



KEY PETROLEUM LIMITED

ABN 50 120 580 618

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2023

This 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 2023 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*.

KEY PETROLEUM LIMITED
31 DECEMBER 2023
ABN 50 120 580 618

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KEY PETROLEUM LIMITED
31 DECEMBER 2023
ABN 50 120 580 618

DIRECTORS' REPORT

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 2023.

DIRECTORS

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

Geoffrey Baker
Louis Chien
Dennis Wilkins
Min Yang

REVIEW AND RESULTS OF OPERATIONS

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

| | 2023 | |
|---------------------------|-------------------------------------|----------------|
| | Revenue and other income | Results |
| | \$ | \$ |
| Group revenues and profit | 22,051 | (334,147) |

During the half year ended 31 December 2023, the Company eagerly awaited official renewals from the Queensland Government Department of Resources for its oil and gas exploration holdings in the Cooper Eromanga Basin. The renewals will extend the tenures for ATP 920 and ATP 924 by an additional two years to 2025. The Department has successfully completed administrative, Native Title, and technical evaluations. 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 soon.

Once renewals have been approved, Key has identified several drillable prospects in ATP 920 and ATP 924 with two priority prospects, Alfajor and Taj. Key possesses granted environment authorities from the Queensland government and has agreements with landowners and Native Title in place. Key is actively pursuing farm-in investments for its drilling prospects. Once funds are raised, Key will need to secure a drill rig and contractor before commencing site preparations.

Corporate

At the end of the interim period the Group had \$480,750 cash on hand.

During the half year, Key sold the majority of the 11.3 million ordinary fully paid shares of Pilot Energy (ASX: PGY) then held, with the remainder sold subsequent to period end. Key now has fully exited its investment in PGY.

In December, Key completed a capital raise from a professional investor for A\$295,000 through the placement of 295,000,000 ordinary fully paid shares. The funds will be used for development of Key's Cooper Eromanga Basin permits, assessment of new venture opportunities, and additional working capital.

DIRECTORS' REPORT (CONTINUED)

EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2023, 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.

SIGNIFICANT CHANGE 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.

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.



Louis Chien
Managing Director
Dated 1 March 2024

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 for the half-year ended 31 December 2023, 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 WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 1st day of March 2024
Perth, Western Australia

KEY PETROLEUM LIMITED
31 DECEMBER 2023
ABN 50 120 580 618

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

| | | Half-year | |
|--|-------------|------------------|-----------|
| | Notes | 2023 | 2022 |
| | | \$ | \$ |
| Net gain on sale of subsidiaries | 8(b) | - | 1,001,453 |
| Revenue | 3 | 4,900 | - |
| Fair value gains on financial assets | | 17,151 | 144,747 |
| Depreciation expense | | (138) | (1,008) |
| Salaries and employee benefits expense | | (79,053) | (61,990) |
| Corporate expenditure | | (181,501) | (169,660) |
| Administration costs | | (95,506) | (100,610) |
| Exploration costs not capitalised | | - | (26) |
| Finance costs | | - | (5,495) |
| (LOSS)/PROFIT BEFORE INCOME TAX | | (334,147) | 807,411 |
| Income tax expense | 4 | - | - |
| Other comprehensive income, net of tax | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF KEY PETROLEUM LIMITED | | (334,147) | 807,411 |
| | | | |
| Basic and diluted (loss)/earnings per share for (loss)/profit attributable to the ordinary equity holders of the company (cents per share) | | (0.02) | 0.04 |

