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Key Petroleum Limited

ACN: 120 580 618

Interim Financial Report

For the half-year ended 31 December 2025

Key Petroleum Limited

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Key Petroleum Limited

Directors' report

31 December 2025

Your directors submit their report on the consolidated entity consisting of Key Petroleum Limited ("Key", "the Company" or "the Group") and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

Directors

The names of the directors who held office during or since the end of the half-year are:

- Mr. Wei Jin - Chairman and Executive Director
- Mr. Louis Chien - Managing Director (resigned 31 July 2025)
- Mr Yan Zhao – Managing Director (appointed 6 August 2025)
- Ms. Yuqi Cao - Executive Director
- Prof. Bingsong Yu - Non-Executive Director

Review and Results of Operations

A summary of consolidated revenues and results for the half-year is set out below:

	Dec 2025		Dec 2024	
	Revenue & Other Income	Results	Revenue & Other Income	Results
Consolidated Revenue and Other Income	3,077	(163,967)	1,677	(302,297)

Key Petroleum Limited ("Key" or "the Company") continues to progress its interests in the Cooper–Eromanga Basin in Queensland. During the second half of 2025, no further notifications were received in relation to the Company's eight Potential Commercial Area (PCA) applications across ATP 920 and ATP 924, which remain at the decision stage according to the DNRM system. The Company expects formal approval around the end of 2026 and, upon approval, intends to commence technical studies to support the next stage of development.

During the second half of 2025, the Company implemented changes to its Board and management, including the appointment of a new Managing Director and Company Secretary.

The Company successfully held its Annual General Meeting on 27 November 2025, at which all proposed resolutions were passed. During the third quarter of 2025, the Company also completed a share placement, raising additional funds to support ongoing operations.

Key Petroleum Limited

Directors' report

31 December 2025

Operating Highlights

- Key Petroleum Limited ("Key" or "the Company") continued to progress its interests in the Cooper-Eromanga Basin in Queensland during the second half of 2025. No further notifications were received in relation to the Company's eight Potential Commercial Area (PCA) applications across ATP 920 and ATP 924, which remain at the decision stage according to the DNRM system. The Company expects formal government approval around the end of 2026 and, upon approval, the permits will each have a 15-year term.
- Following confirmation of PCA approval, the Company intends to commence technical studies to support the next stage of development.
- During the second half of 2025, the Company implemented changes to its Board and senior management as part of its ongoing focus on strengthening corporate governance and management capability. In August 2025, Yan Zhao was appointed as Managing Director, succeeding Louis Chien, and in December 2025, Celine Xia was appointed as Company Secretary, replacing Ian Gregory. The Board considers these changes to support the Company's operational requirements and future strategic objectives.
- During the second half of 2025, the Company completed a share placement, raising approximately A\$330,000. The funds raised strengthened the Company's cash position and liquidity, and will be used to support ongoing operations as well as the evaluation and advancement of new business opportunities or projects.
- The Company is considering undertaking a further share issue in early 2026 to raise additional funds. The Board continues to review potential oil and gas exploration opportunities and, where appropriate, to assess other possible business development options, with a view to supporting the Company's longer-term development and stability.

Portfolio Expansion and Strategic Initiatives

The Company's future project deployment and development strategy will remain focused on its core business of oil and gas exploration. The Company may also, from time to time, consider evaluating potential new business opportunities, including renewable energy and other emerging sectors, where appropriate. Any such activities will be subject to further assessment and, where required, prior consultation with ASX to ensure compliance with applicable listing rules and regulatory requirements.

Corporate

At 31 December 2025 the Group had \$136,255 cash on hand (Jun 2025: \$94,066). During interim period the Group had net cash outflows from operating activities of \$284,585 (Dec 2024: \$198,120).

Subsequent Events

No matter or circumstance has arisen since 31 December 2025, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Key Petroleum Limited

Directors' report

31 December 2025

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the interim period not otherwise disclosed in this report and the interim financial report.

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

This report is made in accordance with a resolution of directors.



