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14 May 2017

The Manager
The Australian Securities Exchange
The Announcements Officer
Level 4/20 Bridge Street
SYDNEY NSW 2000

PESA DEAL DAY 2017

Key Petroleum Ltd ("Key") (ASX:KEY) hereby attaches copy of presentation to be included with delegate papers for PESA Deal Day to be held on 14 May 2017.

Included in the presentation Key is pleased to provide the results of recent prospective resources assessments for Exploration Permit EP104, Retention Lease R1 and Production Licence L15 located in the Canning Basin, Western Australia.

Yours faithfully

IAN GREGORY
Company Secretary
KEY PETROLEUM LIMITED

KEY PETROLEUM LIMITED

Canning Basin Opportunity

May 2017

Competent Person's Statement

Except where otherwise noted, information in this release related to exploration and production results and petroleum resources is based on information completed by Mr JL Kane Marshall who is an employee of Key Petroleum Limited. Mr Marshall is a Practising Petroleum Engineer and Petroleum Geologist and holds a BSc (Geology), a BCom (Inv & Corp Fin) and a Masters in Petroleum Engineering. He is a member of the Society of Petroleum Engineers (SPE), American Associate of Petroleum Geologists (AAPG), Petroleum Exploration Society of Great Britain (PESGB), Formation Evaluation Society of Australia (FESAus) and Society of Petrophysicists and Well Log Analysts (SPWLA) and has over 15 years of relevant experience. Mr Marshall consents to the inclusion of the information in this document.

Disclaimer

The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Key Petroleum Ltd and consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

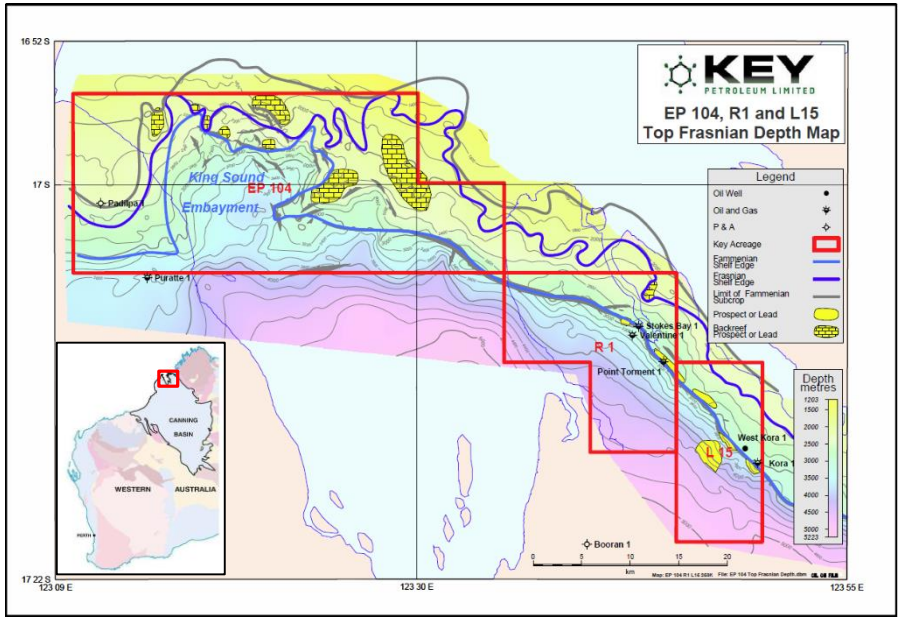
Prospective resource, contingent resource and reserve estimates have been made under the Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS). Mr Marshall has compiled the information in this release as a Practising Petroleum Engineer and Geoscientist who consents to the release of the information. The Company is compliant with reporting of estimates as defined in Chapter 5 of the ASX Listing Rules.

The information contained in this report has been prepared in good faith by Key Petroleum Ltd. However, no representation or warranty, expressed or implied, is made as to the accuracy, correctness, completeness or adequacy of any statement, estimates, opinions or other information contained in this document.

Certain information in this document refers to the intentions of Key Petroleum Ltd, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties, and other factors that may cause Key Petroleum Limited's actual results, performance or achievements to differ from those referred to in this document. Accordingly, Key Petroleum Ltd, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of events referred to in this presentation will occur as contemplated.

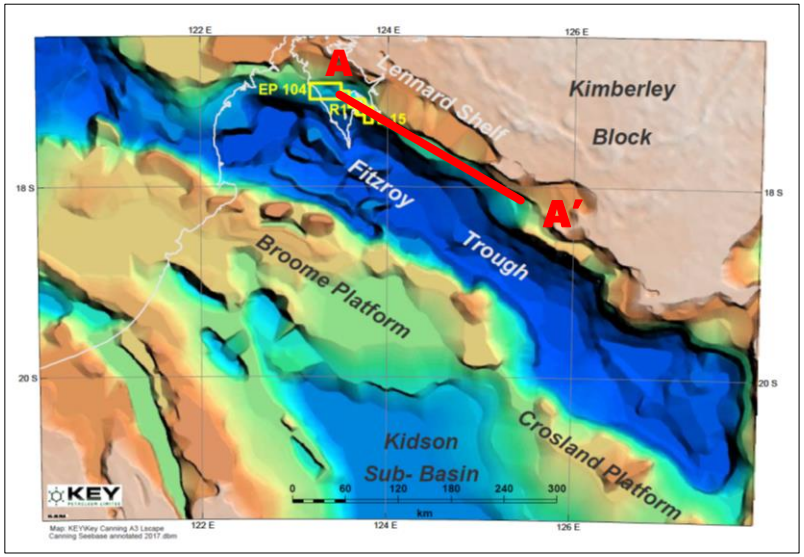
Opportunity Summary

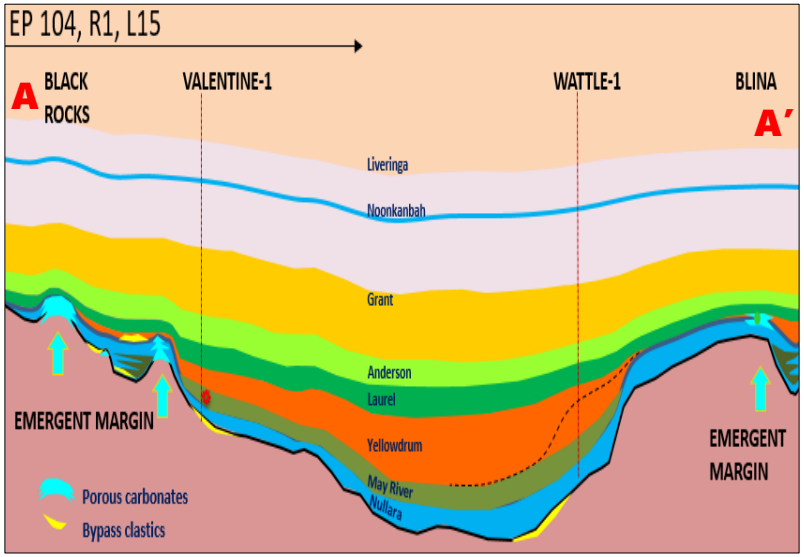
- Long history of periodic exploration with only a few valid tests confirming hydrocarbon generation in all of Key Petroleum Limited's ("Key") areas, covering in excess of 1,100 square kilometres.
- Key reservoir de-risking hampered by poor data coverage and compromised exploration models.
- Entire King Sound Embayment/Sub-basin (>400 square kilometres) remains untested.
- EP104 ideally situated for best reservoir carbonate porosity potential. Fairway high graded with up to 100 MMbbls. cumulative base case prospective resource for currently mapped prospects.
- Clastic (stratigraphic) fairways highlighted by identification of long lived bypass zones or feeders.
- Along trend discoveries at West Kora-1, Point Torment-1 and potential missed pay at Stokes Bay-1.
- Significant wet hydrocarbons intersected within May River shale during Valentine-1.
- Low cost entry with minimal work program over next 12 months totalling $0.25 AUD million in total.