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
31 DECEMBER 2023
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

| | Notes | 31 December 2023 \$ | 30 June 2023 \$ |
|---|-------|---------------------------|-----------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 480,750 | 345,157 |
| Trade and other receivables | | 7,509 | 8,835 |
| Financial assets at fair value through profit or loss | 5 | 1,044 | 238,143 |
| TOTAL CURRENT ASSETS | | 489,303 | 592,135 |
| NON-CURRENT ASSETS | | | |
| Other assets | | 66,292 | 61,392 |
| Right-of-use assets | | - | 138 |
| Capitalised exploration costs | 6 | 1,573,613 | 1,541,968 |
| TOTAL NON-CURRENT ASSETS | | 1,639,905 | 1,603,498 |
| TOTAL ASSETS | | 2,129,208 | 2,195,633 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 285,634 | 310,226 |
| TOTAL CURRENT LIABILITIES | | 285,634 | 310,226 |
| TOTAL LIABILITIES | | 285,634 | 310,226 |
| NET ASSETS | | 1,843,574 | 1,885,407 |
| EQUITY | | | |
| Issued capital | 7 | 42,807,616 | 42,515,302 |
| Accumulated losses | | (40,964,042) | (40,629,895) |
| TOTAL EQUITY | | 1,843,574 | 1,885,407 |

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

KEY PETROLEUM LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

| | Issued Capital | Accumulated Losses | Total |
|---|-------------------|-----------------------|------------------|
| | \$ | \$ | \$ |
| BALANCE AT 1 JULY 2023 | 42,515,302 | (40,629,895) | 1,885,407 |
| Loss for the half-year | - | (334,147) | (334,147) |
| Other comprehensive income, net of tax | - | - | - |
| TOTAL COMPREHENSIVE INCOME | - | (334,147) | (334,147) |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS | | | |
| Shares issued during the period | 295,000 | - | 295,000 |
| Share issue transaction costs | (2,686) | - | (2,686) |
| BALANCE AT 31 DECEMBER 2023 | 42,807,616 | (40,964,042) | 1,843,574 |
| BALANCE AT 1 JULY 2022 | 42,515,302 | (40,980,267) | 1,535,035 |
| Profit for the half-year | - | 807,411 | 807,411 |
| Other comprehensive income, net of tax | - | - | - |
| TOTAL COMPREHENSIVE INCOME | - | 807,411 | 807,411 |
| BALANCE AT 31 DECEMBER 2022 | 42,515,302 | (40,172,856) | 2,342,446 |

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

| | Half-year | |
|--|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Payments to suppliers and employees | (404,193) | (348,909) |
| Payment of finance costs | - | (5,495) |
| Net cash (outflow) from operating activities | (404,193) | (354,404) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of subsidiaries (net of cash disposed) | - | 598,914 |
| Proceeds from sale of financial assets | 254,250 | - |
| Expenditure on petroleum interests | (9,464) | (87,936) |
| Net cash inflow from investing activities | 244,786 | 510,978 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from the issue of shares, net of transaction costs | 295,000 | - |
| Proceeds from borrowings | - | 150,000 |
| Repayment of borrowings | - | (250,000) |
| Principal elements of lease payments | - | (1,144) |
| Net cash inflow/(outflow) from financing activities | 295,000 | (101,144) |
| Net increase in cash and cash equivalents | 135,593 | 55,430 |
| Cash and cash equivalents at the beginning of the half-year | 345,157 | 39,808 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR | 480,750 | 95,238 |

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 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 2023 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 2023. 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.

The Group made a loss for the half-year of \$334,147 (2022: profit of \$807,411) and net cash outflows from operating activities of \$404,193 (2022: \$354,404) for the same period.

The directors have prepared an estimated cash flow forecast for the period to March 2025 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 uncertainty as to whether the Group will continue to operate in the manner it has planned over the next 15 months.

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 \$480,750 as at 31 December 2023 (30 June 2023: \$345,157);
- 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 commitments;

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

- The Group has the ability to raise funds from equity sources, as supported by the \$295,000 raised in December 2023; and
- The Directors anticipate the support of the Company's major shareholder to continue with the advancement of the Group's assets.

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.

