



ABN 50 120 580 618

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 2:00 pm AEDST

DATE: 28 November 2024

PLACE: ASF Group Limited Office
Suite 2, 3B Macquarie Street,
Sydney, NSW 2000,
Australia

In accordance with section 110D of the *Corporations Act 2001* (Cth) (as inserted by the *Corporations Amendment (Meeting and Documents) Act 2022* (Cth)), the Company will not be sending hard copies of the Notice of Meeting to Shareholders, except those who have requested one. Instead, Shareholders can access a copy of the Notice at the following link:

<https://www.keypetroleum.com.au/asx-announcements/>

This Notice of Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor, stockbroker or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on +61 2 9251 9088.

The Annual Report is available online visit www.keypetroleum.com.au

CONTENTS

Business of Annual General Meeting (setting out the proposed resolutions)	4
Explanatory Statement (explaining the proposed resolutions)	7
Glossary	18

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of Shareholders to which this Notice of Meeting relates will be held at **2:00 pm AEDST** on Thursday, **28 November 2024** at:

**ASF Group Limited Office
Suite 2, 3B Macquarie Street,
Sydney, NSW 2000,
Australia**

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above. If you wish to attend the Meeting, please arrive 20 minutes prior to the start of the Meeting to facilitate the registration process.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

POWER OF ATTORNEY

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the power of attorney has already been provided to Computershare Investor Services Pty Ltd.

INTERMEDIARY ONLINE

Participating intermediaries can lodge their proxy appointments online through <http://www.intermediaryonline.com>.

CORPORATE REPRESENTATIVES

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should provide to Computershare Investor Services Pty Ltd adequate evidence of their appointment, unless this has previously been provided to Computershare Investor Services Pty Ltd. An appointment of corporate representative form may be obtained from Computershare Investor Services Pty Ltd by calling +61 3 9415 4000 or online at –

<https://www-au.computershare.com/investor/help/PrintableForms>.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with the Constitution and the *Corporations Regulations 2001* (Cth), the Company may specify a time, not more than 48 hours before the Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 2.00 pm (AEDST) on Tuesday, 26 November 2024.

BUSINESS OF THE MEETING

AGENDA

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2024.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTIONS 2(A) AND 2(B) – ELECTION OF DIRECTORS

To consider and, if thought fit, to pass each of the following resolutions as an **ordinary resolution**:

- 2(a) *“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Quan Fang, a Director who was appointed on 15 October 2024, retires, and being eligible, is elected as a Director.”*
- 2(b) *“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Professor Bingsong Yu, a Director who was appointed on 15 October 2024, retires, and being eligible, is elected as a Director.”*

3. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the

formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 295,000,000 Shares in the Company on 29 December 2023, for the purpose and on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of the following persons:

A person who participated in the issue or is a counterparty to the agreement being approved (namely Ms Wanyan LIU) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5. RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES TO ASF OIL & GAS HOLDINGS PTY LTD

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 200,000,000 Shares to ASF Oil & Gas Holdings Pty Ltd for the purpose and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of the following persons:

A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely ASF Oil & Gas Holdings Pty Ltd) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. RESOLUTION 6 – CONSOLIDATION OF CAPITAL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every one hundred (100) Shares in the capital of the Company be consolidated into one (1) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share."

DATED: 18 OCTOBER 2024

BY ORDER OF THE BOARD


IAN GREGORY
COMPANY SECRETARY

EXPLANATORY STATEMENT

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act and the Company's Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report (**Annual Financial Statements**).

The Company's annual report to Shareholders, which includes the annual financial report, is available on its website at www.keypetroleum.com.au.

There is no requirement for Shareholders to approve the Annual Financial Statements.

The Company's auditor, Hall Chadwick, will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- * the preparation and content of the auditor's report;
- * the conduct of the audit;
- * accounting policies adopted by the Company in relation to the preparation of the Annual Financial Statements; and
- * the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting date by email to investors@keypetroleum.com.au or to the registered office of Key Petroleum Limited at Suite 2, 3B Macquarie Street, Sydney NSW 2000.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTIONS 2(A) AND 2(B) – ELECTION OF DIRECTORS

Clause 14.4 of the Company's Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Quan Fang and Professor Bingsong Yu, having been appointed by the Directors on 15 October 2024 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, they seek election from Shareholders.

