above)	295	295

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	481	481

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	481	154
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	481	154

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(216)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(6)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(222)
8.4 Cash and cash equivalents at quarter end (item 4.6)	481
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	481
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.