

Quarterly Report

For the period ended 31 December 2024



Update on Activities

Highlights for the Quarter

- ◆ Key Petroleum Limited (“Key” or “the Company”) remains focused on advancing the development of its core assets in the Cooper Eromanga Basin, Queensland. Building on the progress and strategic decisions made in the prior quarter, Key has decided to pursue Potential Commercial Area (PCA) applications over ATPs 920 and 924. The applications are progressing well, and we expect to submit strong technical cases by the 28 February 2025 deadline, ensuring the tenures can remain active. Adding to the appeal the permits are strategically positioned near key infrastructure, such as the Carpentaria Gas Pipeline (CGP), which links to the Northern Gas Pipeline.

As part of the PCA process, the Company has conducted detailed technical reviews of the resource potential within the tenures. For ATP 920, the Cuddapan-1 well has confirmed recoverable oil, with significant oil shows in the Cadna-Owie Formation, while minor oil indications have been observed in the Birkhead, Hutton, and Basal Jurassic sequences. The area’s Meeba Oil Trend offers additional opportunities, including the Ace Lead, a large, untested anticline near the Permian edge with an estimated ~10 million barrels of oil potential.

For ATP 924, geological studies have highlighted significant opportunities, particularly in the Permian Toolachee Formation, which represents the primary gas target within the basin centered gas region of the Windorah Trough. The area encompasses multiple high-potential prospects, including Alfajor, Afghan, and Bobcat, which have shown commercial gas potential in independent assessments. There are several large undrilled subsurface structures in the Area and broader ATP 924 region that offer the potential for significant new discoveries. A 15-year PCA grant would enable thorough evaluation and development of these high-value resources.

Key’s technical team has been actively integrating new data and refining development plans to maximize the economic potential of these assets. This work underpins the Company’s confidence in the future viability of these projects and strengthens our case for advancing them to production. Key is also preparing for follow-up exploration programs in both tenures, pending the successful granting of PCA status.

- ◆ This quarter also marked further strategic efforts to strengthen our asset portfolio. In addition to progressing the PCA applications, we are actively exploring new opportunities to enhance our resource base and ensure sustainable growth. As part of these efforts, we are gently requesting a face-to-face meeting with the new Resources Minister to express our focus and enthusiasm for the Queensland resources sector. These initiatives demonstrate Key’s proactive approach to navigating the challenges of the current regulatory environment while remaining focused on our core mission of creating value for our shareholders.

Activities for the Upcoming Quarter

- ◆ Key Petroleum Limited is dedicated to ensuring the successful submission of the PCA applications for ATPs 920 and 924 before the end of February 2025. The Company will continue its engagement with the Department of Resources to secure these tenures and comply with all regulatory requirements.
- ◆ We remain steadfast in our goal to develop these assets for commercial oil and gas production. Key will work collaboratively with the Queensland Government to address any regulatory challenges and unlock the full value of our resource base. Simultaneously, the Company continues to explore opportunities to expand its asset portfolio to create long-term value for shareholders.

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*

The PCA applications for ATPs 920 and 924 reflect our commitment to advancing these tenures responsibly while adapting to evolving policy frameworks. We remain confident in the prospectivity of these areas and are prepared to move forward with development plans once the PCAs are secured.