NOTE 2: OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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

NOTE 3: REVENUE AND OTHER INCOME

The Group has the following revenue and other income items for the period:

| | 31 December | 31 December |
|--------------------------------------|--------------------|-------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Interest from financial institutions | 4,900 | - |

NOTE 4: INCOME TAX

Management estimates the effective annual income tax rate for the full financial year to be nil due to the ability to recoup previously unrecognised tax losses to reduce current tax expense.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31 December 2023 | 30 June 2023 |
|-------------------------------------|-----------------------------|-----------------|
| | \$ | \$ |
| Australian listed equity securities | 1,044 | 238,143 |

The market value of all equity investments represents the fair value based on quoted prices on active markets (primarily ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments. During the half-year the Group sold the majority of its holding of equity investments, with the remaining balance sold subsequent to the period end.

NOTE 6: CAPITALISED EXPLORATION COSTS

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

| | 31 December 2023 | 30 June 2023 |
|---|-----------------------------|-----------------|
| | \$ | \$ |
| Opening balance | 1,541,968 | 1,431,433 |
| Additions to exploration and evaluation costs | 31,645 | 110,535 |
| Closing balance | 1,573,613 | 1,541,968 |

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, for which the Group was granted Project Status by the Queensland Government in July 2021. 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 Cooper Eromanga Basin Project is considered one area of interest for accounting classification purposes.

As a prerequisite to renewals for the Group's Cooper Eromanga Basin portfolio for a further 2-year tenure to early 2025, the Group had to relinquish ATP 783 in full and 110 subblocks (~30%) of ATP 920. However, the Group will retain 265 subblocks of ATP 920 and all of its current ATP 924 subblocks which are the high value tenement areas. The Group is awaiting official renewals of ATP 920 and ATP 924 for a further 2-year tenure to early 2025. The renewals are expected to be forthcoming in the 2024 financial year, with rights to tenure, access and explore remaining current during the renewal period.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

NOTE 7: SHARE CAPITAL

| | 31 December 2023 Number | 31 December 2023 \$ | 31 December 2022 Number | 31 December 2022 \$ |
|------------------------------------|--|------------------------------------|--|------------------------------------|
| Ordinary shares – fully paid | 2,262,928,126 | 42,807,616 | 1,967,928,126 | 42,515,302 |
| Total issued capital | 2,262,928,126 | 42,807,616 | 1,967,928,126 | 42,515,302 |
| <i>Reconciliation of movements</i> | | | | |
| Opening balance | 1,967,928,126 | 42,515,302 | 1,967,928,126 | 42,515,302 |
| Shares issued at \$0.001 | 295,000,000 | 295,000 | - | - |
| Share issue transaction costs | - | (2,686) | - | - |
| Closing balance | 2,262,928,126 | 42,807,616 | 1,967,928,126 | 42,515,302 |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

NOTE 8: SALE OF SUBSIDIARIES

(a) Description

On 29 January 2021, the Company announced that it had entered into a Sale and Purchase Agreement (**SPA**) and Royalty Deed (**Royalty Deed**) with Triangle Energy (Global) Limited (ASX: **TEG**) (**Triangle**) to sell to Triangle Key Petroleum (Australia) Pty Ltd's (**KPA**) 50% participating interest in Production Licence L7(R1) (**L7**) and KPA and Key Midwest Pty Ltd's (**Midwest**) combined 86.94% interest in Exploration Permit EP 437 (**EP 437**). The Group was to receive consideration comprising cash proceeds of \$600,000 plus a 5% gross overriding royalty payable on production from L7 and EP 437 in accordance with the SPA and Royalty Deed. During the 2021 and 2022 financial years the Group received a total of \$500,000 of the cash receipts as non-refundable deposits.