Untested Potential – Proven Play Types

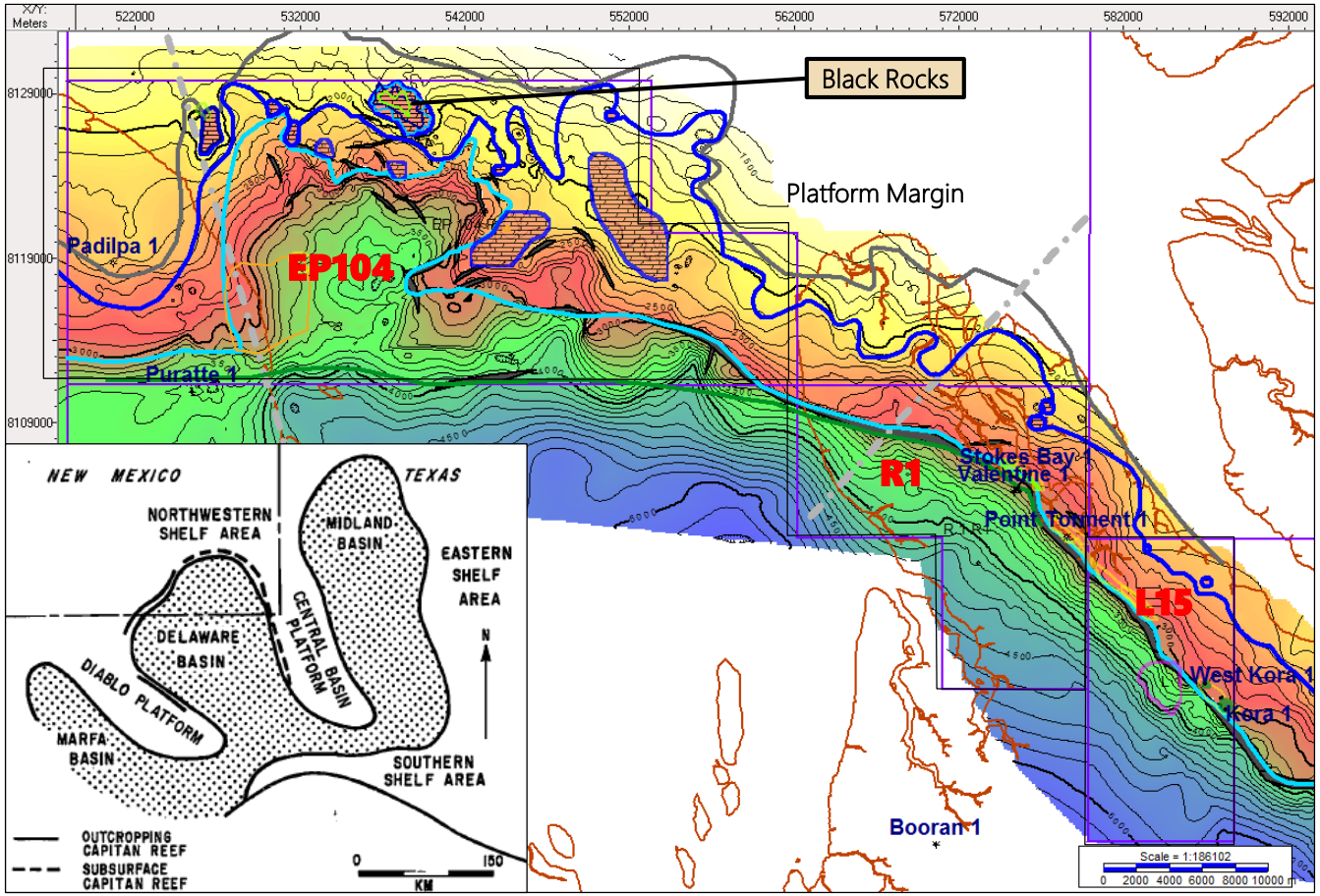
- Multiple play concepts:
  - Permian-Carboniferous and Devonian plays already discovered along trend to Blina including in R1 and L15. Large untested Devonian Carbonate plays in acreage.
  - Frontier Upper Devonian source rock area located in the King Sound Embayment (EP104).
  - Emergent margin plays - Black Rocks Prospect is largest undrilled carbonate prospect in the Canning Basin. Ungani re-established Upper Devonian carbonates as the main play in the Canning Basin.
  - King Sound area analogous to some of the great Palaeozoic oil provinces in North America.
  - Further upside in Nullara and May River plays proven by most recent drilling at Stokes Bay-1 and Velentine-1.





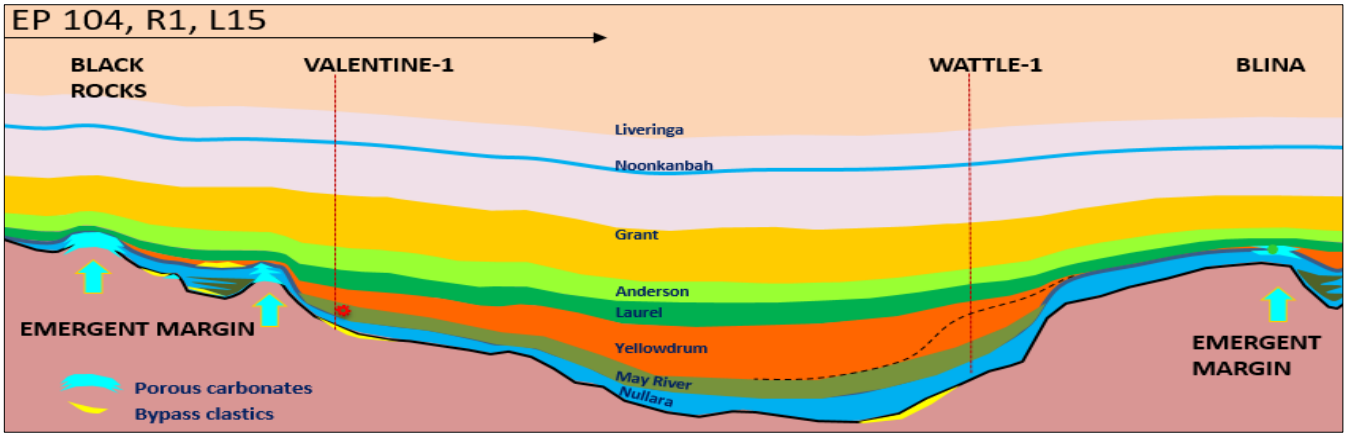
NW Lennard Shelf Platform Margin

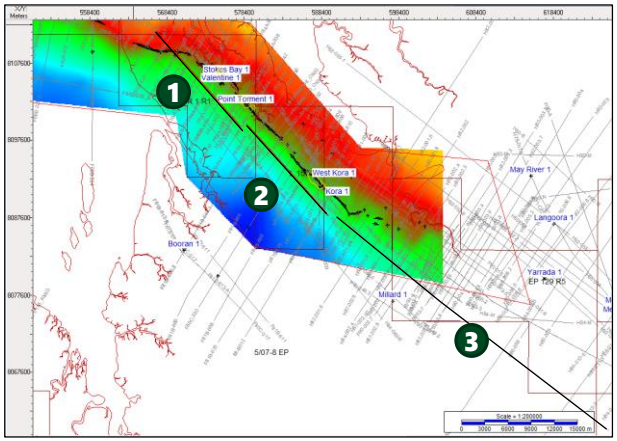
- All wells drilled on Lennard Shelf trend have encountered hydrocarbon shows, with a number of discoveries - all drilled on 2D seismic data. (Point Torment-1, West Kora-1, Kora-1, Wattle-1, Blina Oilfield, West Terrace Oilfield and Boundary Oilfield).
- King Sound area 'Back Reef' carbonate plays, have suggested analogues to some of the great Palaeozoic oil provinces such as the Western Canada Sedimentary Basin and the Permian Delaware and Midland Basins.

