

26 November 2018

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

Dear Sir

ANNUAL GENERAL MEETING 2018 – MANAGING DIRECTORS OVERVIEW

We attach herewith the Managing Directors Overview which will be presented to the Shareholders of Key Petroleum Limited at today's Annual General Meeting.

Regards



IAN GREGORY

Company Secretary

Key Petroleum Limited

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Annual General Meeting

26 November 2018

Managing Director's Presentation

Disclaimer

The information in this presentation 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.

The information contained in this presentation 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 presentation.

Certain information in this presentation 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 Ltd's actual results, performance or achievements to differ from those referred to in this presentation. 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.

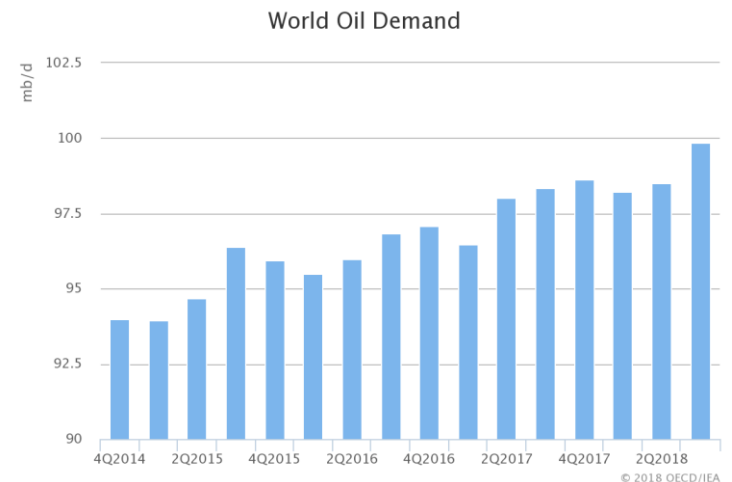
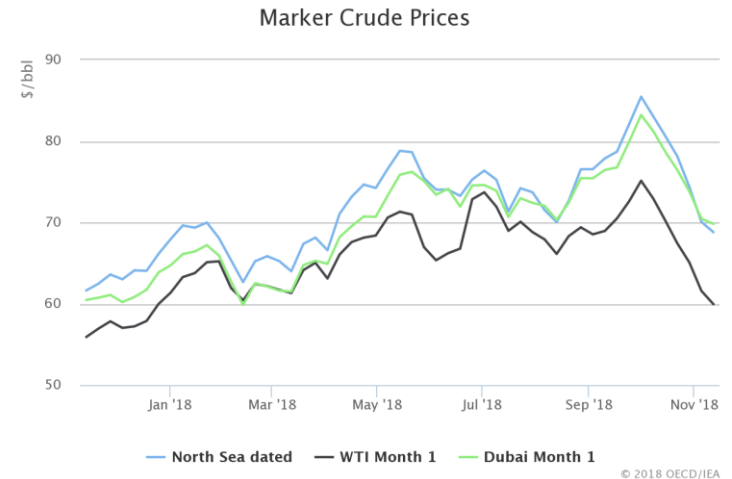
Competent Person's Statement

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 and is a qualified petroleum reserves and resources evaluator. Resources reported in this presentation and previous reports are based on representative information and supporting documentation. Bookara Shelf Oil project resource estimates and categories were evaluated and reported on 22nd November, 2018 with the prospective resource range for the Taj prospect being reported and evaluated on 13th September, 2018. 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.

Energy Market Overview

Oil Market Fundamentals

- The oil price has seen recovery supported by a more balanced market prior to the recent decline
- The recent trend reflects a wide range of issues including political tensions, (Iran waivers and tariff war), forecast weaker global economic growth, increase in inventories in the US and increased supply output by OPEC
- An increase in world oil demand is expected to continue to the middle of the century

