

22 November 2018

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

BOOKARA SHELF OIL PROJECT, NORTH PERTH BASIN - MAIDEN RESOURCE PRESENTATION

Key Petroleum Limited attaches herewith ASX presentation pertaining to the Bookara Shelf Oil Project, its maiden resource summary and its similarities with Australia's most productive onshore oil trend, the Western Flank in the Cooper Basin, South Australia.

Regards



IAN GREGORY

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The Bookara Shelf, Perth Basin Northern “Flank” Oil Play

22 November 2018

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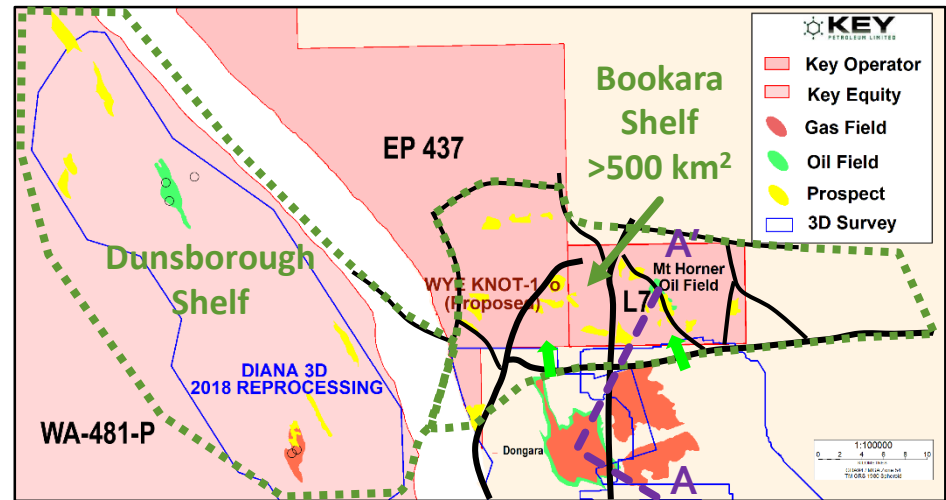
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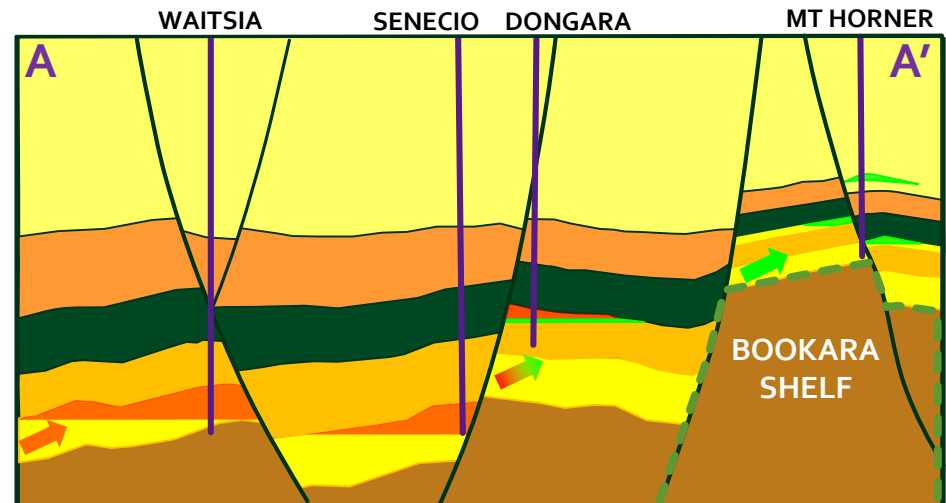
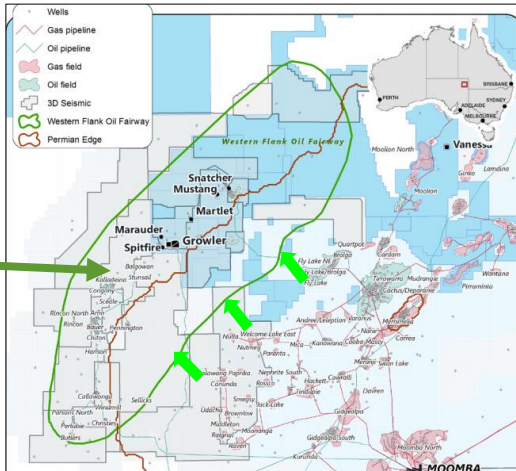
Except where otherwise noted, information in this release related to exploration and production results and petroleum resources is based on information completed by Mr JL Kane Marshall who is an employee of Key Petroleum Limited and is a qualified petroleum reserves and resources evaluator. Resources reported in this presentation are based on representative information and supporting documentation. Mr Marshall is a Practising Petroleum Engineer and Petroleum Geologist and holds a BSc (Geology), a BCom (Investment and Corporate Finance) and a Masters in Petroleum Engineering. He is a member of the Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG), The Geophysical Society of Houston (GSH), 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.

A New “Western Flank” Type Oil Province

- The Bookara Shelf, Perth Basin, is highlighted for its potential to be a new oil province, drawing similarities to the Western Flank of the Cooper-Eromanga Basin
- The Western Flank is a major Australian onshore oil producing region which has largely driven the growth of Senex, Beach and Santos
- The Bookara Shelf is ideally situated to capture oil migrating from the gas charged basin centre, similar to the Cooper Basin’s Western Flank
- The Bookara Shelf includes EP 437 and the Mount Horner Oil Field (L7) which has produced from the same age Jurassic reservoirs, as the Western Flank