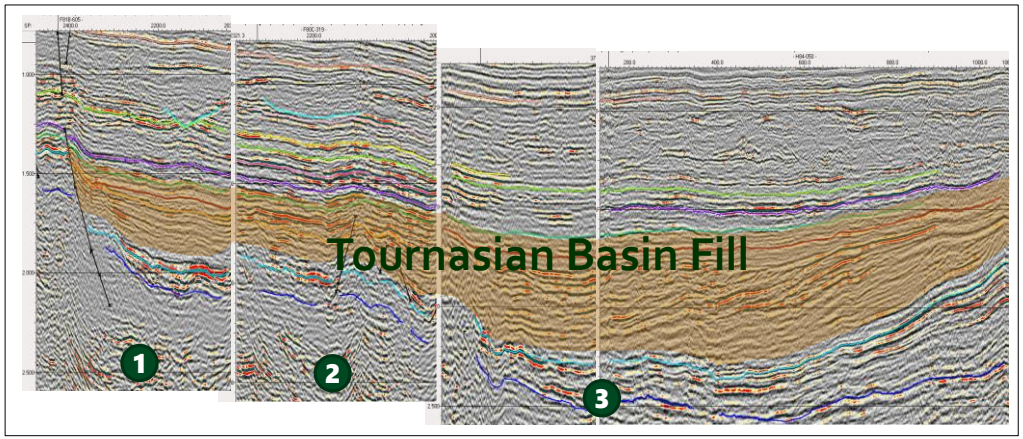


NW Lennard Shelf – Basin Regional Strike Line

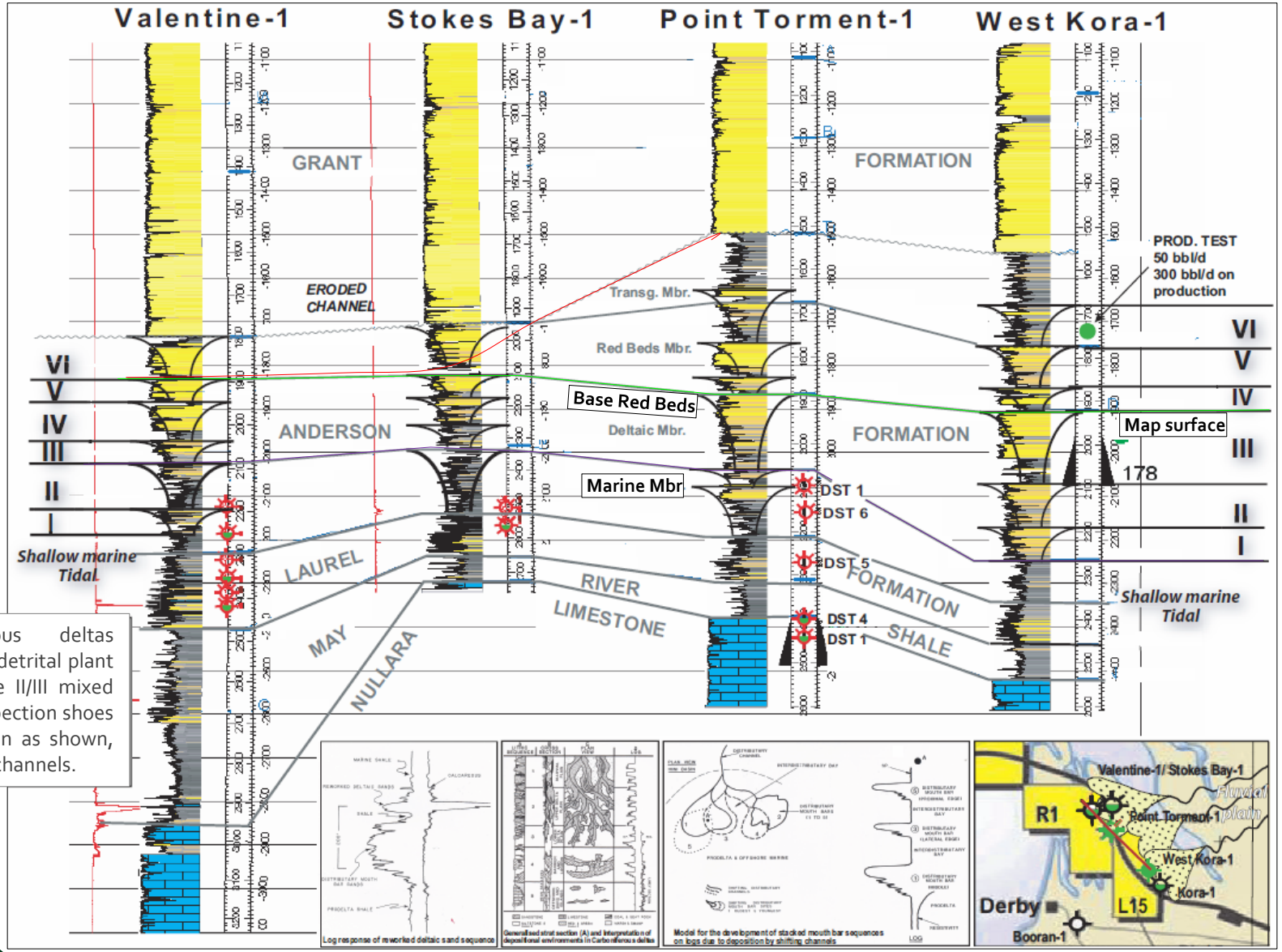
- High degree of variability recognised along Lennard Shelf – End Devonian/Tournasian drowning results in organic rich basinal shales (May River Formation) overlain by prograding carbonates (Yellowdrum Formation).
- Platform carbonates are deposited on the shelf margin with mostly continuous submersion and deposition up to southern Point Torment area. To the northwest, the King Sound Embayment endures sub-aerial exposure as recognised in the Blina area (opposite margin), increasing the likelihood of reefal deposits and secondary porosity.







Point Torment Well X-Section

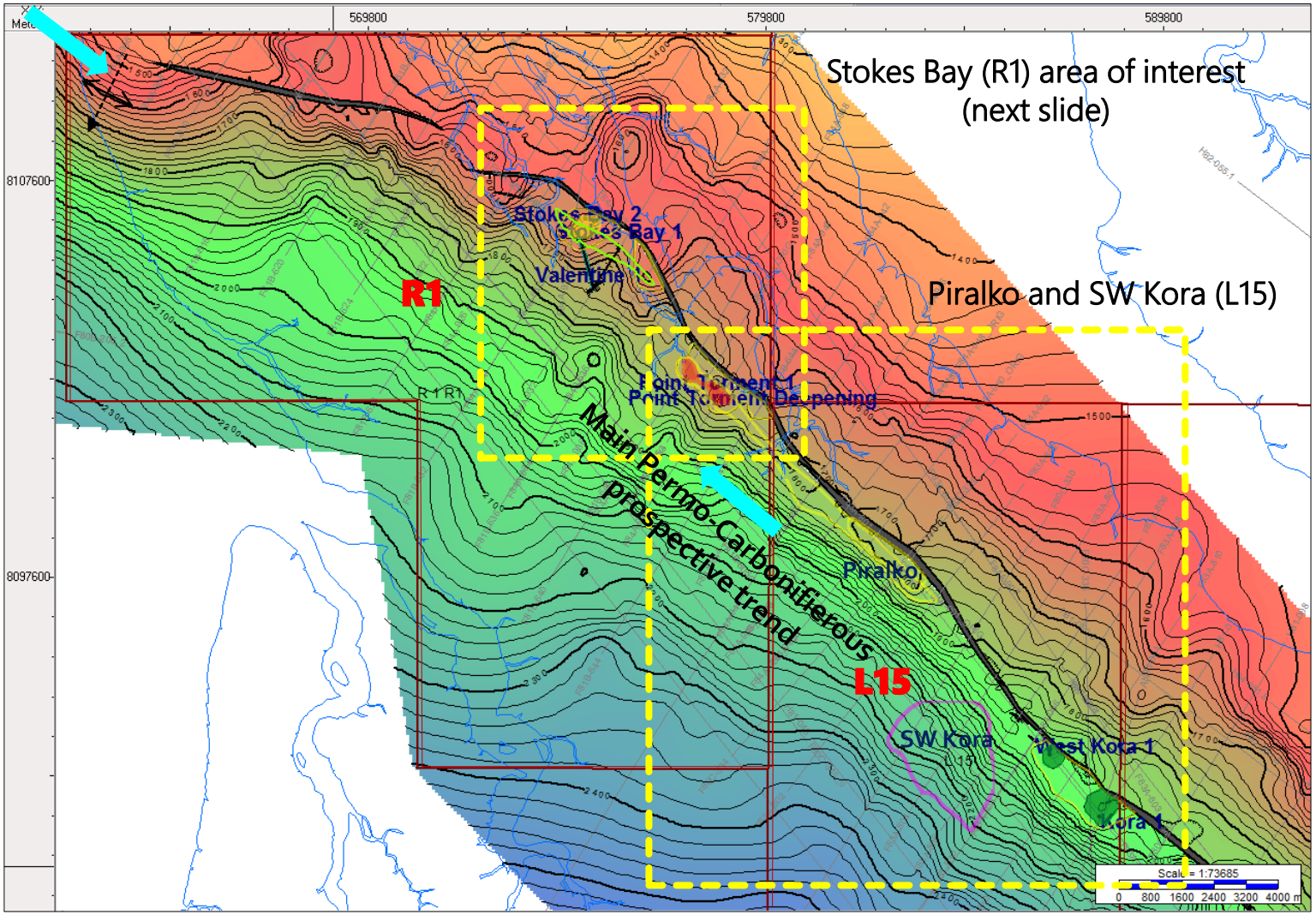


Carboniferous deltas with much detrital plant debris Type II/III mixed source. Inspection shoes progradation as shown, with some channels.

Anderson Formation contains 5- 6 significant deltaic cycles (upwards coarsening). Flat coastal plain with deltaic lobe switching prograding from the east.

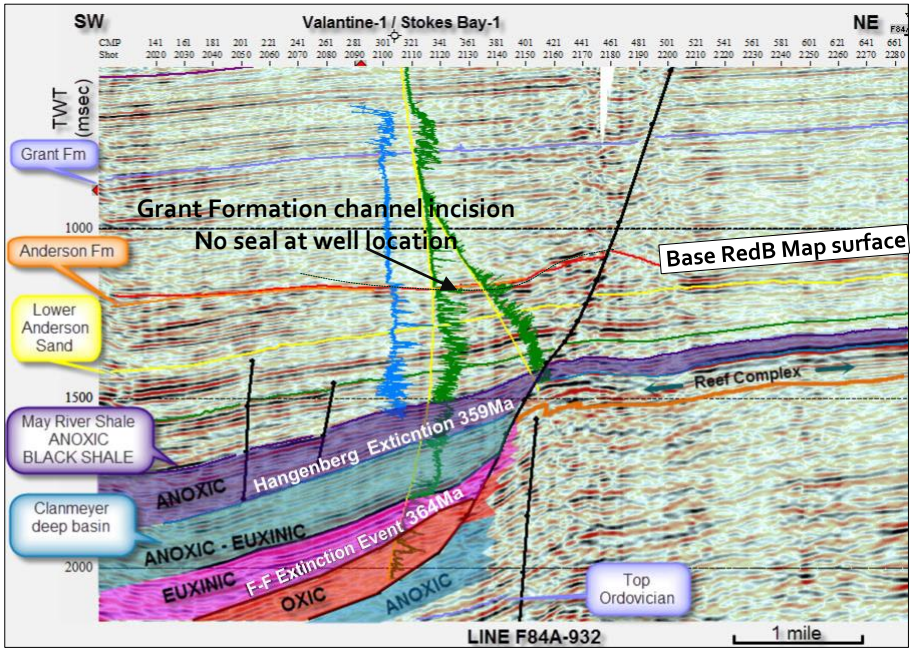
Anderson Formation (Base Red Beds) Depth Map