The fair value of the disposal group was determined by reference to the estimated fair value of the consideration receivable. This resulted in the recognition of impairment during the 2021 financial year of \$2,162,815 for capitalised exploration costs and \$158,005 for plant and equipment. Following recognition of this impairment, receipt of the non-refundable deposits was treated as disposals of capitalised exploration costs with a resulting nil gain or loss on disposal.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

NOTE 8: SALE OF SUBSIDIARIES (continued)

The following assets and liabilities of the Group were presented as a disposal group classified as held for sale at 30 June 2022:

| | 30 June 2022 \$ |
|--|-----------------------|
| Assets classified as held for sale | |
| Plant and equipment | 1 |
| Capitalised exploration costs | 399,999 |
| Total assets of disposal group held for sale | 400,000 |
| Liabilities directly associated with assets classified as held for sale | |
| Provision for restoration | 300,000 |
| Total liabilities of disposal group held for sale | 300,000 |

On 21 September 2022, the Company announced that the SPA and Royalty Deed had been replaced by a Share Sale Agreement (**SSA**) with Triangle to sell to Triangle the Company's wholly owned subsidiaries KPA and Midwest.

The key terms of the SSA were:

- The Company sold to Triangle:
 - 100% of its wholly owned subsidiary KPA which holds a 50% participating interest in L7 and a 43.47% interest in EP 437; and
 - 100% of its wholly owned subsidiary Midwest which holds a 43.47% interest in EP 437; and
 - 5% petroleum production royalties for L7 and EP 437.
- Total consideration for the transaction is \$1,100,000 as follows:
 - \$100,000 cash due under the superseded SPA;
 - \$500,000 cash on completion of the SSA; and
 - \$500,000 of Triangle shares to be issued on or before 30 June 2023 (**Consideration Shares**).

The SSA formally completed on 30 September 2022 (**Completion**) with the Group receiving the total cash proceeds of \$600,000. From Completion, the Company has deconsolidated from the Group its former subsidiaries KPA and Midwest.

At the time of Completion, the number of Consideration Shares to be received by the Company was not known, hence the consideration recognised was the contractual amount per the SSA. Per the terms of the SSA, the number of Consideration Shares to be received was fixed on 31 December 2022, with the Company to receive 31,368,523 TEG shares on or before 30 June 2023. At 31 December 2022 the Consideration Shares were classified as a financial asset at fair value through profit or loss and were fair valued using the market price of the underlying TEG shares. This resulted in a gain on fair value for the 2022 half-year of \$109,108 being recorded in other income.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

NOTE 8: SALE OF SUBSIDIARIES (continued)

(b) Details of the gain on sale of subsidiaries

| | 30 September 2022 |
|--|------------------------------|
| | \$ |
| Consideration received or receivable: | |
| Cash | 600,000 |
| Consideration Shares | 500,000 |
| Total disposal consideration | 1,100,000 |
| Carrying amount of net assets disposed | (98,547) |
| Gain on sale before income tax | 1,001,453 |
| Income tax | - |
| Net gain on sale of subsidiaries | 1,001,453 |

The carrying amounts of assets and liabilities as at the date of sale (30 September 2022) were:

| | |
|---|---------|
| Cash | 1,086 |
| Assets classified as held for sale | 400,000 |
| Total assets | 401,086 |
| Payables | 2,539 |
| Liabilities directly associated with assets classified as held for sale | 300,000 |
| Total liabilities | 302,539 |
| Net assets | 98,547 |

NOTE 9: EXPLORATION AND LEASE COMMITMENTS

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

| | 31 December 2023 | 31 December 2022 |
|---|-----------------------------|---------------------|
| | \$ | \$ |
| Within one year | 355,500 | 3,124,500 |
| Later than one year but not later than five years | 4,104,500 | 6,585,000 |
| | 4,460,000 | 9,709,500 |

NOTE 10: CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Group at the reporting date.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2023, 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.

NOTE 12: FINANCIAL INSTRUMENTS

The Group's financial instruments consist of trade and other receivables, financial assets at fair value through profit or loss (refer to note 5 for details) 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.

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DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 16 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 2023 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.



Louis Chien
Managing Director
1 March 2024

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 2023, 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 significant 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 Consolidated Entity's financial position as at 31 December 2023 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 \$334,147 for the half-year ended 31 December 2023. 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.

Responsibility of the Directors for the Financial Report

The directors of the Company 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 2023 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


D M BELL CA
Director

Dated this 1st day of March 2024
Perth, Western Australia