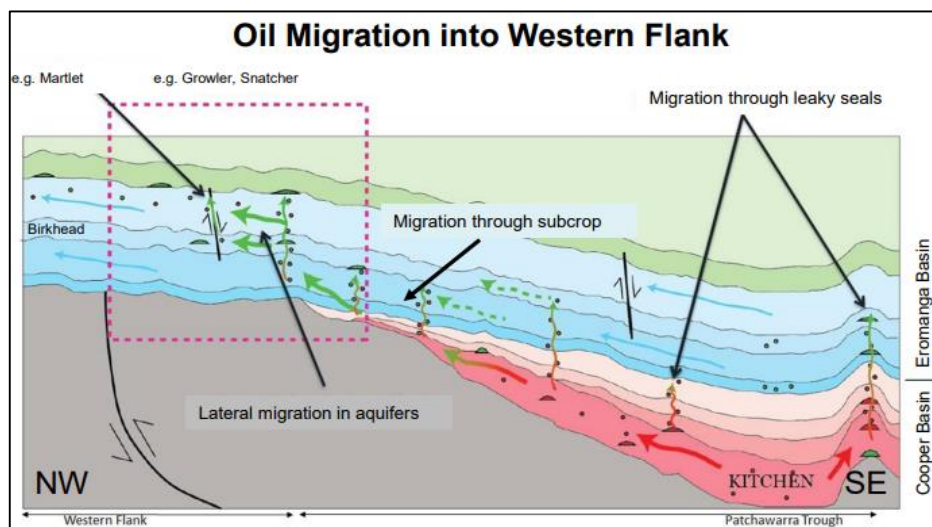
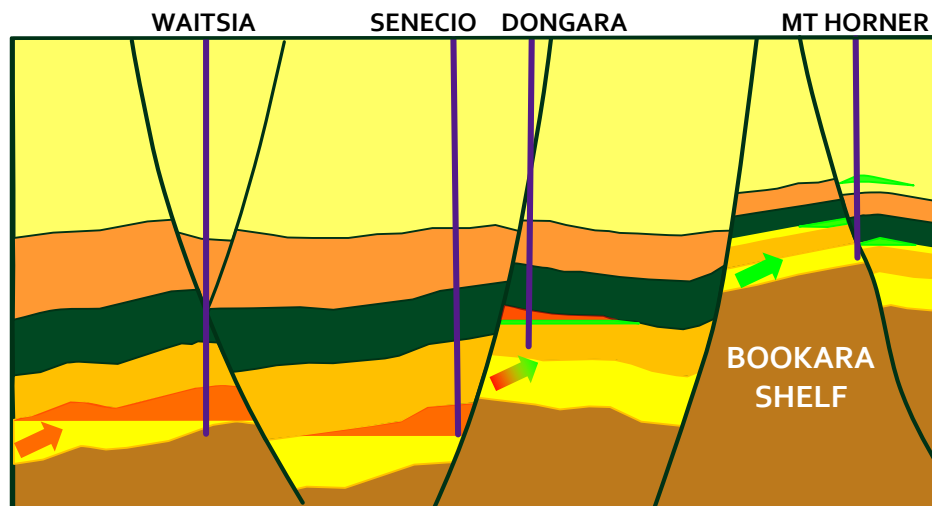
Cooper-Eromanga
Western Flank
oil migration focus



Cooper Basin Western Flank, Senex Energy
David Spring, 30 November 2017

Petroleum System Similarities

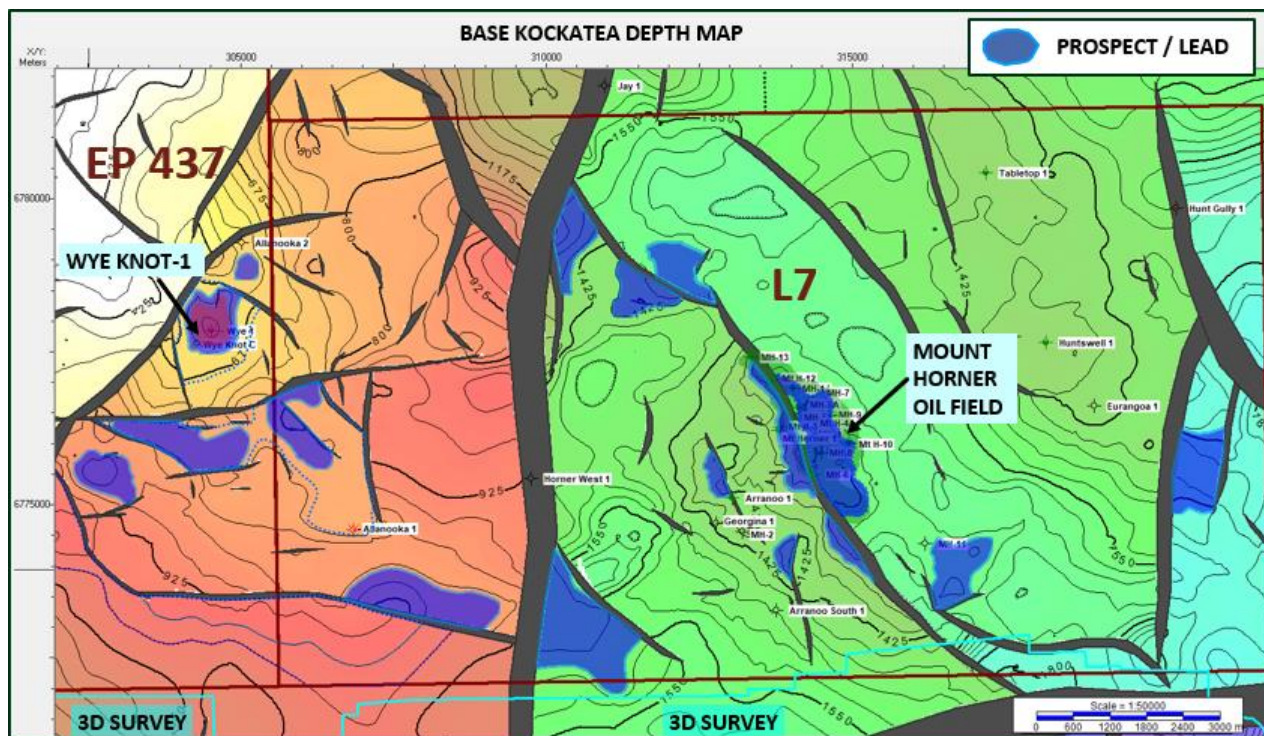
- Mature gas charged depo-centres encourage oil migration out onto the basin flank – natural hydrocarbon fractionation occurs in most basins due to the higher temperatures within deeper source ‘kitchens’
- Modern 3D seismic data was a game changer in the Cooper-Eromanga by enabling the de-risking of complex geology – reservoir distribution
- Mount Horner has recovered oil from at least five different levels throughout Permo/Triassic and Jurassic intervals
- The main producing intervals of fields in the Perth Basin are deeper than the ‘F Sand’ at Mount Horner
- The L7 licence therefore retains significant untapped oil potential



Source: Cooper Basin Western Flank, Senex Energy - David Spring, 30 November 2017