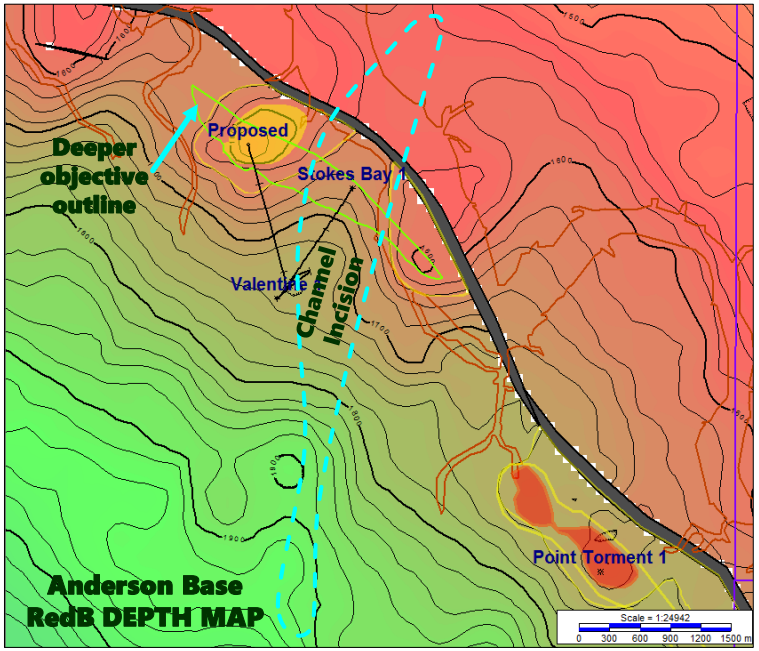
Structural Nose - requires seismic



R1 – Untested Potential

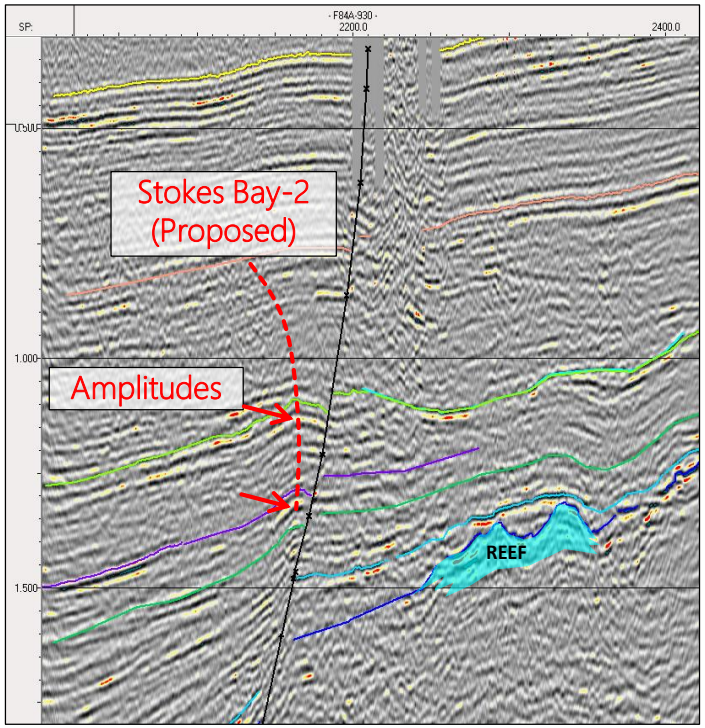
- No flow testing on previously drilled Valentine-1, which was plugged back then sidetracked to drill Stokes Bay-1 where no seal is mapped at the objective Anderson Sands.
- Elevated hydrocarbon shows drilling Laurel Formation (below left) on Stokes Bay-1 as well shows through May River Shale during drilling of Valentine-1.
- Potential to pull completion and perforate Laurel Formation inside 7 inch casing with suitable completion and flow test on Stokes Bay-1.
- Sidetrack or new well from Stokes Bay-1 pad - updip (Stokes Bay-2) to properly test main (Anderson) objective for up to 1 MMbbls base case prospective resource with additional deeper upside potential (Laurel).



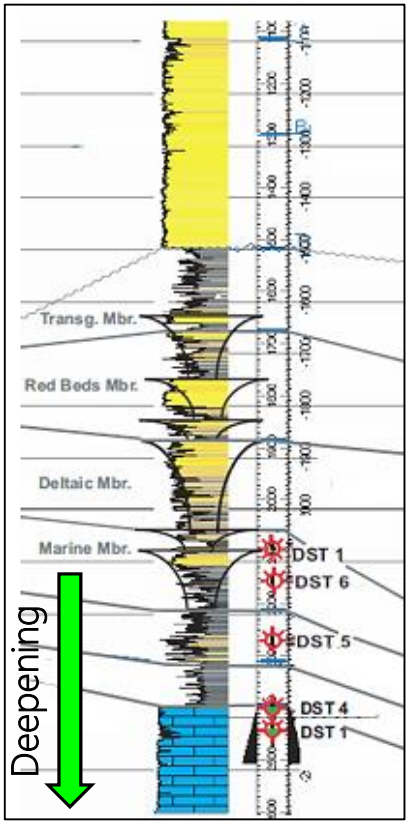


R1 – Exploration & Appraisal Upside

- Point Torment-1 discovery (below right) early 1990's currently completed across three intervals with upper two intervals swabbing oil on last period of production testing after deepening.
- Productivity on extended well testing may have been impaired during previous completion operations ('skin').
- Infrastructure already built to access both Stokes Bay-1 and Point Torment-1 resulting in substantial cost savings to future workover and exploration campaigns.
- Maintenance of infrastructure to occur in the second and third quarter of 2017.
- Carbonate pinnacle reef geometries in Stokes Bay area (below) not tested by any drilling in acreage and are analogous to much larger reef plays offshore EP104 representing significant blue sky exploration upside both in the Retention Licence and along trend.

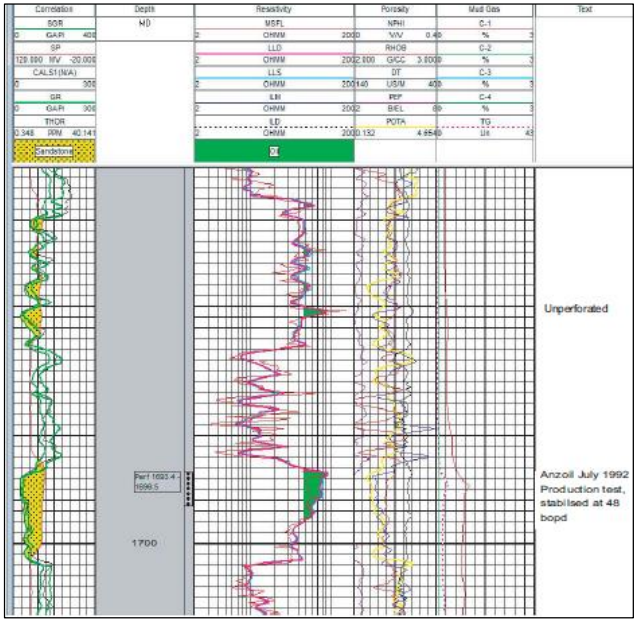


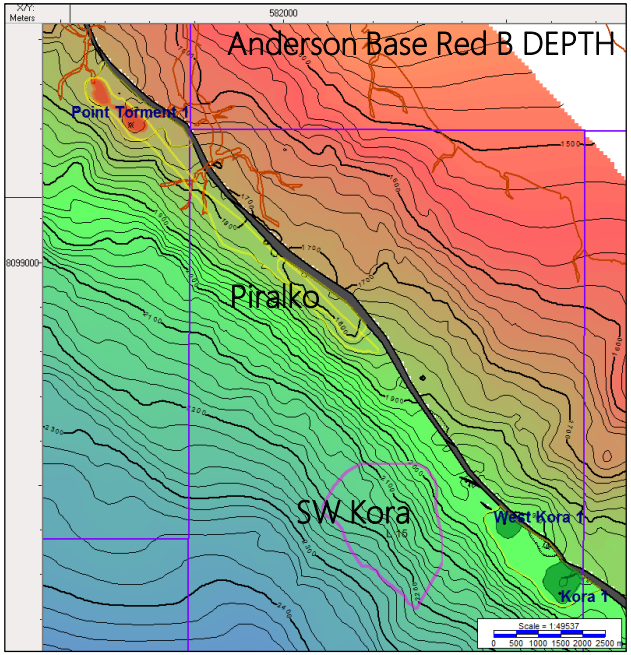
Point Torment-1



L15 – West Kora Oilfield Discovery

- Kora-1 modelled to be discrete oil pool to that of West Kora-1 with potential updip attic oil not produced.
- Base case West Kora oil reserves estimated to be 0.38 MMbbls with additional contingent resource of 0.12 MMbbls.
- Production Licence award pre-dates Native Title claims allowing for fast track of newly discovered oil or gas.
- West Kora-1 on production through mid 1990's from Upper Anderson Sands with beam pump and jacking platform by previous Operator Anzoil.

