

Quarterly Report

For the period ended 30 September 2024



Update on Activities

Highlights for the Quarter

- ◆ The Queensland Government's new policies to strengthen the protections for the rivers and floodplains of the Queensland Lake Eyre Basin (LEB) has directly impacted our tenures on ATP 920 and ATP 924. After discussions with government representatives and finally receiving detailed boundary maps during March/April timeframe this year, we confirmed that approximately 2% of ATP 920 and 40% of ATP 924 fall within the LEB exclusion zone. The government provided the option to apply for a Petroleum Lease (PL) for the affected areas before the deadline of 30 August 2024. However, after careful evaluation of the situation, including our prior production history at Marengo South and the potential for future exploration, we concluded that pursuing a PL application at this stage would be premature. The likelihood of a successful application is very low due to the new protective measures, and we have opted not to move forward with PL applications for the impacted areas within the LEB exclusion zone.
- ◆ Key sought an extension for ATPs 920 and 924 to 28 February 2026 for areas outside the exclusion zone due to delays in the renewal approvals caused by the Lake Eyre Basin (LEB) policy development period. However, the government confirmed the renewals cannot extend beyond 28 February 2025, in accordance with the Petroleum and Gas (Production and Safety) Act 2004.
- ◆ With the extension request not granted and the decision not to apply for a Petroleum Lease (PL) over the LEB-protected areas of ATPs 920 and 924, our current focus is on the unaffected portions of these tenures—98% of ATP 920 and 60% of ATP 924. We are now considering applying for Potential Commercial Area (PCA) status over these remaining acreages in the coming weeks and will work closely with the Department of Resources as we move forward.
- ◆ Despite the challenges presented by the LEB exclusion zone, Key Petroleum Limited remains focused on growth and is actively pursuing opportunities to enhance our asset portfolio. Our ongoing efforts to acquire high-quality assets demonstrate our commitment to driving long-term value for shareholders and positioning the company for sustained growth and future cash flow generation.

Activities for the Upcoming Quarter

- ◆ Key Petroleum Limited is committed to maintaining open and productive discussions with the Department of Resources to ensure full compliance with regulatory policies. We are focused on assessing our next steps and potentially seeking a higher form of tenure within the current ATP tenure timelines, aligned with our strategic goals for future development.
- ◆ We are also actively exploring new opportunities to expand our asset base and strengthen the portfolio. With promising prospects ahead, Key Petroleum Limited remains dedicated to enhancing shareholder value and driving growth through strategic additions.

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 Petroleum Limited submitted its renewal applications for ATPs 920 and 924 on 30 January 2023 for an additional 2 years to 28 February 2025. The applications are awaiting renewal approvals by the Department of Resources.