Resolution 2(A) Election of Mr Quan Fang

Mr Fang brings over 30 years of extensive experience in the resources and energy sector, along with a strong background in property development and sales across Australia. He has played a leadership role in the acquisition, development, and management of numerous high-profile projects. His track record in driving resource projects forward, combined with his expertise in identifying value-generating opportunities, positions him well to lead Key Petroleum through its next phase of growth. Mr Fang is also a director of ASX-listed ASF Group Limited.

The Directors (excluding Quan Fang) recommend that shareholders vote in favour of Resolution 2A. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 2(B) Election of Professor Bingsong Yu

Professor Yu is a former Dean of the School of Earth Science and Resources at China University of Geosciences (Beijing). He is a renowned expert in petroleum geology and sedimentology and his extensive research has made significant contributions to oil and gas exploration, particularly in key Australian basins such as the Canning, Perth, and Cooper Basins, as well as in major basins across China, South America, and Africa.

Professor Yu's work has earned him multiple prestigious awards, recognising his ground-breaking research in reservoir geology and sequence stratigraphy. He has authored over 200 academic papers and published influential monographs, shaping the industry's understanding of sedimentology and petrology. His deep expertise will be an invaluable asset as Key Petroleum continues to advance its projects and explore new opportunities.

Professor Yu holds a BS, MS, and PhD in Geology, with postdoctoral research in Geochemistry.

The Directors (excluding Bingsong Yu) recommend that shareholders vote in favour of Resolution 2B. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

3. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

3.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An ‘eligible entity’ means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. As at the date of this Notice of Meeting, the Company’s market capitalisation is \$2.263 million. Accordingly, the Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

3.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company’s next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in section 3.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the following purposes:

1. the acquisition of new assets or investments (including expenses associated with such an acquisition);
2. continued development expenditure on the Company's current assets; and
3. general working capital.

(d) Risk of economic and voting dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the market price of Shares and the number of Equity Securities on issue as at 14 October 2024.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Variable 'A' in Listing Rule 7.1A.2	Issue Price (per Share)	Dilution		
		\$0.0005 50% decrease in Issue Price	\$0.001 Issue Price	\$0.002 100% increase in Issue Price
Current Variable A* 2,262,928,126 Shares	10% Voting Dilution	226,292,813 Shares	226,292,813 Shares	226,292,813 Shares
	Funds raised	\$113,146	\$226,292	\$452,585
50% increase in current Variable A 3,394,392,189 Shares	10% Voting Dilution	339,439,219 Shares	339,439,219 Shares	339,439,219 Shares
	Funds raised	\$169,719	\$339,439	\$678,878
100% increase in current Variable A 4,525,856,252 Shares	10% Voting Dilution	452,585,625 Shares	452,585,625 Shares	452,585,625 Shares
	Funds raised	\$226,292	\$452,585	\$905,171

* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table uses the following assumptions:

1. There are currently 2,262,928,126 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 14 October 2024.
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.

6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 29 November 2023 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

3.3 Voting Exclusion

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, a voting exclusion statement is not included in this Notice.

The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

Resolution 4 seeks the approval of Shareholders to ratify the issue of the Placement Shares that were issued in accordance with ASX Listing Rule 7.1 on 29 December 2023. The issue of the Placement Shares did not breach Listing Rule 7.1 at the time of the issue.

4.1 Regulatory Requirements

ASX Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's members subsequently approve it.

Resolution 4 seeks Shareholder approval under ASX Listing Rule 7.4 to ratify the issue of the Placement Shares under ASX Listing Rule 7.1. The Company confirms that the issue of the Placement Shares did not breach ASX Listing Rule 7.1. None of the recipients of the Shares were a related party of the Company within the meaning of the Corporations Act and the ASX Listing Rules.

The effect of the approval under ASX Listing Rule 7.4 of the issue of the Placement Shares will be that these Shares will not be counted as reducing the number of securities which the Company can issue in the future without shareholder approval under the 15% placement limit imposed by ASX Listing Rule 7.1.