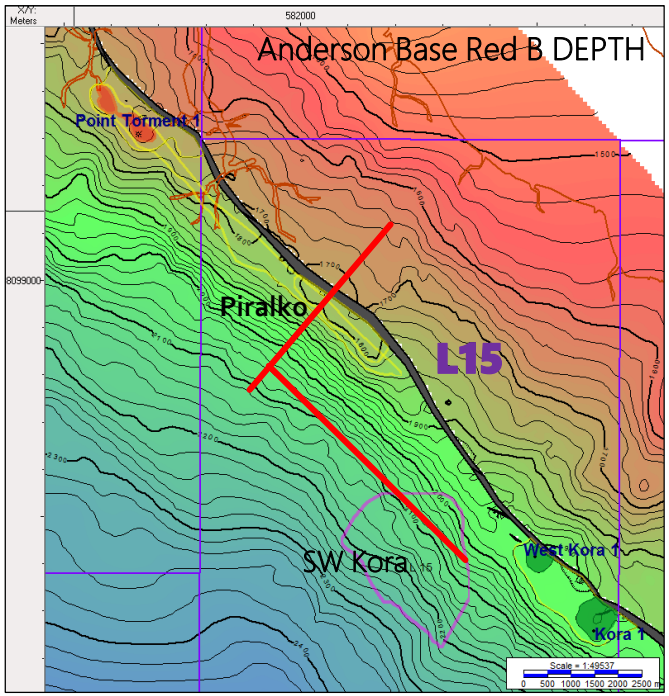


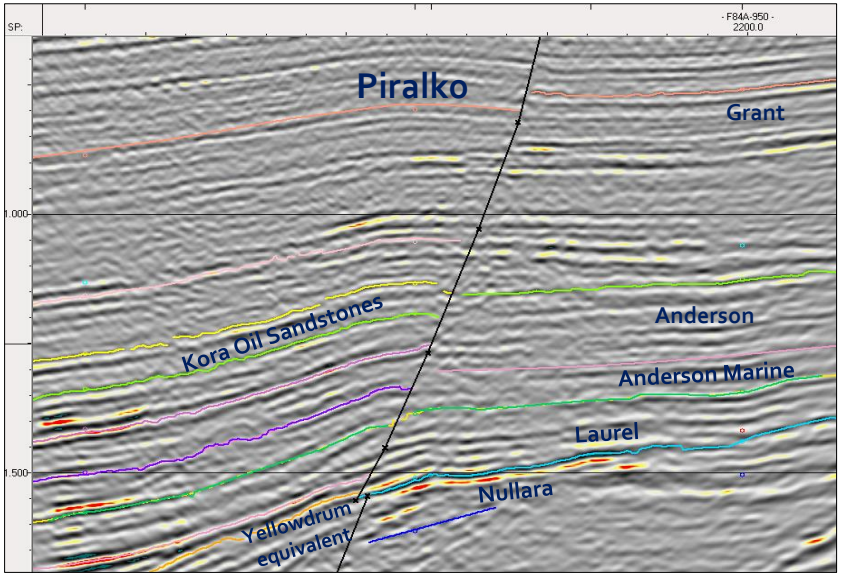


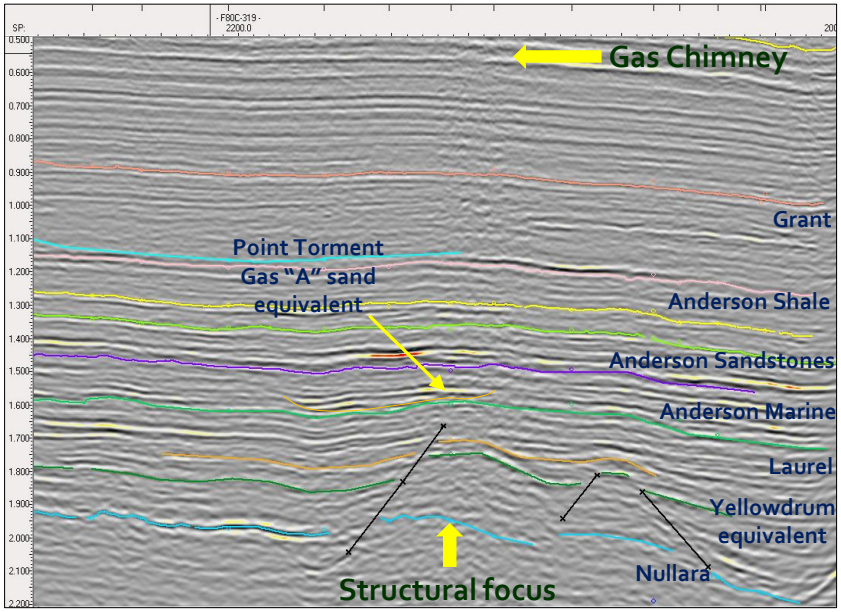
- Workover failed to isolate water bearing sands below main producing sand at 1,695 mKB with subsequent analysis confirming Formation water production through a failed tubing bridge plug.
- Additional oil pay (contingent resource) identified above main 1,695 mKB producing oil sand.
- Good quality sweet crude with natural water drive resulting in good recovery factors of OIP.

L15 – Exploration Upside

- Piralko prospect (right) - a low relief Anderson rollover along the Pinnacle Fault with potential for a total of 2.1 MMbbls base case prospective resource.
- Additional stratigraphic upside identified at SW Kora (bottom right) with marine channel sand equivalent to Point Torment-1 lower Anderson gas discovery. Gas chimney from spill point with potential for a total of 3.3 MMbbls base case prospective resource.







EP104 – Untested Frontier Acreage

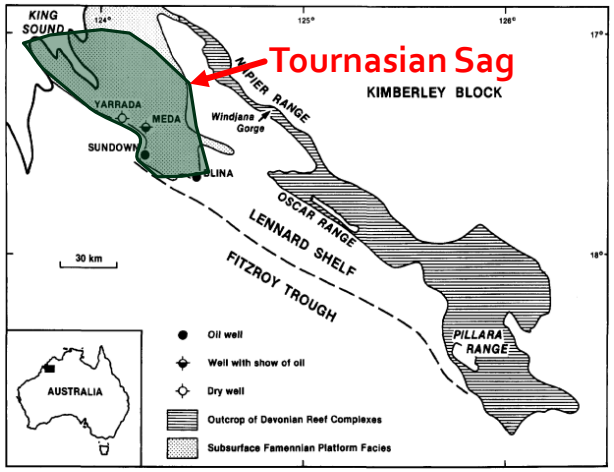
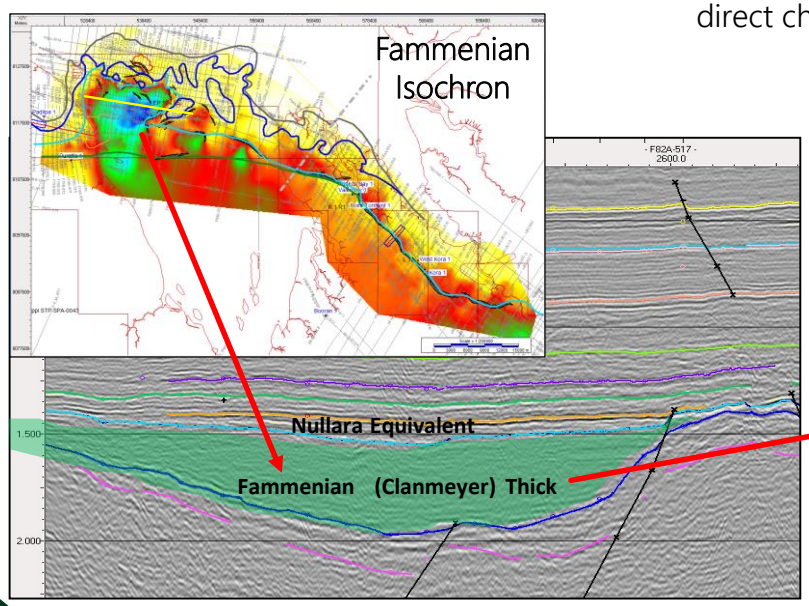
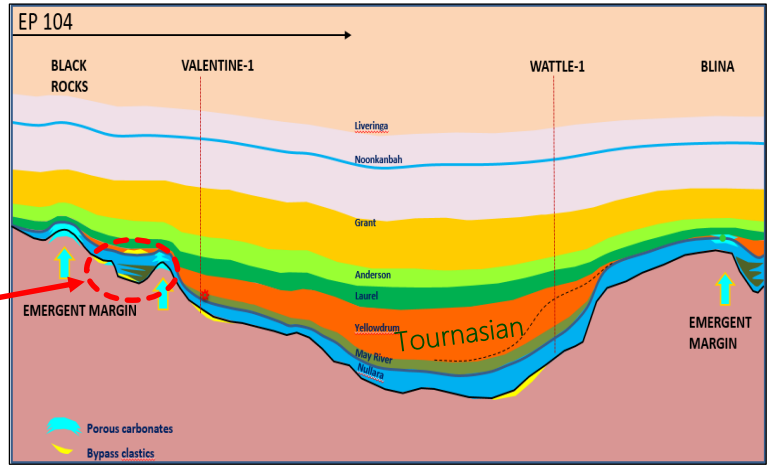


Figure 1—Locality map of Devonian reef complexes. Reef complexes located on the Lennard shelf, northern margin of the Canning basin. Also shown are significant petroleum exploration wells on Lennard Shelf, subsurface Famennian platform facies and outcropping Devonian reef complexes. Fitzroy trough is part of Canning basin.