“Northern Flank” Oil Fairway Capture

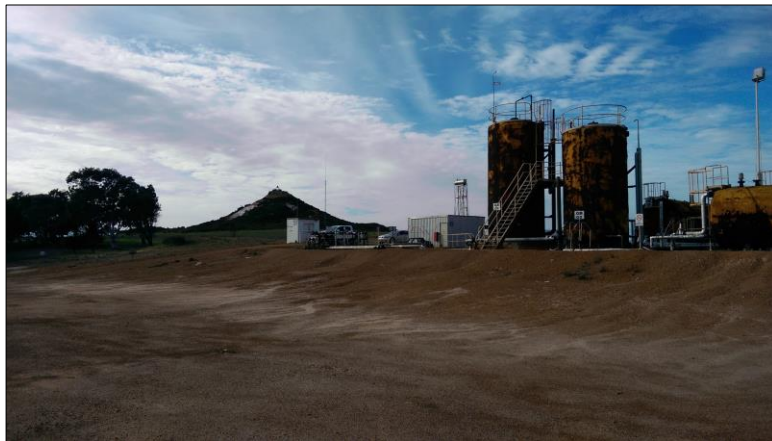
- ◆ Key Petroleum has captured the entire conventional oil play located north of the Waitsia Gas Field and Dongara Gas and Oil Field. The strategy quickly rewarded as announced by the recent Triangle Energy farmout
- ◆ Key Petroleum will operate and drill at least three wells across the Bookara Shelf in 2019. In addition a two well workover program in the existing Mount Horner Oilfield infrastructure (L7) may be attempted, subject to due diligence between each of Triangle and Key to fast track recommencement of production
- ◆ Key will appraise conventional oil opportunities within reservoirs on the northern flank of the Perth Basin and where possible use existing infrastructure to quickly commercialise these opportunities



Appraisal of the Bookara Shelf



Mount Horner-5A Well head and pump jack

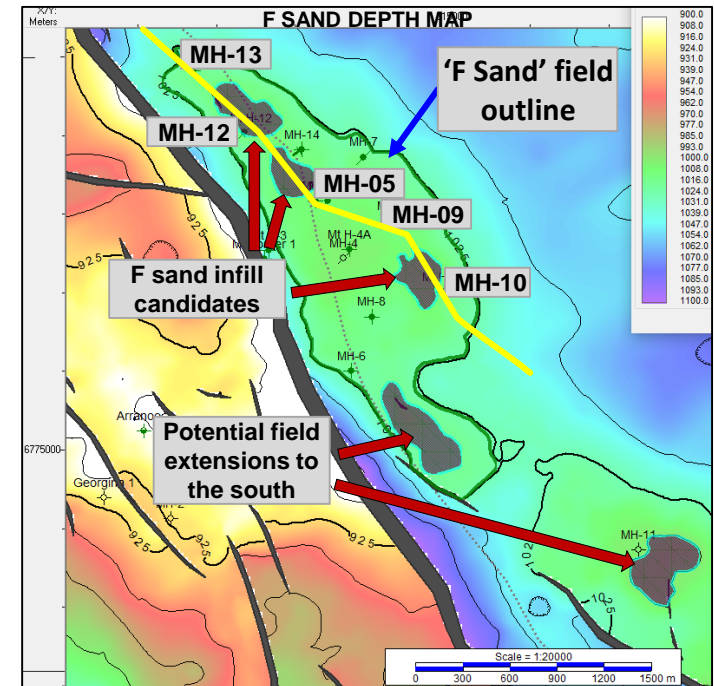
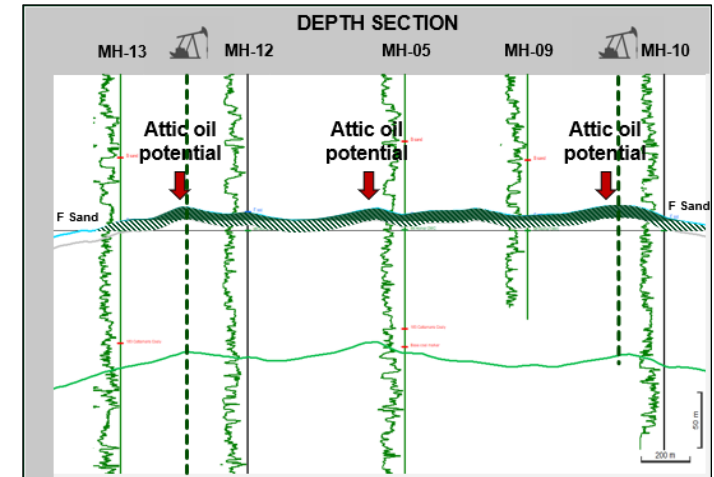


Mount Horner (background) and Facility

- ◆ The L7 Farmout Agreement with between Key and Triangle Energy (Global) Limited (ASX:TEG) has been executed whereby:
 - ◆ A workover program to investigate the potential for bypassed pay in two of the existing development wells may be implemented subject to due diligence.
 - ◆ Triangle will fund a farmout Interest Work Program (“Work Program”) up to an expenditure cap of \$3 USD million (currently \$4.2 million AUD) for:
 - 2 new wells – development, appraisal or exploration wells; and
 - Minimum 50 km² of 3D seismic.
- ◆ Key will be operator throughout the entire program
- ◆ Near term activity is expected to drive further farmout activity in EP437, with Wye Knot-1 expected to be drilled as part of a campaign of wells across L7
- ◆ Material step-change to the Company from low cost explorer to near term producer

Main Reservoir (Jurassic) Development – L7

- MH-5A, 9 and 12 were the best performing wells with production rates > 200 bopd
- Technical assessment has identified infill development opportunities within the main F sand Jurassic reservoir and unproduced (attic) oil (right above)
- “F Sand” Contingent Resource Range¹ has been probabilistically determined for each infill candidate (below right) and then summed to be 0.1 (1C) - 0.3 (2C) – 0.5 (3C) mm bbls
- “F Sand” Un-risked Prospective Resource Range² in the L7 area and including possible field extensions have been probabilistically determined then summed to give a range of 0.66 (1U) – 1.75 (2U) – 3.19 (3U) mm bbls
- 3D seismic acquisition within L7 will significantly de-risk:
 - ◆ the remaining oil potential in the Mount Horner field, including all of the Jurassic producing intervals;
 - ◆ any potential southern extensions of the immediate field (below right); and
 - ◆ prospectivity of the deeper Triassic and Permian levels as well as Jurassic closures elsewhere in L7 in the (see overleaf)
- Minimum economic oil pool sizes has been estimated by Key to be in the vicinity of 80,000 bbls in the Perth Basin



¹ Range is un-risked and are net to Key (100%) as the Farmout Agreement executed with Triangle (Global) Energy Limited requires Triangle to earn 50% through the items disclosed to the ASX on 31 October 2018. L7 is a Production License with an existing discovery defined by the Mount Horner Oil Field and the contingent resource range has been determined arithmetically only within the Mount Horner Oil Field and is classified as contingent as the evaluation of the accumulation is insufficient to assess commerciality and will be reviewed with activity including appraisal drilling to be undertaken as part of the Triangle farmout agreement. Further notes are included on Slide 15.

