

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.

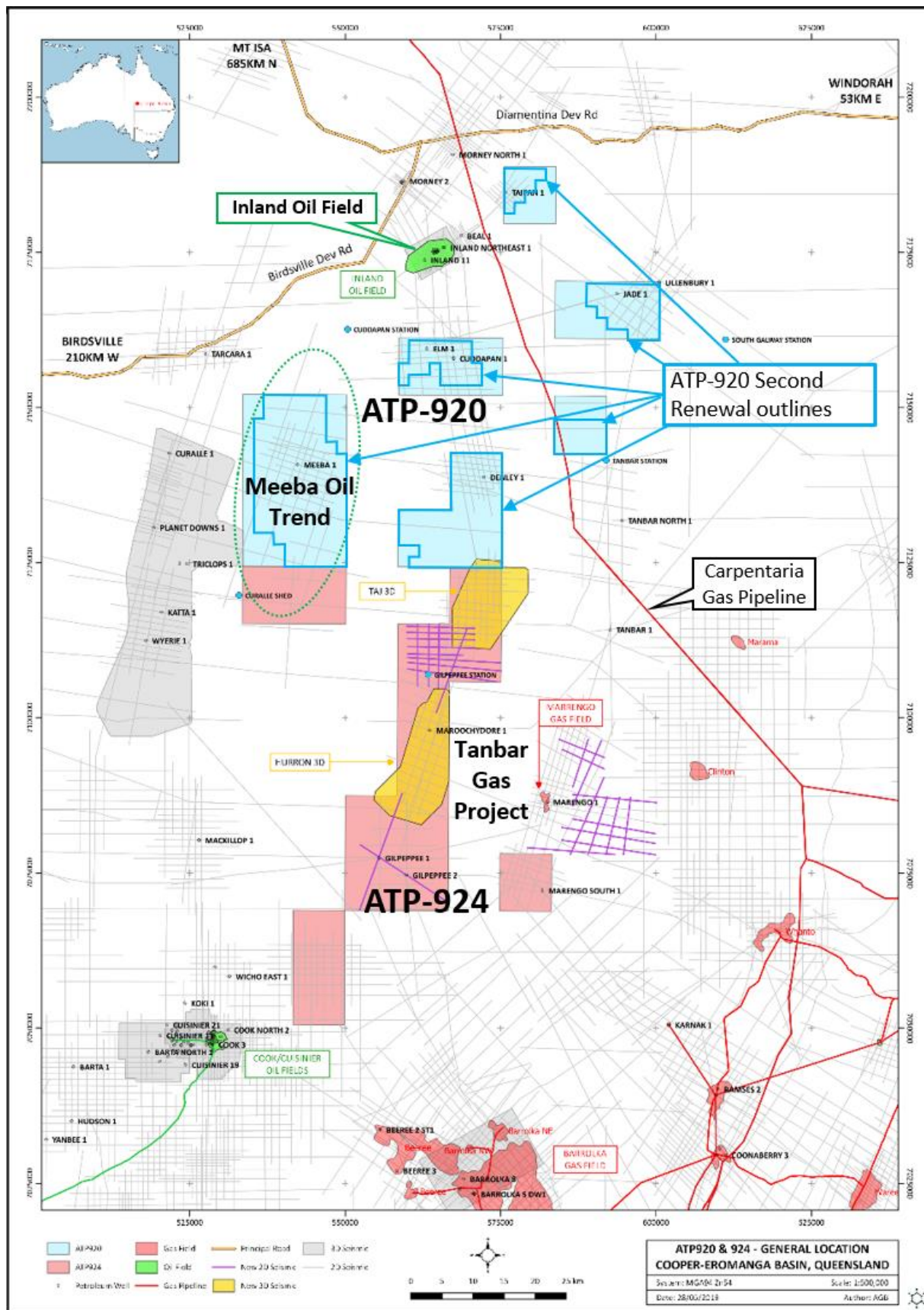


Figure 1: Impact of Lake Eyre Basin boundaries on ATPs 920 and 924.

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

Dated: 24 January 2025
Sydney, New South Wales

Telephone: +61 (0) 2 9251 9088

Email: investors@keypetroleum.com.au

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.

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