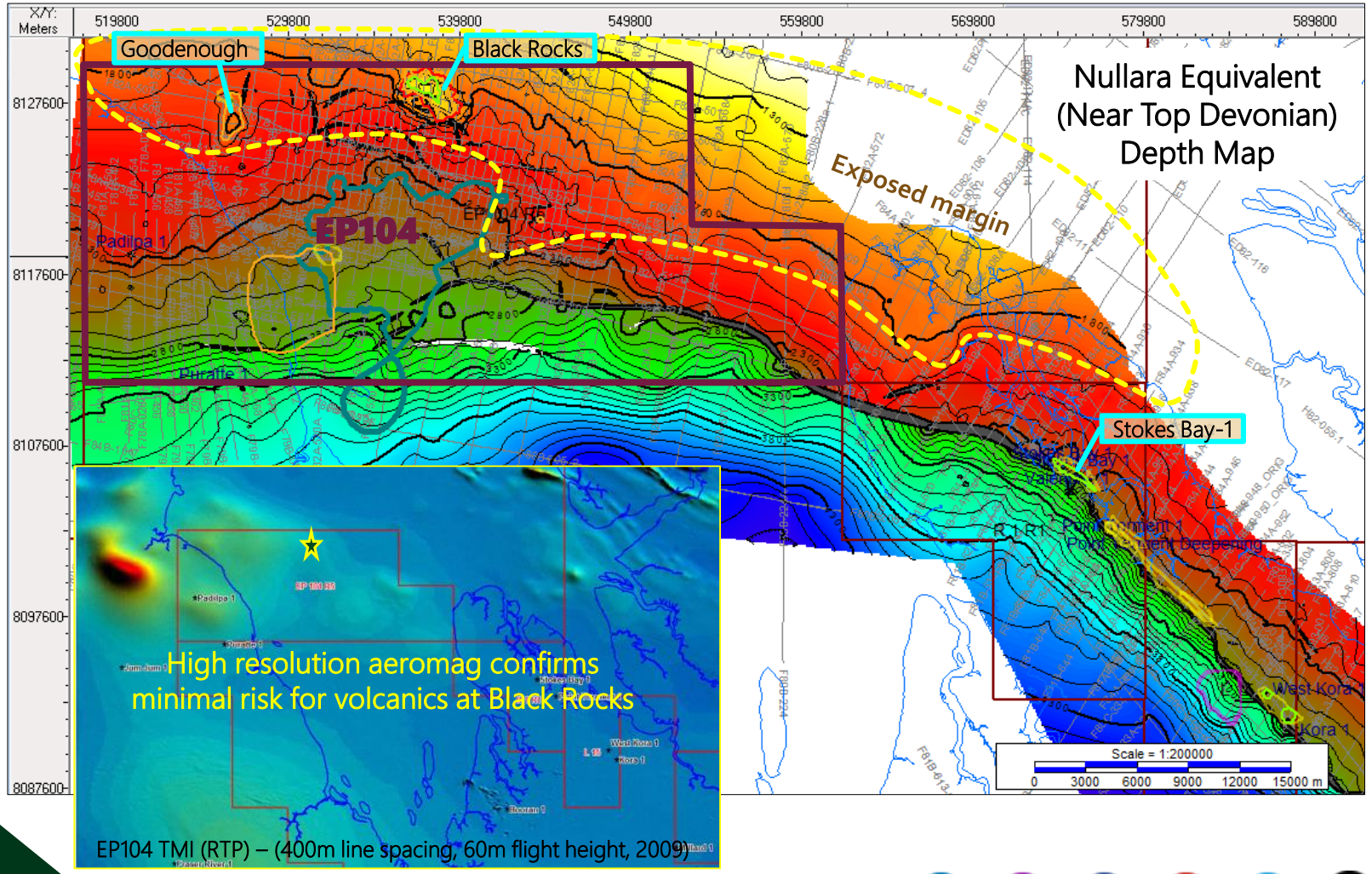
- Significant breakthrough in the understanding of prospective reef trends along the Lennard Shelf.
- Reef features on this trend high graded by the identification of the largest undrilled structure in the Canning Basin, Black Rocks (below) with 200 metre vertical relief.
- Company making potential with permits in good standing with government.
- Prospective Devonian reef trend occurs at the northern tip of Point Torment and extends into the King Sound Embayment ("KSE").
- High potential for thick Fammenian source rich sediments and direct charge.





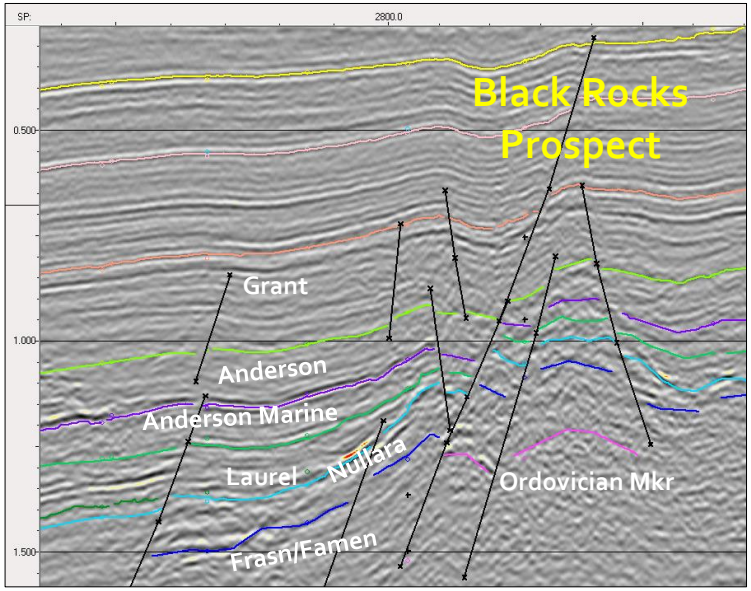
EP104 – Devonian Reef Potential

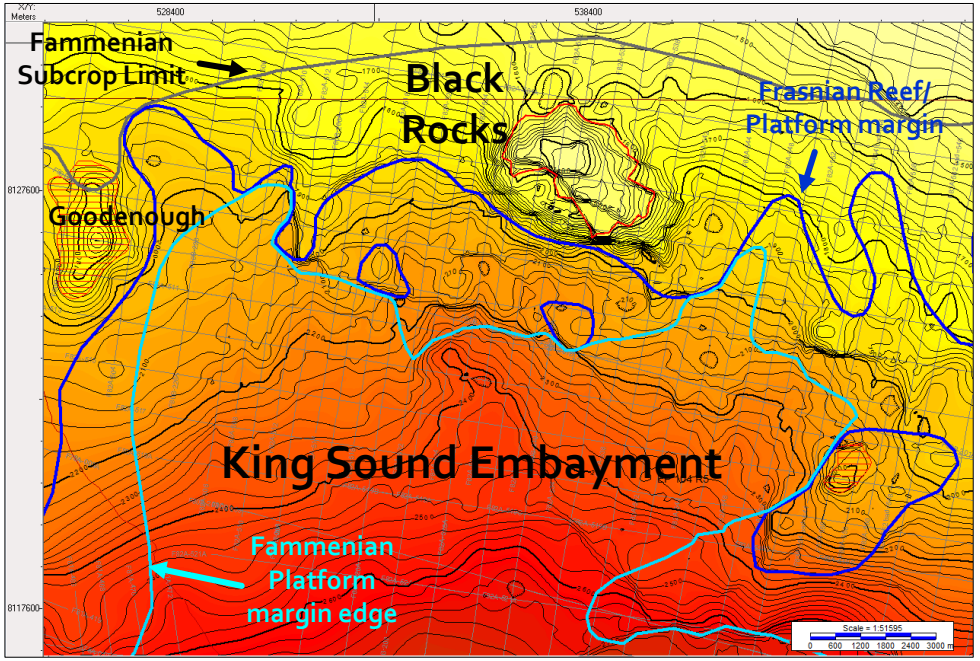
Black Rocks - Largest undrilled prospect on the northern margin of the Lennard Shelf and Canning Basin and one of the largest remaining undrilled prospects in Australia.



EP104 – Black Rocks Prospect

- Upper to middle Devonian reef play located in King sound.
- Petroleum system significantly de-risked via:
  - Partial reprocessing achieved excellent results with DHI anomaly over Black Rocks;
  - Potential fields (gravity/magnetics) survey;
  - Recent mapping identifies Laurel drape and basal Anderson marine unit – greater seal capacity;
  - King Sound Embayment (KSE) source potential – short distance migration; and
  - KSE conjugate margin to Blina. High potential for reef and dolomitic facies.