The Company wishes to maintain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval under ASX Listing Rule 7.1.

Accordingly, under Resolution 4, the Company seeks Shareholder approval for, and ratification of the issue of the Placement Shares under ASX Listing Rule 7.1 and for the purposes of ASX Listing Rule 7.4.

If Resolution 4 is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

If Resolution 4 is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12-month period following the date of the Placement.

The Shares issued, for which approval and ratification is sought under Resolution 4 comprise 13.04% of the Company's fully diluted issued capital (based on the number of Shares on issue as at the date of this Notice of Meeting).

Technical information required for Resolution 4

ASX Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.4 and the following information is included in this Explanatory Statement for this purpose in relation to Resolution 4:

(a) **The names of the persons to whom the entity issued the Shares**

The Placement Shares were issued to Ms Wanyan LIU.

Ms Wanyan LIU is not a related party of the Company or Material Investor.

(b) **Number of securities and class of securities issued**

Under Resolution 4 the Company issued 295,000,000 Shares.

(c) **Terms of the securities**

The Placement Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

The Company has applied to ASX for official quotation of all the Placement Shares.

(d) **Date of issue**

The Placement Shares were issued on 29 December 2023.

(e) **Issue price or other consideration**

The issue price for the Placement Shares was \$0.001 per Share.

(f) **Purpose of the issue, including the intended use of the funds raised**

The funds raised under the Placement will be expended to progress further development of Key's Cooper Eromanga Basin permits, assessment of new venture opportunities and additional working capital.

(g) **Relevant agreement**

The Placement Shares were not issued pursuant to any agreement.

Board recommendation

The Board recommends Shareholders vote in favour of Resolution 4.

The Chair intends to vote undirected proxies in favour of this Resolution.

5. RESOLUTION 5 – APPROVAL OF SHARE ISSUANCE TO ASF OIL & GAS HOLDINGS PTY LTD

The purpose of Resolution 5 is for Shareholders to approve the issue of up to 200,000,000 Shares to ASF Oil & Gas Holdings Pty Ltd (**ASFO&G**). ASFO&G is a current substantial shareholder of the Company and is wholly owned by ASF Group Ltd, of which Key Petroleum Ltd directors Mr Quan Fang and Mr Louis Chien are also directors.

5.1 Regulatory Requirements

Listing Rule 10.11 provides that, unless a specified exception applies, a company must not issue or agree to issue securities to a related party without the approval of ordinary shareholders. A “related party”, for the purposes of the ASX Listing Rules, has the meaning given to it in the Corporations Act, and includes a substantial shareholder of a company.

As such, Shareholder approval is sought under ASX Listing Rule 10.11 as Resolution 5 proposes the issue of up to 200,000,000 Shares to ASF Oil & Gas Holdings Pty Ltd, which is a current substantial shareholder of the Company that is wholly owned by ASF Group Ltd, of which Key Petroleum Ltd directors Mr Quan Fang and Mr Louis Chien are also directors, and is therefore, a related party of the Company by virtue of this relationship.

At the date of this Notice of Meeting, ASF Oil & Gas Holdings Pty Ltd holds 9.96% of the issued capital of the Company. If this resolution is passed and 200,000,000 Shares are issued to ASF Oil & Gas Holdings Pty Ltd, it will then hold 17.27% of the new total issued capital of the Company.

As Shareholder approval is being sought under Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

The Shares proposed to be issued, for which approval is sought under Resolution 5 comprise 8.84% of the Company's fully diluted issued capital (based on the number of Shares on issue as at the date of this Notice of Meeting).

If Resolution 5 is passed, the Company will receive \$200,000.00 from ASF Oil & Gas Holdings Pty Ltd which are intended to be used as outlined in paragraph 5.2(g) below. The Company will then issue the Shares as soon as possible and in any event within a month of the Meeting. It is intended to issue the Shares prior to the record date for the proposed consolidation of Shares, the subject of Resolution 6. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not receive the \$200,000.00 from ASF Oil & Gas Holdings Pty Ltd and the Company will not have use of these funds. The Company will not issue the Shares.

5.2 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 5:

(a) Name of person to receive securities

The Shares to be issued under Resolution 5 are 200,000,000 Shares to ASF Oil & Gas Holdings Pty Ltd.