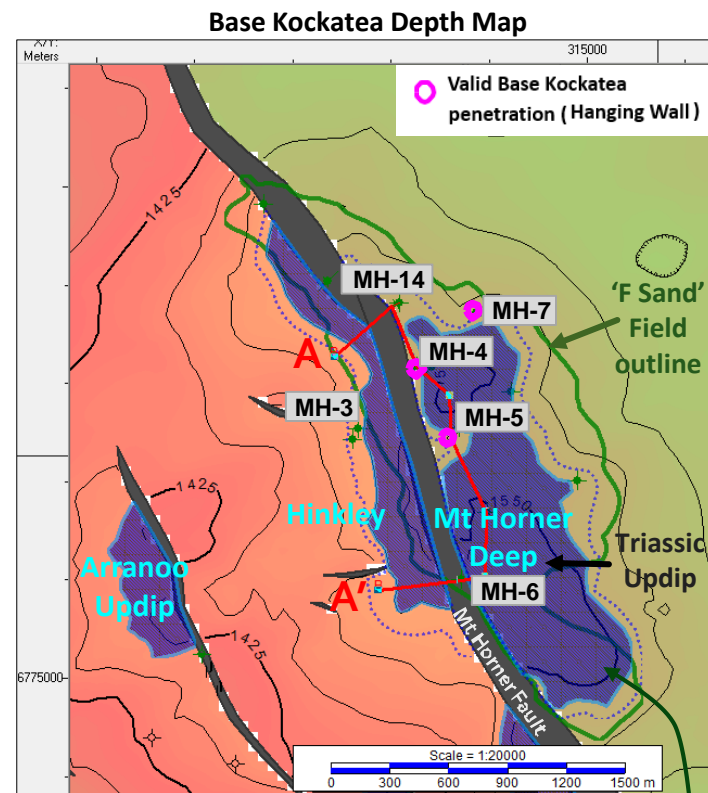
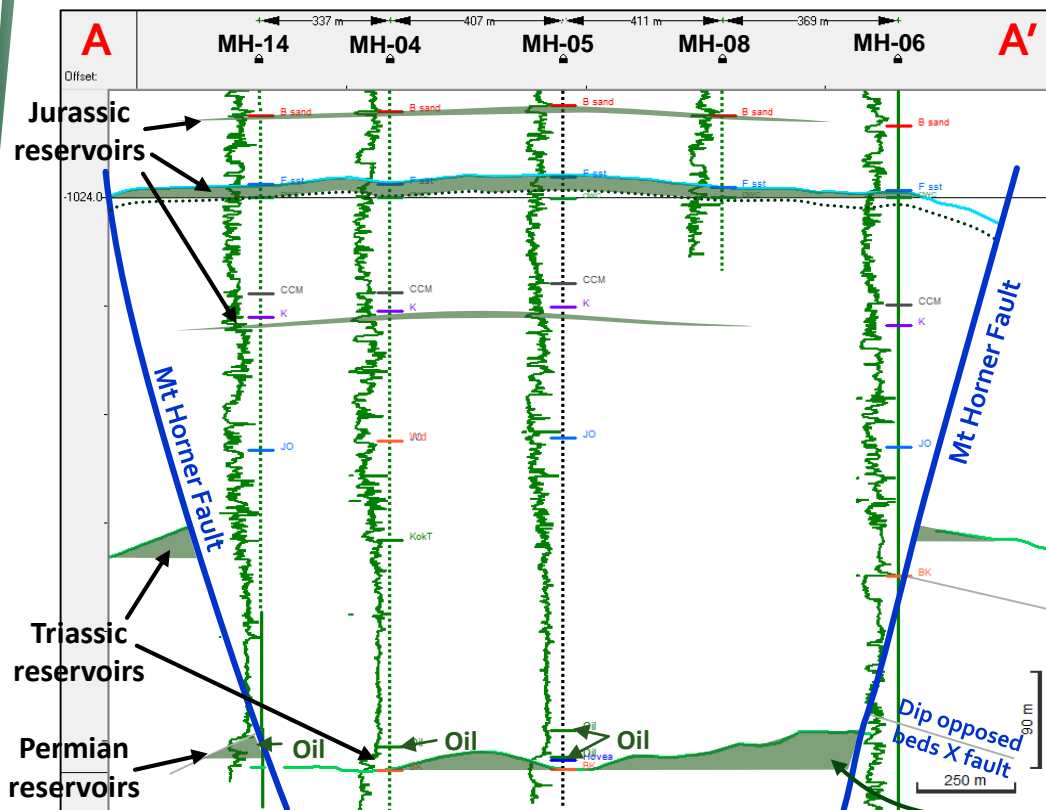
² Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. See Prospective resource notes on Slide 14 on resource estimate determination.

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Triassic Resource Potential – L7