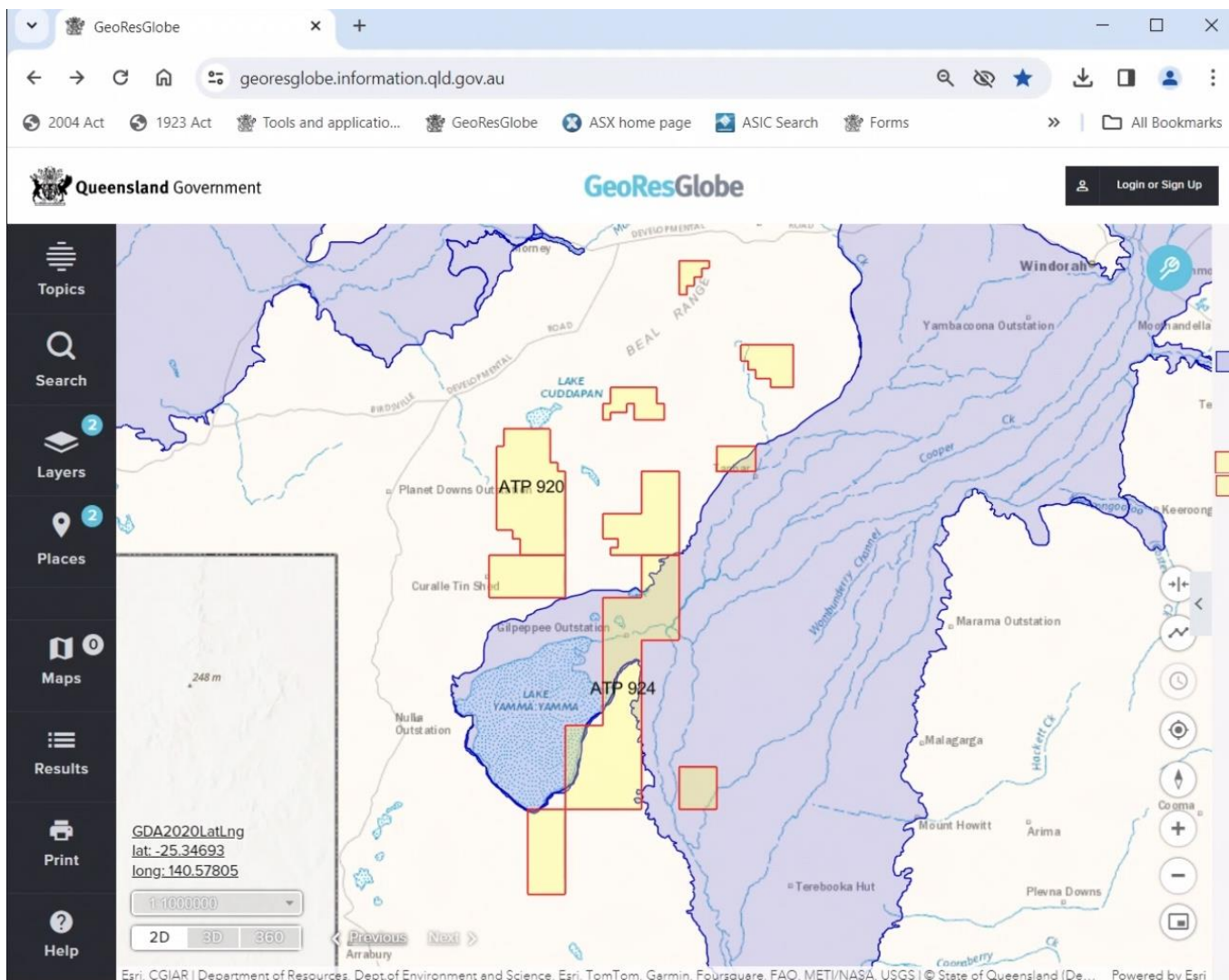


Figure 1: Impact of Lake Eyre Basin boundaries on ATPs 920 and 924.

Corporate and Current Outlook for Key

- ◆ As of the end of the September 2024 quarter, Key Petroleum Limited had A\$90,000 in cash on hand.
- ◆ Following the end of the quarter, the Company announced the appointment of two new non-executive directors, Mr. Quan (David) Fang as Non-Executive Chairman and Professor Bingsong Yu as Non-Executive Director, effective from 15 October 2024. Mr. Fang brings extensive experience in the Australian resources and energy sectors, while Professor Yu is a distinguished technical expert in oil and gas, recognised for his numerous awards and published research.
- ◆ Concurrently, the Company announced the resignation of Mr. Geoff Baker, Ms. Min Yang, and Mr. Dennis Wilkins as Non-Executive Directors. The Board extends its sincere gratitude to each of them for their valuable contributions during their tenure.
- ◆ In addition, subsequent to the quarter's end, Key secured a loan facility of A\$200,000 from ASF Group Ltd. (ASX: AFA), which can be drawn upon as required.
- ◆ With A\$90,000 cash on hand and the loan facility from ASF Group Ltd, the Company is confident it has sufficient funding to meet its operational needs and support the acquisition of new assets over the coming quarters.
- ◆ During the quarter, Key made payments totalling A\$48,000, as disclosed in Items 6.1 and 6.2 of the Appendix 5B. This included A\$36,000 in directors' fees and consulting fees, and A\$12,000 in corporate administration and management fees.
- ◆ Total E&E expenditure for the quarter amounted to A\$9,000.

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

This announcement has been authorised by the Board of Directors.

IAN GREGORY
 COMPANY SECRETARY

Dated: 28 October 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")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(10)	(10)
(e) administration and corporate costs	(63)	(63)
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	(73)	(73)

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	(9)	(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 (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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	(9)	(9)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	172	172
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(73)	(73)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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 (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	90	90

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	90	172
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)	90	172

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	48
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.</i>		
<i>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.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(73)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(9)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(82)
8.4 Cash and cash equivalents at quarter end (item 4.6)	90
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	90
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.1
<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?	
<div style="border: 1px solid black; padding: 5px;"> <p>Answer: The Company continues to operate with a scarcity mentality and will make choices to both reduce costs and keep costs low as necessary.</p> </div>	
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?	
<div style="border: 1px solid black; padding: 5px;"> <p>Answer: The Company has a track record of successful fund raises (both equity and debt). Subsequent to quarter end, the Company has a commitment from ASF Group Ltd to provide funding via a line of credit for A\$200,000. The Company continues to assess raising further equity and/or debt from our loyal shareholders as needed.</p> </div>	

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

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: Yes, the Company will manage costs in line with the available funding and raise additional funding (equity and/or debt) as needed.

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.

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: 28 October 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.