Wei Jin/Yan Zhao
Chairman/Managing Director
10 March 2026

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Key Petroleum Limited and its controlled entities for the year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 10th day of March 2026
Perth, Western Australia

Key Petroleum Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

	Half-Year	
	Dec 2025	Dec 2024
	\$	\$
Revenue	3,077	1,677
Salaries and employee benefits expense	(18,940)	(27,427)
Corporate expenditure	(138,722)	(181,500)
Other administrative expenses	(9,382)	(95,047)
Loss before income tax	(163,967)	(302,297)
Income tax expense	-	-
Loss after income tax	(163,967)	(302,297)
Other comprehensive income, net of tax	-	-
Total comprehensive income/(loss) for the period	(163,967)	(302,297)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	(0.48)	(1.31)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Key Petroleum Limited

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	Note	Dec 2025 \$	Jun 2025 \$
Assets			
Current assets			
Cash and cash equivalents		136,255	94,066
Trade and other receivables		3,232	4,476
Other assets		4,320	-
Total current assets		143,807	98,542
Non-current assets			
Other assets		72,785	69,450
Capitalised exploration costs	4	1,422,759	1,418,214
Total non-current assets		1,495,544	1,487,664
Total assets		1,639,351	1,586,206
Liabilities			
Current liabilities			
Trade and other payables		400,176	514,383
Total current liabilities		400,176	514,383
Total liabilities		400,176	514,383
Net assets		1,239,175	1,071,823
Equity			
Share capital	5	43,478,675	43,147,356
Accumulated losses		(42,239,500)	(42,075,533)
Total equity		1,239,175	1,071,823

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes

Key Petroleum Limited

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2025

	Issued Capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 July 2024	42,807,616	(41,591,288)	1,216,328
Profit/(Loss) after income tax expense for the half-year	-	(302,297)	(302,297)
Other comprehensive income for the half-year, net of tax	-	-	-
Total Comprehensive loss for the half-year	-	(302,297)	(302,297)
Transactions with owners in their capacity as owners			
Shares issued during the period	255,000	-	255,000
Share issue costs	(15,300)	-	(15,300)
Balance at 31 December 2024	43,047,316	(41,893,585)	1,153,731
Balance at 1 July 2025	43,147,356	(42,075,533)	1,071,823
Profit/(Loss) after income tax expense for the half-year	-	(163,967)	(163,967)
Other comprehensive income for the half-year, net of tax	-	-	-
Total Comprehensive loss for the half-year	-	(163,967)	(163,967)
Transactions with owners in their capacity as owners			
Shares issued during the period	335,551	-	335,551
Share issue costs	(4,232)	-	(4,232)
Balance at 31 December 2025	43,478,675	(42,239,500)	1,239,175

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Key Petroleum Limited

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2025

	Half-year	
	Dec 2025	Dec 2024
	\$	\$
Cash flows from operating activities:		
Payments to suppliers and employees	(288,905)	(198,120)
Interest received	4,320	-
Net cash used in operating activities	(284,585)	(198,120)
Cash flows from investing activities:		
Expenditure on petroleum interests	(4,545)	(26,945)
Net cash used in investing activities	(4,545)	(26,945)
Cash flows from financing activities:		
Proceeds from issue of shares	335,551	255,000
Payments for share issue transaction costs	(4,232)	(15,300)
Net cash provided by financing activities	331,319	239,700
Net increase in cash and cash equivalents	42,189	14,635
Cash and cash equivalents at beginning of half-year	94,066	172,074
Cash and cash equivalents at the end of half-year	136,255	186,709

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

Key Petroleum Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2025

1. Basis of Preparation and Material Accounting Policy

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2025 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 International Financial Reporting.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by Key Petroleum Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2025. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Estimates and judgements

The preparation of the interim financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The estimates and judgement are consistent with those disclosed in the most recent annual financial statements.

Going Concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2025 the Group had a loss of \$163,967 (Dec 2024: \$302,297) and net cash outflows from operating activities of \$284,585 (Dec 2024: \$198,120) for the same period.

The directors have prepared an estimated cash flow forecast for the period to March 2027 to determine if the Group may require additional funding during the next 15-month period. Where this cash flow forecast includes the likelihood that additional amounts will be required and these funds have not yet been secured, it creates a material uncertainty as to whether the Group will continue to operate in the manner it has planned over the next 15 months.

Key Petroleum Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2025

1. Basis of Preparation and Material Accounting Policy (continued)

Where the cash flow forecast includes these uncertainties, the directors are required to make an assessment as to whether it is reasonable to assume that the Group will be able to continue its normal operations. The directors are satisfied that the going concern basis of preparation is appropriate based on the following factors and judgements:

- The Group has access to cash reserves of \$136,255 as at 31 December 2025 (30 June 2024: \$94,006);
- The Group has the ability to adjust its exploration expenditure subject to results of its exploration activities and has a history of attracting farm-in partners to assist in funding exploration commitment;
- The Group has the ability to raise funds from equity sources, as evidenced by the \$335,551 raised in December 2025 (December 2024: \$255,000); and
- The Directors have received a letter of support from the Company's largest shareholder to continue with the advancement of the Group's assets and ensure that the Company can meet its debts as and when they fall due.