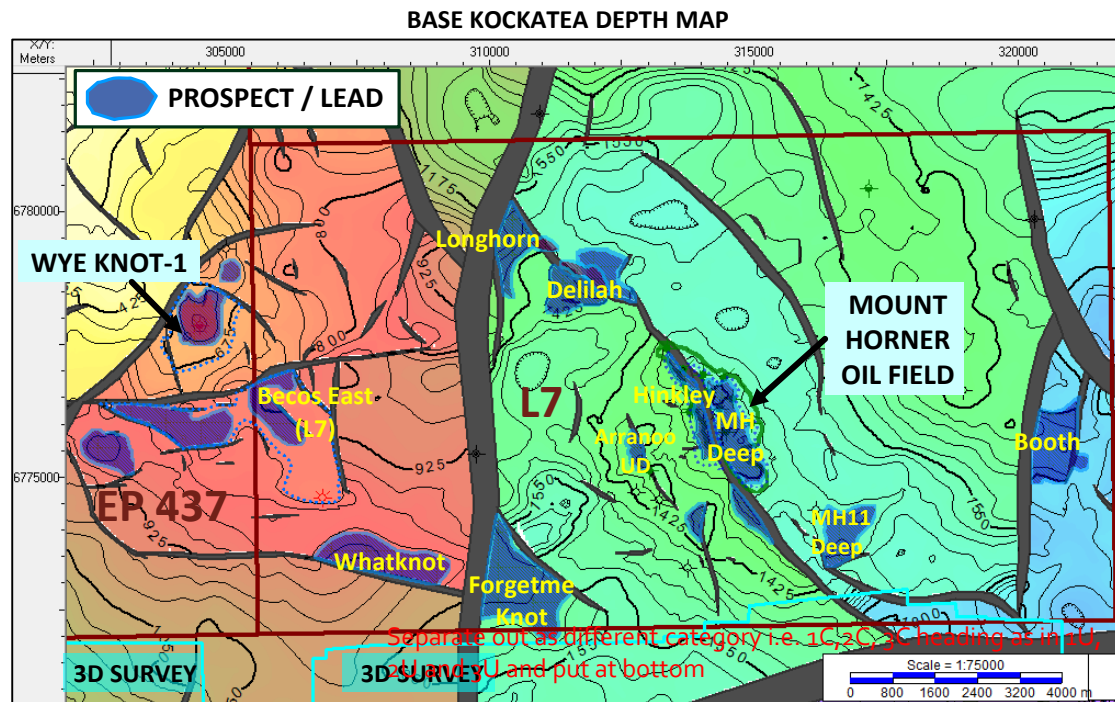
- Oil has been recovered from multiple (5+) reservoir levels within the Mount Horner Oil Field, including the main producing “F Sand” and other Jurassic reservoirs, as well as at deeper Triassic (Arranoo) and Permian (High Cliff) levels
- Mt Horner Deep has an un-risked Gross Prospective Resource Range of 0.31 (1U) - 1.11 (2U) – 2.12 (3U) mm bbls probabilistically determined³
- Mt Horner Deep is up-dip of Triassic oil production (MH-5) with potential for multi Darcy Bookara quality reservoir sands
- Potential to both appraise contingent resource opportunities and test Mt Horner Deep with infill well in 2019
- L7 offers significant exploration follow up potential on modern 3D data analogous to success on the Western Flank



Up to 30m attic oil in high quality reservoir

L7 Maiden Resource Statement Summary

- Multiple low risk closures with categories of resource estimates only calculated at two levels (Triassic and F Sand)
- Gross Prospective Resource determined probabilistically within F Sand of 0.66 (1U) - 1.75 (2U) – 3.19 (3U) mm bbls⁴
- Gross Prospective Resource determined probabilistically within Triassic of 2.35 (1U) – 9.40 (2U) – 19.20 (3U) mm bbls⁵
- 3D seismic will unlock significant potential for upside oil discoveries along migration pathway
- Prospective resource in the high case (3U) of over 20 mmbbls⁶ in L7 (Prospective Resource Potential within the Permian is not included)



L7			Prospective Oil		
			mm bbls mm bbls mm bbls		
Prospect Name	Block	Levels	1C	2C	3C
Mt Horner Infill Sum x3	L7	F Sand	0.10	0.30	0.50
Prospect Name	Block	Levels	1U	2U	3U
Mt Horner Deep	L7	Triassic	0.31	1.11	2.12
Mount Horner South	L7	F Sand	0.06	0.16	0.29
Delilah	L7	F Sand	0.10	0.28	0.51
Lowside (HW) closure	L7	Triassic	0.12	0.50	1.07
Delilah NW	L7	F Sand	0.05	0.14	0.25
Delilah FW	L7	Triassic	0.12	0.58	1.25
Mt Horner 11 updip	L7	F Sand	0.04	0.14	0.27
Mt Horner 11 Deep	L7	Triassic	0.34	0.97	1.71
Mt Horner Far Sth	L7	F Sand	0.07	0.22	0.40
Hinkley	L7	Triassic	0.08	0.38	0.79
Hinkley South	L7	Triassic	0.05	0.22	0.50
Arrano Updip	L7	Triassic	0.06	0.26	0.55
ForgetmeKnot	L7	Triassic	0.43	1.89	3.96
Long Horn	L7	Triassic	0.13	0.54	1.14
WhatKnot	L7	Triassic	0.26	1.21	2.58
Becos (L7)	L7	Triassic	0.10	0.60	1.30
Booth	L7	F Sand	0.34	0.82	1.47
	L7	Triassic	0.34	1.13	2.24
Prospective Sub Totals	L7	F Sand	0.66	1.75	3.19
Prospective Sub Totals	L7	Triassic	2.35	9.40	19.20
Prospective Sum Total	Combined		3.01	11.15	22.39

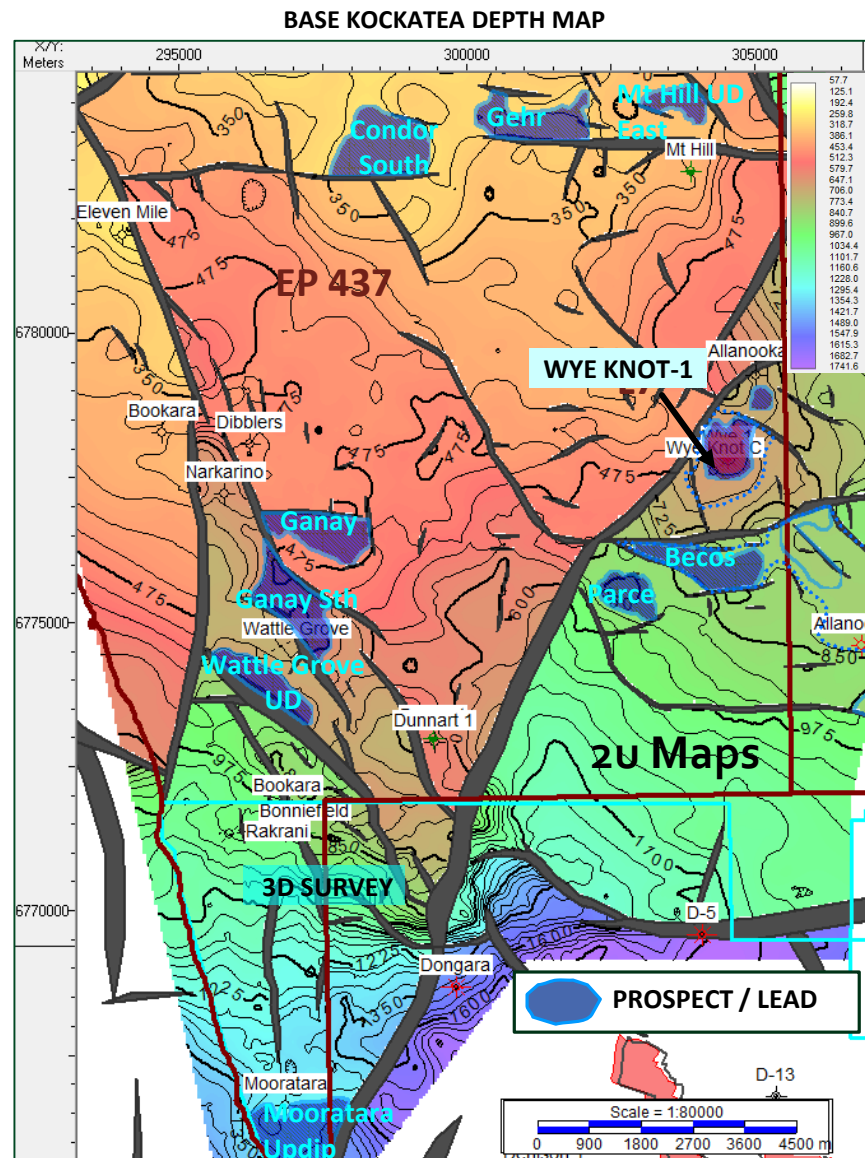
^{4,5} Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. See Prospective resource notes on Slide 14 on resource estimate determination.