(b) Nature of relationship between person to receive securities and the Company

ASF Oil & Gas Holdings Pty Ltd is a current substantial shareholder of the Company that is wholly owned by ASF Group Ltd, of which Key Petroleum Ltd directors Mr Quan Fang and Mr Louis Chien are also directors.

(c) Maximum number and class of securities to be issued

The maximum number of Shares to be issued is 200,000,000 Shares to ASF Oil & Gas Holdings Pty Ltd.

(d) Material terms of the securities

The Shares are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with existing Shares.

(e) Date of issue

The Company will issue the Shares under Resolution 5 as soon as possible after the date of the Meeting and in any event within a month of the Meeting. The Shares will be issued prior to the consolidation of shares proposed in Resolution 6 and included in the proposed consolidation if Resolution 6 is passed.

(f) Issue price or other consideration

The issue price for the is \$0.001 per Share.

(g) Purpose of the issue, including the intended use of the funds raised

The funds raised from the issue of these shares will be expended to progress further development of Key's Cooper Eromanga Basin permits, assessment of new venture opportunities and additional working capital.

(h) Relevant agreement

The Shares will not be issued pursuant to any agreement.

(i) Voting exclusion statement

A voting exclusion statement for Resolution 5 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

5.3 Regulatory Requirements - Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company. As such, the Directors of Company, and the entities they control, are related parties of the Company for the purposes of Section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, Section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Shares under Resolution 5 constitutes the provision of a financial benefit to a related party.

One of the nominated exceptions to the requirement to obtain shareholder approval under Chapter 2E of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the related party were dealing at arm's length (or on terms not less favourable than arm's length).

Approval is not being sought under Chapter 2E of the Corporations Act in relation to Resolution 5 as it is the view of the Directors that the issue of the Shares by the Company to ASF Oil & Gas Holdings Pty Ltd is being made on an arm's length basis as the Shares are on the same terms as the Shares issued under the last Placement made by the Company and announced to the ASX on 28 December 2023. The Company's share price at the date of this Notice of Meeting is the same as the last Placement.

5.4 Board Recommendation

The Directors, with the exception of Mr Quan Fang and Mr Louis Chien, recommend that Shareholders vote in favour of Resolution 5.

The Chair will not vote undirected proxies on this Resolution.

6. RESOLUTION 6 – CONSOLIDATION OF CAPITAL

6.1 Background

This Resolution seeks Shareholder approval to consolidate the number of Shares on issue on a 100 for 1 basis (**Consolidation**). The Consolidation is proposed by the Company in order to reduce the number of Shares on issue and is expected to result in a more appropriate and effective capital structure for the Company and a share price which is anticipated to be more appealing to a wider range of investors.

With the exception of this section 6 of the Explanatory Statement, all other references in this Notice (including the Explanatory Statement) to Shares are on a pre-Consolidation basis.

As at the date of this Notice, the Company has 2,262,928,126 Shares on issue. Accordingly, if this Resolution is passed, the number of Shares on issue will be reduced from 2,262,928,126 (pre-consolidation) to approximately 22,629,282 (subject to rounding) (post-consolidation).

6.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

6.3 Implementation of Consolidation

If this Resolution is passed, every one hundred (100) existing Shares will be consolidated into one Share.

As the Consolidation applies equally to all Shareholders, individual holdings will be reduced in the same ratio as the total number of the Company's Shares (subject only to rounding). It follows that the Consolidation will have no material effect on the percentage interest of each individual Shareholder in the Company.

Similarly, the aggregate value of each Shareholder's holding (and the Company's market capitalisation) should not materially change – other than minor changes as a result of rounding – as a result of the Consolidation alone (and assuming no other market movements occur). The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

If this Resolution is not passed, the existing Shares will not be consolidated.

6.4 Fractional entitlements

Not all Security Holders will hold that number of Shares which can be evenly divided by 100. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

6.5 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

6.6 Holding statements

As from the effective date of the Consolidation (in accordance with the timetable below), all holding statements for Shares will cease to have any effect except as evidence of entitlement to a certain number of post Consolidation Shares.