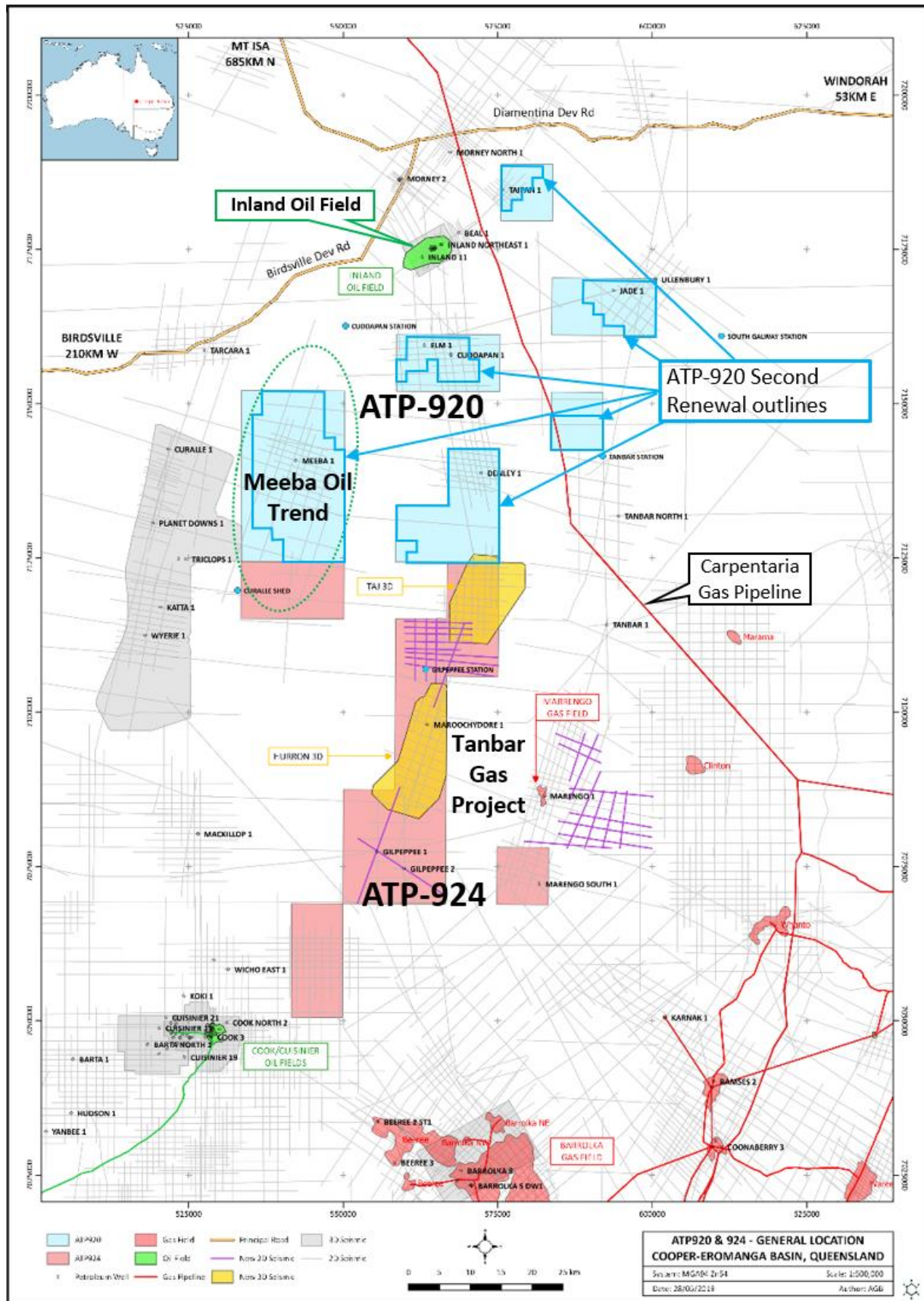


Figure 1: Impact of Lake Eyre Basin boundaries on ATPs 920 and 924.

Corporate and Current Outlook for Key

- ◆ As of the end of the December 2024 quarter, Key Petroleum Limited had A\$187,000 in cash on hand.
- ◆ During the quarter, Key successfully completed a capital raise of A\$255,000 (before costs) through the placement of 255,000,000 ordinary fully paid shares at A\$0.001 per share to China Create Capital Holding Group Co Limited. Proceeds will be directed towards:
 - Further development of Key's Cooper Eromanga Basin permits.
 - Assessment of new venture opportunities.
 - Additional working capital.
- ◆ In October 2024, Key entered into a loan facility agreement with ASF Group Ltd. (ASX: AFA) for A\$200,000, available for drawdown on an as-needed basis. No amounts were drawn, and the agreement was mutually terminated in December 2024.
- ◆ Key completed a capital consolidation during the quarter, converting 100 existing shares into 1 share. This reduced the total number of issued shares from 2,262,928,126 to 22,629,502 (rounded up to the nearest whole share). The consolidation increased the value of assets per share without materially affecting individual shareholder percentages.
- ◆ Following the end of the quarter effective 15 January 2025, two new executive directors were appointed. Mr. Wei Jin as Executive Chairman, bringing extensive experience in the Chinese and Australian resources and energy sectors. Ms. Yuqi Cao as Executive Director, with directorships across multiple companies, including those in the resources and energy sector.
- ◆ The Company also announced the resignation of Mr. Quan (David) Fang as Non-Executive Chairman. The Board expresses its sincere appreciation for Mr. Fang's contributions.
- ◆ With a closing cash balance of A\$187,000, Key is confident in its ability to meet operational needs in the coming quarters.
- ◆ During the quarter, the Company paid the amounts noted at Items 6.1 and 6.2 on the Appendix 5B, being payments of A\$89,000 to related parties and their associates. This was the aggregate amount paid to the directors including directors' fees and consulting fees (A\$59,000), and corporate administration and management fees (A\$30,000).
- ◆ Total E&E expenditure for the quarter amounted to A\$2,000.

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.

For more information please contact:

IAN GREGORY
 COMPANY SECRETARY

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Sydney, New South Wales

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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 2024

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	(18)	(28)
(e) administration and corporate costs	(138)	(201)
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	(156)	(229)

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	(2)	(11)
(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	-	-
	(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	(2)	(11)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	255	255
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	255	255

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	90	172
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(156)	(229)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(11)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	255	255

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	187	187

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	187	90
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)	187	90

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	89
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)	(156)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(158)
8.4 Cash and cash equivalents at quarter end (item 4.6)	187
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	187
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.18
<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: The Company continues to operate with a scarcity mentality and will make choices to reduce costs as needed.	
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: The Company has a track record of successful fund raises (both equity and debt) and will raise further equity and/or debt from our loyal shareholders as well as the public market at the appropriate time.	
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.	
<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: 24 January 2025

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.