⁶ Probabilistic numbers for Jurassic and Triassic summed arithmetically in 3U case

EP 437 Maiden Resource Statement Summary

- Gross Un-risked Prospective Resource Range estimates for the Triassic have been probabilistically estimated and summed as 1.94 (1U) – 7.82 (2U) – 15.82 (3U) mm bbls⁷
- Two nearby shallow drilling candidates, Becos and Parce are on trend with Wye Knot and have potential to materially unlock development in the area with success at Wye Knot-1 and Mount Horner infill wells

EP 437			Prospective Oil		
Prospect Name	Block	Levels	1U	2U	3U
			mm bbls	mm bbls	mm bbls
Wye Knot	EP 438	Triassic	0.16	1.40	3.04
Becos	EP 437	Triassic	0.23	0.92	1.95
Parce	EP 437	Triassic	0.13	0.57	1.25
Ganay	EP 437	Triassic	0.19	0.71	1.41
Ganay South	EP 437	Triassic	0.21	0.91	1.86
Wattle Grove Updip	EP 437	Triassic	0.22	0.83	1.59
Conder South	EP 437	Triassic	0.28	1.17	2.40
Gehr (Mt Hill UD)	EP 437	Triassic	0.19	0.91	1.90
Mt Hill Updip East	EP 437	Triassic	0.07	0.28	0.54
EP 437 Sum Totals			1.94	7.82	15.82

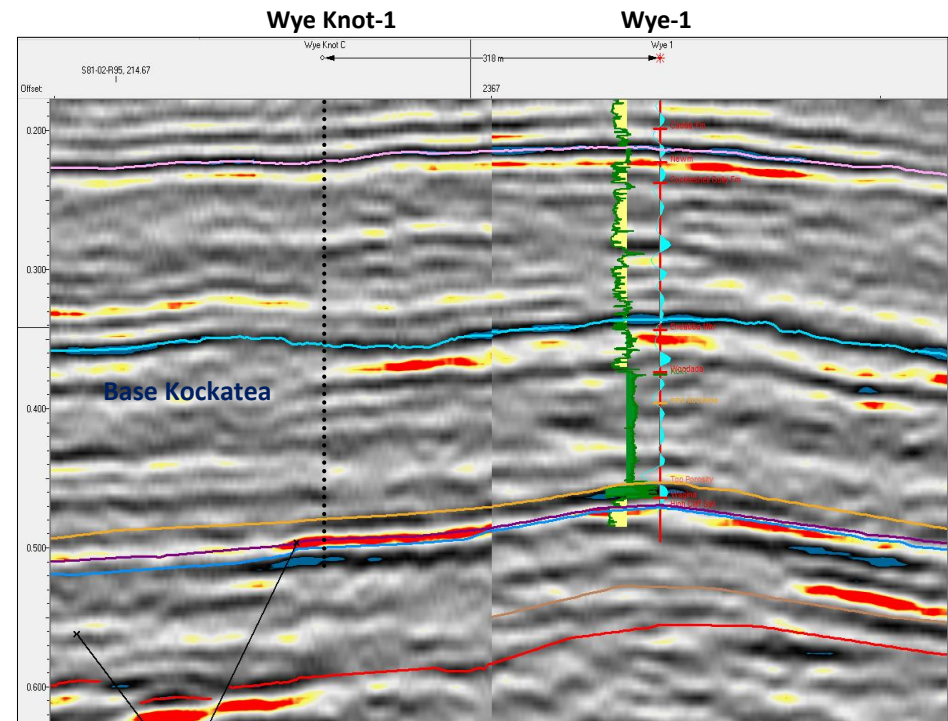
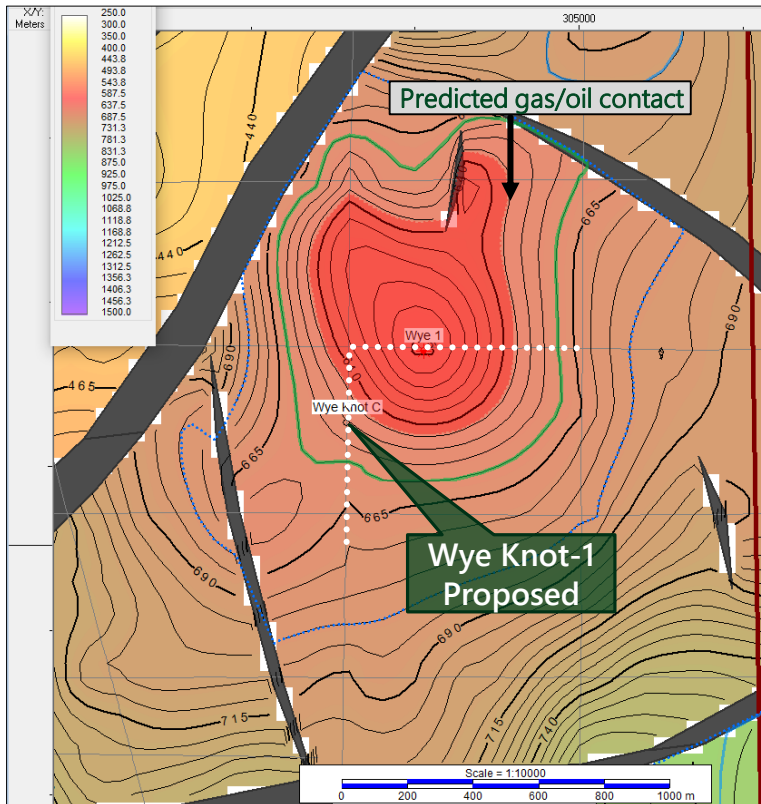


⁷ Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. See Prospective resource notes on Slide 14 on resource estimate determination.