After the Consolidation becomes effective, the Company will issue a notice to Shareholders advising them of the number of Shares held by each Shareholder both before and after the Consolidation. The Company will arrange for new holding statements to be issued to Shareholders, who are encouraged to check their holdings prior to disposal or exercise (as the case may be).

6.7 Effect on capital structure

The effect which the Consolidation will have on the Company's Shares is set out below.

Shares – Pre and Post Consolidation

Shares	Number
Ordinary Shares currently on issue (pre-consolidation) – based on the number of shares on issue at the date of this Notice of Meeting	2,262,928,126
Consolidation on 100:1	(2,240,298,844)
Total Ordinary Shares on issue post-consolidation	22,629,282

6.8 Timing of Consolidation

The Consolidation will take effect in accordance with the following proposed reorganisation timetable:

Date	Event
No later than 28 October 2024	Company announces the consolidation by lodgement of Appendix 3A.3 and sends out notices for AGM.
Thursday, 28 November 2024	Shareholder approval.
Thursday, 28 November 2024	Company announces the effective date.
Thursday, 28 November 2024	Effective Date.
Friday, 29 November 2024	Last day for trading in pre-organised securities.
Monday, 2 December 2024	Trading commences in the reorganised securities on a deferred settlement basis.
Tuesday, 3 December 2024	Record Date - last day for Company to register transfers on a pre-Consolidation basis.
Wednesday, 4 December 2024	First day for the Company to update its register and to send a notice to each security holder

	reflecting the change to the number of securities they hold.
Tuesday, 10 December 2024	Last day for the Company to update its register and to send a notice to each security holder reflecting the change to the number of securities they hold. Deferred settlement market ends.

6.9 Board Recommendation

The Directors do not have an interest in the outcome of this Resolution and recommend that Shareholders vote in favour of this Resolution. The Chair intends to vote undirected proxies in favour of the Resolution.

GLOSSARY

\$ or A\$	means Australian dollars unless otherwise specified.
AEDST	means Australian Eastern Daylight Saving Time (Sydney, New South Wales)
ASX	means Australian Securities Exchange or ASX Limited (ACN 008 624 691), as the context requires.
ASX Listing Rules or Listing Rules	means the official listing rules of the ASX.
Board	means all or some of the Directors acting as the board of Directors of the Company.
Chairman	means chairman of the Annual General Meeting.
Closely Related Party	means:
of a member of the Key Management Personnel	<ul style="list-style-type: none"> (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company	means Key Petroleum Limited (ABN 50 120 580 618).
Constitution	means the constitution of the Company.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a current director of the Company.
Equity Securities	has the meaning given to that term in the Listing Rules.
Explanatory Statement	means the explanatory statement that accompanies and forms part of this Notice.
Key Management Personnel	has the same meaning as in the accounting standards (as defined in the Corporations Act) and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Meeting or Annual General Meeting	means the annual general meeting convened by this Notice.

Notice or Notice of Meeting	means this notice of annual general meeting which incorporates the Explanatory Statement and the Proxy Form.
Official List	means the Official List of the ASX.
Option	means an option to acquire a Share.
Proxy Form	means the proxy form that is enclosed with and forms part of this Notice.
Remuneration Report	means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2024.
Resolution	means a resolution set out in this Notice.
Share	means a fully paid ordinary share in the issued capital of the Company.
Share Registry	means Computershare Investor Services Pty Ltd.
Shareholder	means a registered holder of a Share in the Company.
VWAP	means volume weighted average price.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **2:00pm (AEDT)** Tuesday, 26 November 2024.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 184458

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Key Petroleum Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Key Petroleum Limited to be held at ASF Group Limited Office, Suite 2, 3B Macquarie Street, Sydney, NSW 2000 Australia on Thursday, 28 November 2024 at 2:00pm AEDT and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2a	Election of Director - Mr Quan Fang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2b	Election of Director - Professor Bingsong Yu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of placement Shares - Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Shares to ASF Oil & Gas Holdings Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Consolidation of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with exception on Resolution 5 where the Chairman will not vote undirected proxies. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details *(Optional)*

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

KEY

3 1 3 4 4 1 A



Computershare