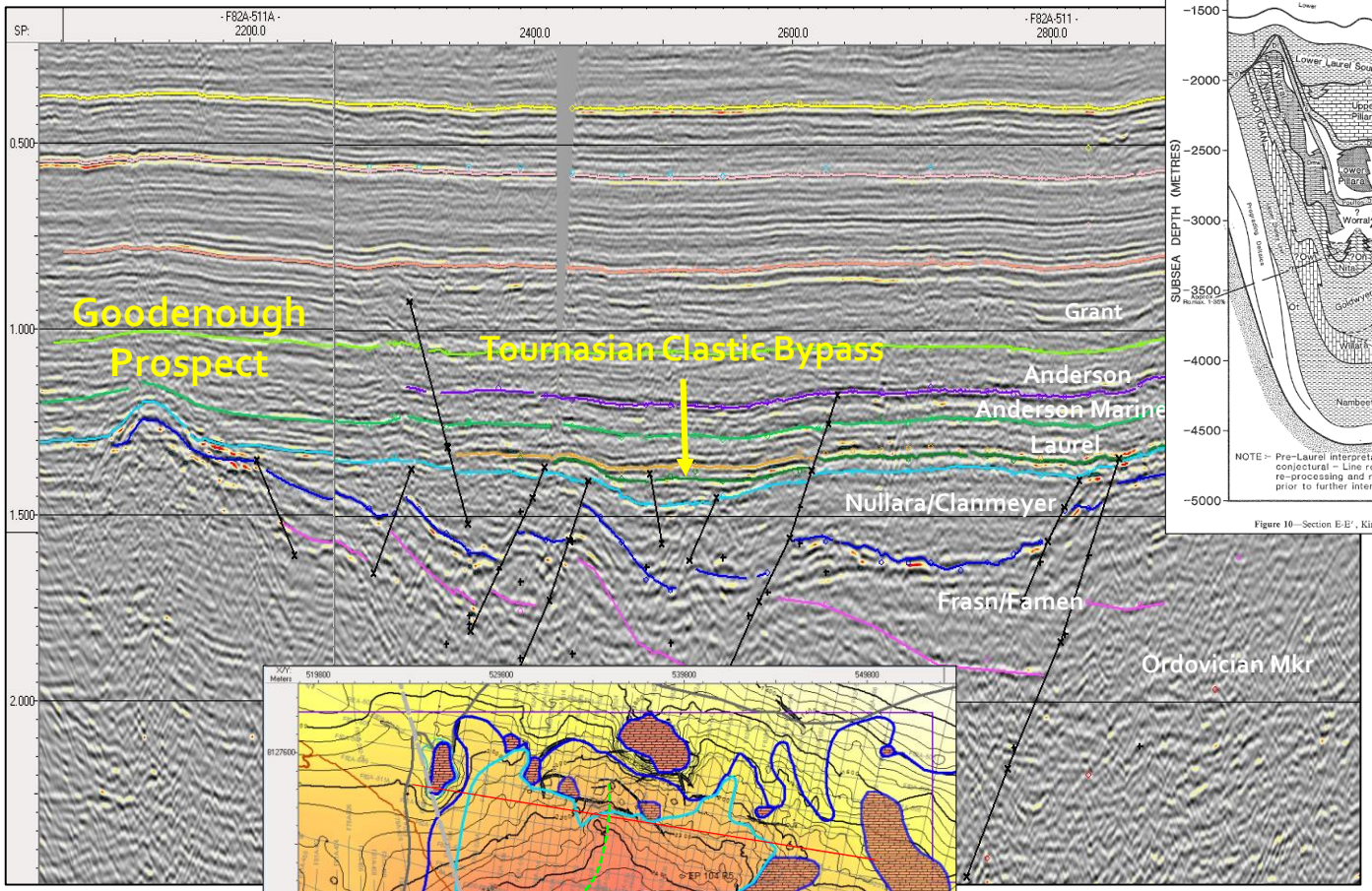




Nullara Equivalent DEPTH Map

EP104 – King Sound Embayment

- Multiple periods of sediment bypass on northern margin.
- Clastic incision is more subtle but no less significant.



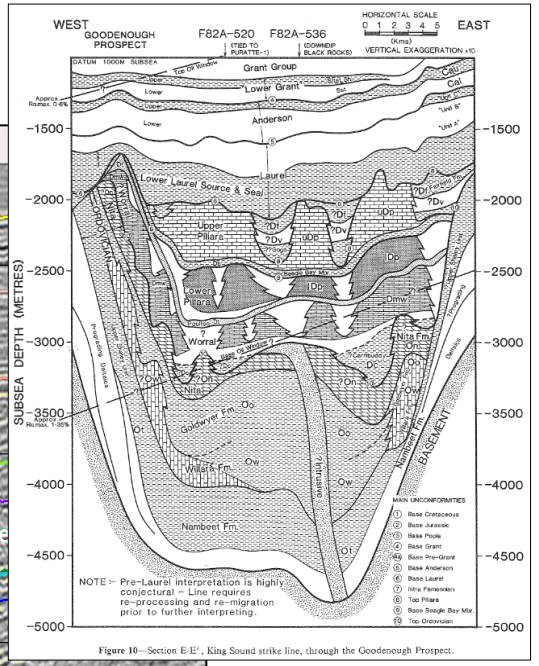
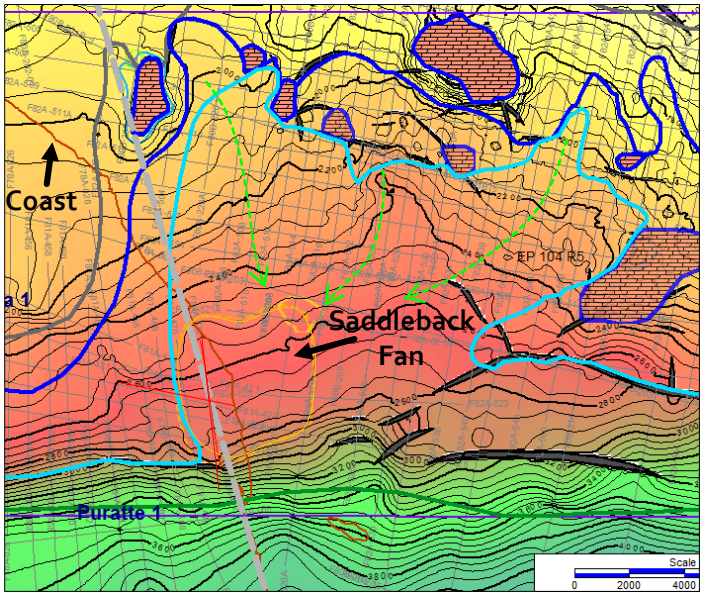


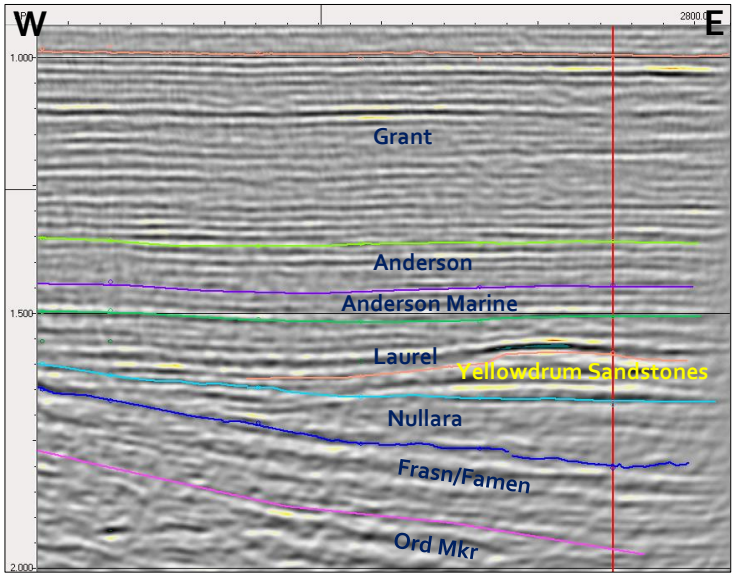
Figure 10—Section E-E', King Sound strike line, through the Goodenough Prospect.

Lehmann, P.R., 1986

EP104 – Saddleback Fan Play (Onshore)

- Possibility for onshore test of stratigraphic play.
- End Devonian/Basal Tournasian represents syn-tectonic inversion section, with ravinement on exposed margins (Blina and King Sound Embayment).
- Updip from Puratte-1 where oil shows were observed in Yellowdrum Sandstones.
- Type section at May River-1 (Unit C of Anderson Formation: 1,402 – 1,500mKB). Core samples record porosities in sands <20%, permeability < 263 mD.
- Planned onshore geochemical survey third quarter of 2017 – awaiting final regulatory approvals to carry out work program and de-risk prospect.