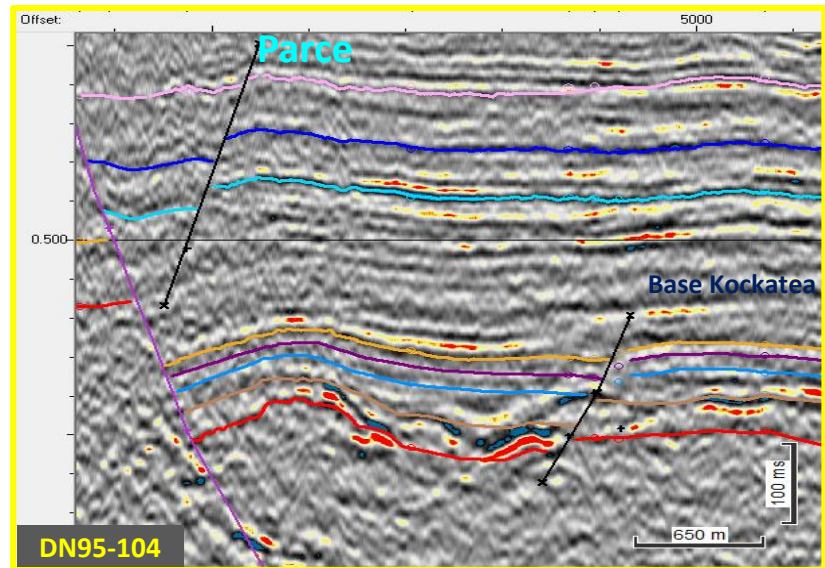
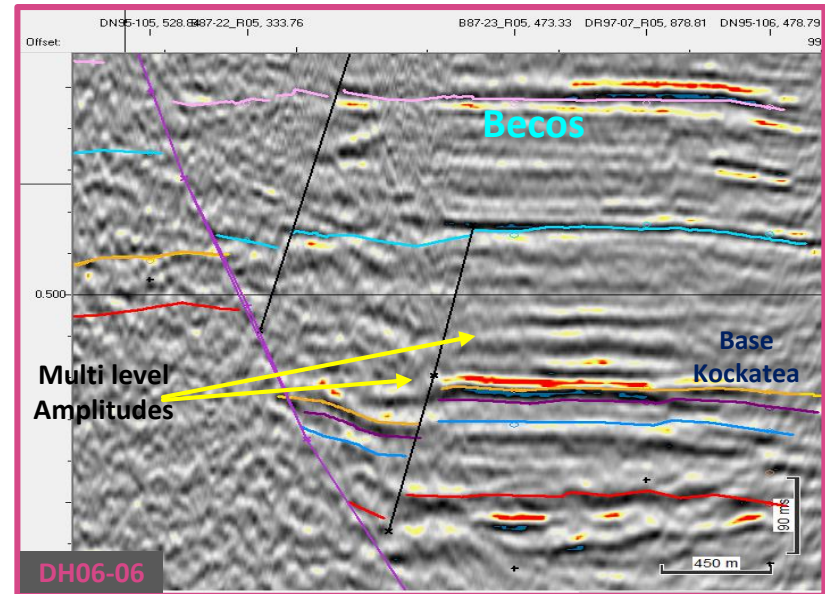
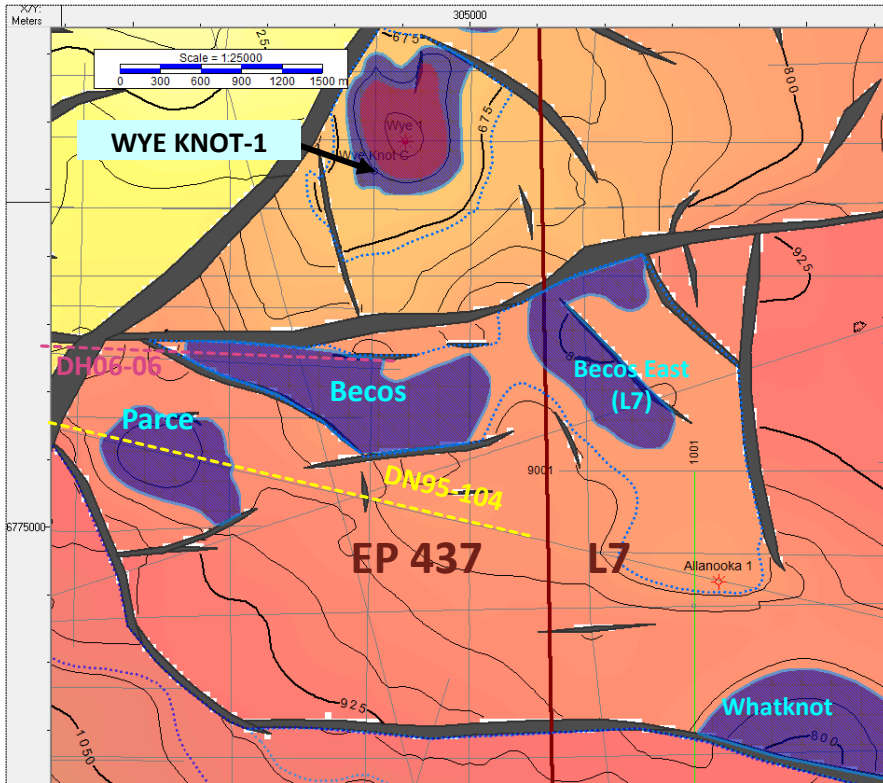
Bookara Shelf Near - Term Exploration