Should the Directors not achieve the matters as set out above, there is a material uncertainty whether the Group will continue as a going concern, and it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different to those stated in the interim financial report.

The interim financial report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

2. Operating Segments

Key Petroleum Limited has identified that it has only one operating segment being exploration for oil and gas in Australia.

3. Income Tax

The Group's current estimated income tax expense is nil (December 2025: nil).

Key Petroleum Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2025

4. Capitalised Exploration Costs

Exploration and evaluation costs carried forward in respect of all areas of interest:

	31 December 2025 \$	30 June 2025 \$
Exploration and evaluation expenditure in respect of areas of interest	1,422,759	1,418,214
Opening balance	1,418,214	1,264,127
Additions to capitalised expenditure	4,545	154,087
Impairment	-	-
Closing balance	1,422,759	1,418,214

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective petroleum interests.

Capitalised exploration and evaluation costs relate to the Cooper Eromanga Basin Project located in Queensland, which is considered the area of interest for accounting classification purposes. The holder of an ATP with a project-related status may apply for a special amendment to reallocate relinquishment and work program commitments across the ATPs within the project.

The Group has rights to tenure with ATPs 920 and 924 and submitted 8 PCA applications (4 for each ATP) to renew for a period of 2 years to end of February 2027. On 24 February 2025 the Company submitted Potential Commercial Area (PCA) applications to the Department of Resources in Queensland and will now await confirmation of the granting of the applications. The Queensland Government recently introduced changes aimed at strengthening protections for the rivers and floodplains of the Queensland Lake Eyre Basin (LEB) which has caused a delay with the extension of ATP 920 and ATP 924.

Management has assessed and concluded that there were no impairment indicators that would trigger a further impairment assessment, hence the capitalised exploration expenditure is rolled over to the next reporting period.

Key Petroleum Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2025

5. Share Capital

	2025		2024	
	Number	\$	Number	\$
Ordinary Shares - fully paid	33,842,865	43,478,675	27,260,547	43,147,356
Total issued capital	33,842,865	43,478,675	27,260,547	43,147,356

Movements in ordinary share capital	Number	\$	Number	\$
Opening balance	27,260,547	43,147,356	2,262,928,126	42,807,616
Shares issued at \$0.001 ^{^1}	-	-	255,000,000	255,000
Consolidation of ordinary shares (every 100 to 1 share) ^{^2}	-	-	(2,492,748,624)	-
Shares issued at \$0.062 per share	-	-	2,081,045	129,025
Shares issued at \$0.042	3,627,636	152,361	-	-
Entitlement & Shortfall Placement	2,954,682	183,190	-	-
Share issue transaction costs	-	(4,232)	-	(44,285)
Closing balance	33,842,865	43,478,675	27,260,547	43,147,356

^{^1} Placement of 255,000,000 ordinary fully paid shares at \$0.001 each to China Create Capital Holding Group Co Limited. The funds to be used for development of Key's Cooper Basin assets and working capital.

^{^2} Following the shareholders' approval at the Company's AGM on 28 November 2024, there was a consolidation of the issued capital of the Company through the conversion of every 100 existing shares into 1 share. The consolidation applied equally to all security holders and had no material effect on the percentage shareholding interest of each individual shareholder.

6. Exploration and Lease Commitments

The Group has commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	31 December	
	2025	30 June 2025
	\$	\$
Within one year	232,560	236,083
Later than one year but not later than five years	4,104,500	4,104,500
	4,337,060	4,340,583

7. Dividends

There were no dividends declared or paid during the half-year (December 2024: Nil).

Key Petroleum Limited

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2025

8. Contingencies

There are no contingencies of the Group at the reporting date (December 2024: Nil).

9. Related party Transactions

There has been no material change to related party transactions in the half-year ended 31 December 2025. During the period total remuneration to key management personnel amounted to \$23,330 (December 2024: \$27,427). At the reporting date, \$64,000 was payable to key management personnel (June 2025:\$64,000).

10. Financial Instruments

The Group's financial instruments consist of trade and other receivables and trade and other payables. Receivables and payables are measured at amortised cost, less any provision for non-recovery. The carrying amounts of the financial assets and liabilities approximate their fair value.

11. Events occurring after reporting period

No matter or circumstance has arisen since 31 December 2025, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Key Petroleum Limited

Director's Declaration

31 December 2025

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 14 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Key Petroleum Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Wei Jin/Yan Zhao Chairman/
Managing Director
10 March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KEY PETROLEUM LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Key Petroleum Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Key Petroleum Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Key Petroleum Limited financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$163,967 for the half year ended 31 December 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Key Petroleum Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 10th day of March 2026
Perth, Western Australia