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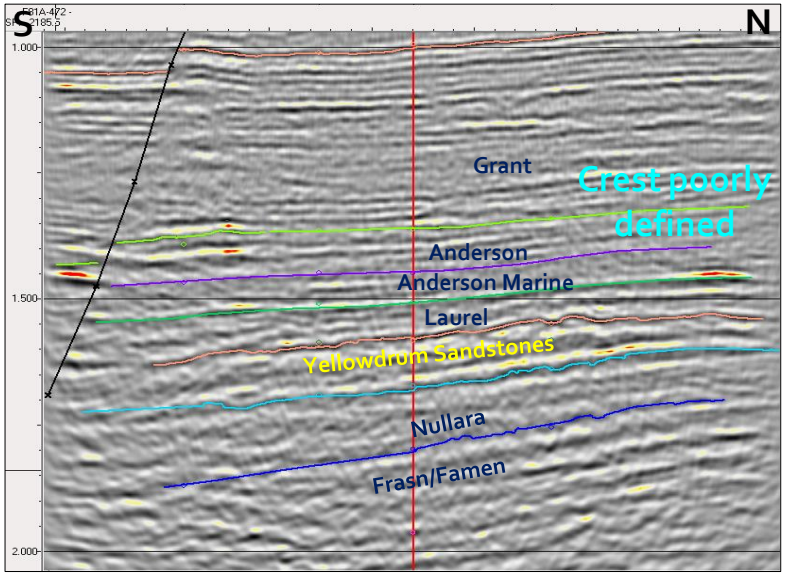

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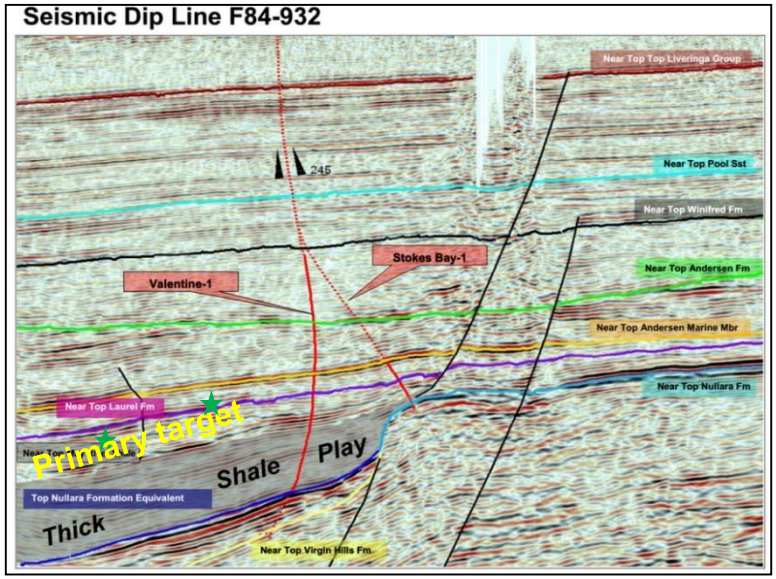
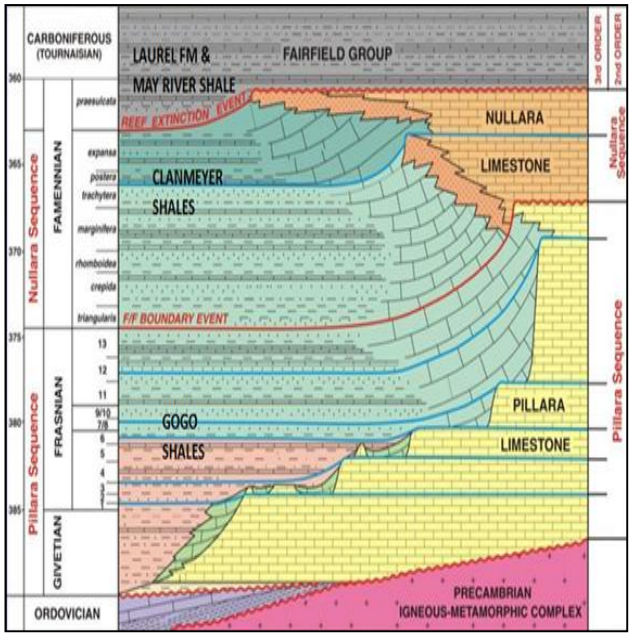
Onshore Shale Play in Key's Acreage





- Thick Mississippian age shales intersected in Valentine-1.
- Shallower oil, deeper wet gas objectives.
- Focussed activity from adjacent operators.
- Laurel May River Shale - Primary objective:
  - Thick, organic rich shale with thin sand and carbonate stringers.
  - Proven oil source for several local conventional oil fields.
  - Oil prone kerogen, modelled to be in the volatile oil window within blocks (1,000 feet thick in Valentine-1).
  - Play is present over approximately 80,000 acres within the licences.
- Clanmeyer Shale - Secondary objective:
  - Thick, basinal shale facies of the Nullara Reef cycle.
  - Contains thin silt, carbonate and quartzose stringers.
  - Oil prone, modelled to be in the volatile oil window within blocks (1,000+ feet thick).

Prospective Resources

Structural Plays - Devonian									
Permit	Prospect	Key Interest %	Petroleum Fluid	Gross (100%) MMbbls			Net to Key MMbbls		
				Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate	Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate
EP104	Black Rocks	89.23	Oil	5.6	63.9	116.8	5.0	57.0	104.2
EP104	Goodenough	89.23	Oil	2.8	33.3	77.9	2.5	29.7	69.5
EP104	East Head	89.23	Oil	0.2	2.3	14.2	0.2	2.1	12.6

	Structural Plays – Permian-Carboniferous								
Permit	Prospect	Key Interest %	Petroleum Fluid	Gross (100%) MMbbls			Net to Key MMbbls		
				Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate	Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate
EP104	Black Rocks	89.23	Oil	0.9	1.8	4.0	0.8	1.6	3.6
EP104	Goodenough	89.23	Oil	0.2	0.3	0.8	0.1	0.3	0.7
R1	Stokes Bay	85.23	Oil	0.3	0.7	4.9	0.3	0.6	4.2
L15	Piralko	85.40	Oil	0.8	2.1	4.2	0.7	1.8	3.5

	Stratigraphic Plays – Permian-Carboniferous								
Permit	Prospect	Key Interest %	Petroleum Fluid	Gross (100%) MMbbls			Net to Key MMbbls		
				Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate	Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate
L15	SW Kora	85.40	Oil	1.7	3.3	7.6	1.4	2.8	6.5
EP104	Saddleback	89.23	Oil	1.0	16.0	40.1	0.9	14.3	35.7

Prospective Resources

Notes:

1. Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

2. The estimate of Prospective Resources included in the announcement have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System ("PRMS") approved by the Society of Petroleum Engineers. The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

3. The prospective resources were estimated by mapping the extent of the prospect using the seismic data and applying ranges of volumetric parameters based on regional data. Recovery efficiencies were estimated using generalised recovery factors which Key assessed as reasonable. The parameters were then combined deterministically.

4. Gross Prospective Resources are 100% of the on-block volumes estimated to be recoverable from the Prospect in the event that a discovery is made and subsequently developed.

5. The volumes reported are "Unrisked" in the sense that the Geological Chance of Success (GCoS) factor has not been applied to the designated volumes. The Operator estimates various GCoS for the prospects.

Reserves and Contingent Resources

Reserves									
Permit	Prospect	Key Interest %	Petroleum Fluid	Gross (100%) MMbbls			Net to Key MMbbls		
				Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate	Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate
L15	West Kora	85.40	Oil	0.25	0.38	0.66	0.21	0.32	0.56

Contingent Resources									
Permit	Prospect	Key Interest %	Petroleum Fluid	Gross (100%) MMbbls			Net to Key MMbbls		
				Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate	Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate
L15	West Kora	85.40	Oil	0.06	0.12	0.26	0.05	0.10	0.22

Contingent Resources									
Permit	Prospect	Key Interest %	Petroleum Fluid	Gross (100%) Bcf			Net to Key Bcf		
				Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate	Low (1P) Estimate	Best (2P) Estimate	High (3P) Estimate
L15	Point Torment	85.2340	Gas	2.410	4.725	8.420	2.054	4.027	7.176

Reserves and Contingent Resources

Notes:

1. Reserve means commercially recoverable resources which have been justified for development, as defined in the SPE PRMS.

2. Contingent Resources are the estimated quantities of petroleum that may be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies.

3. The estimates of Reserves and Contingent Resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE).

4. The Contingent Resources were estimated by mapping the extent of the prospect using seismic data and applying ranges of volumetric parameters based on regional data, including recovery efficiencies. The Contingent Resources were calculated deterministically and the reservoir targets were arithmetically summed in order to provide estimates for the prospect as a whole. Gross Contingent Resources are 100% of the on-block volumes estimated to be recoverable from the field.

5. The reserves are hosted in the same geological formations that have already been productive in adjacent licences including the productive Lennard Shelf. These reserves therefore have numerous relevant nearby field analogues regarding producibility.

Investment Terms

- Technical understanding developed over twenty years.
- Geological models have been de-risked with all subsequent field activities.
- Extensive Canning Basin experience – both operationally and technically.
- Assets represent low risk production and exploration opportunity.
- Equity available is negotiable, depending on work program:
  - All offers will be considered; and
  - No material immediate work program commitments.

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