- Key expects to gain access to the preferred Wye Knot-1 well location in Q1 2019 in anticipation of drilling an exploration well as part of a drilling campaign with L7
- The Wye Knot prospect has a gross un-risked prospective resource range of 0.16 (1U) – 1.4 (2U) – 3.04 (3U) mm bbls⁸
- Long lead items have been ordered for the drilling of Wye Knot-1 to test for an oil leg below the 1996 Wye-1 discovery
- Wye Knot-1 costs are currently expected to be less than AUD\$1 million to be conducted with same L7 drilling campaign

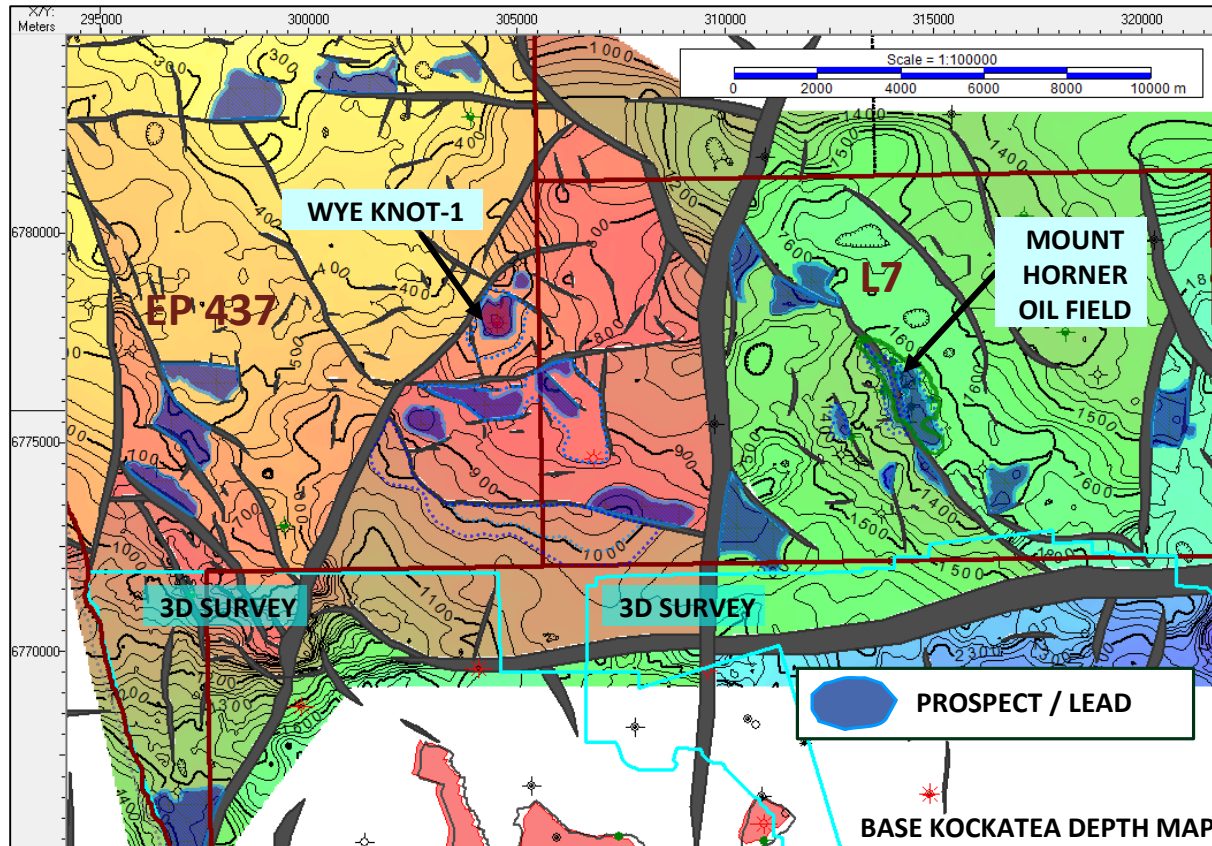


Becos Trend

- Northern oil fairway capture
- Shallow drilling candidates with potential for commerciality due to proximity to infrastructure
- Low risk fault independent closure at Parce (Wye lookalike)
- Wye Knot, Becos and Parce comprise the Becos Project and it has an un-risked Gross Prospective Resource Range of 0.52 (1U) - 2.89 (2U) – 6.24 (3U) mmbbls



Bookara Shelf Project Resource Summary



- Total Bookara Shelf Project Gross Prospective Resource Range has been summed to 4.95 (1U) – 18.97 (2U) – 38.21 (3U) mm bbls
- Low cost drilling and L7 “low hanging fruit” contingent resource opportunities represent pathway to recommence production
- L7 infill drilling candidates have potential to expose Company to material deeper Triassic prospective resource
- L7 synergies and activities driving down well costs in EP437 with material follow up from Wye Knot at Parce and Becos

Permit	Location	Key % Interest	Hydrocarbon Type	Gross Prospective Resources			Gross Contingent Resources			Net Prospective Resources			Net Contingent Resources		
				1U	2U	3U	1C	2C	3C	1U	2U	3U	1C	2C	3C
EP437	Onshore Perth Basin	86.94	Oil (mmbbl)	1.94	7.82	15.82	N/A	N/A	N/A	1.69	6.80	13.75	N/A	N/A	N/A
L7	Onshore Perth Basin	100	Oil (mmbbl)	3.01	11.15	22.39	0.10	0.30	0.50	1.51	5.58	11.20	0.10	0.30	0.50

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 Petroleum Resources Management System ("PRMS") as revised in June 2018 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. All prospective resources were estimated on each of the Production License, L7, and Exploration Permit, EP 437 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 probabilistically and prospect resources summed arithmetically for project totals.
4. Gross Prospective Resources are 100% of the on-block volumes are 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 has estimated various GCoS for each of the prospects.

Contingent Resources

Notes:

1. 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.
2. The estimates of 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) as revised in June 2018 by the Society of Petroleum Engineers (SPE).
3. The Contingent Resources were estimated analytically by mapping the extent of the structure or areal oil pool extent inside the Mount Horner Oil Field using seismic data and applying ranges of volumetric parameters based on regional data, including recovery efficiencies. The Mount Horner Oil Field has previously been discovered and was in production until 2011 when it was shut in after producing approximately 1.7 mm bbls. The Contingent Resources were calculated probabilistically and the reservoir targets were arithmetically summed in order to provide estimates for the category as a whole. Gross Contingent Resources are 100% of the on-block volumes estimated to be recoverable from the field in which Key has 100% subject to the Triangle (Global) Energy Limited Farmout as disclosed 31 October 2018.



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