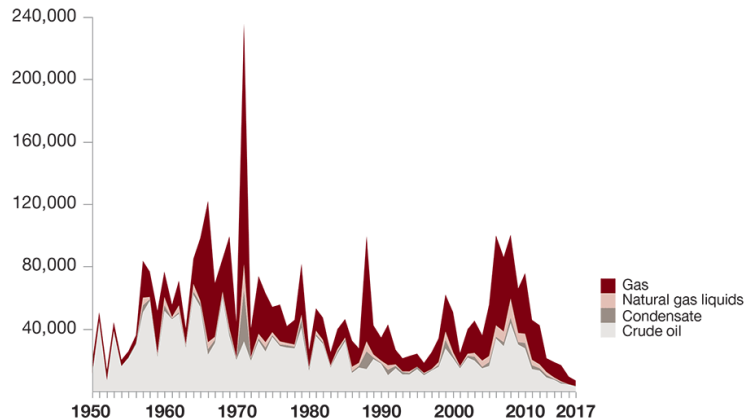


Decline in Discoveries and Impact of US Shale

The long decline in new oil and gas discoveries

Global volumes of new discoveries in oil and gas

Millions of barrels

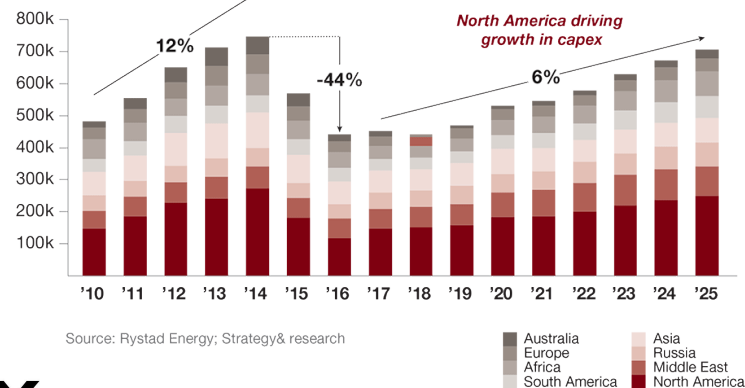


Source: Rystad Energy; Strategy& research

Expanding investments in oil and gas exploration

Global oil and gas capital expenditures

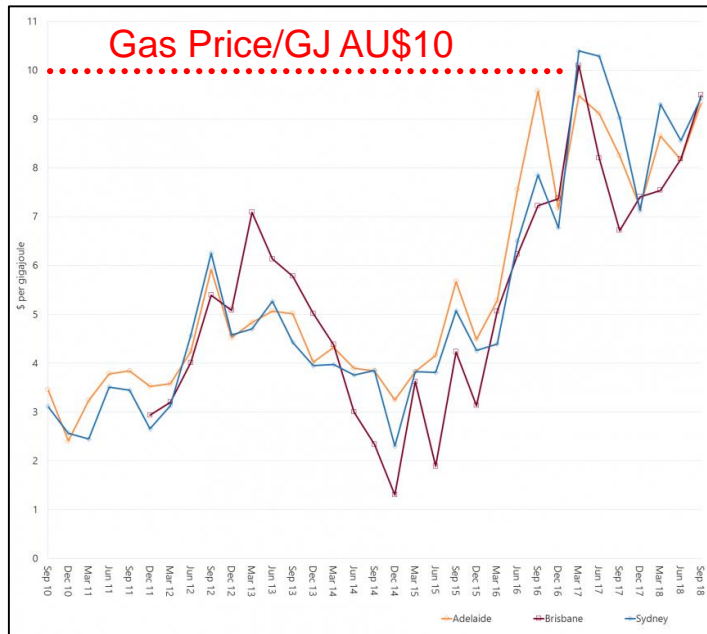
US\$ millions



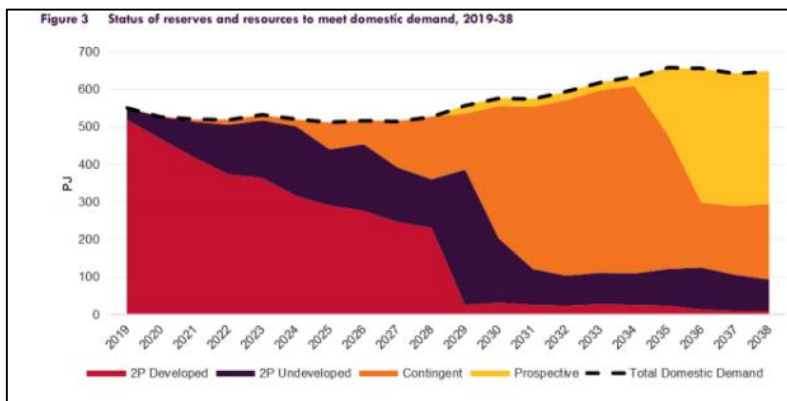
Source: Rystad Energy; Strategy& research

- Supply related challenges remain for high cost exploration and development ventures, i.e. deep water
- Key's Perth Basin conventional oil projects are robust with low lifting costs in any development, supported by a low operating cost model and material step-out drilling opportunities to incrementally drive organic growth
- There is the potential for a "two-speed oil market" as US shale remains a dynamic source of oil supply, investment in more conventional oil output will be limited to low cost, low risk opportunities

East Coast Gas Markets



Source Australian Energy Regulator

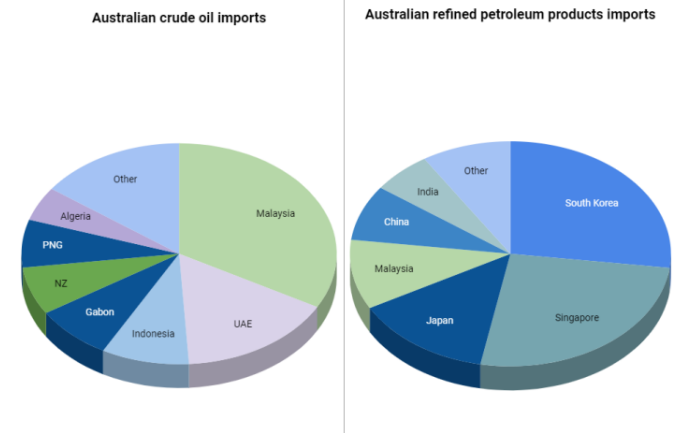


Source Australian Energy Regulator

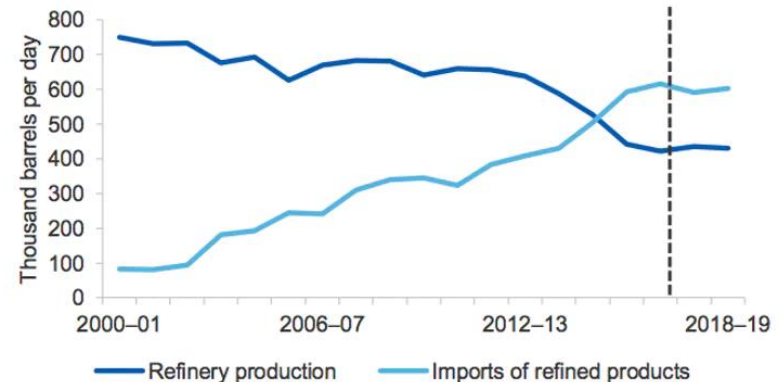
- Gas prices remain at levels close to AU\$10/gigajoule with continuing strong demand by industry
- LNG export caps, gas from the Northern Territory, Queensland's domestic gas initiative, subsidies, discounts, a trans-continental pipeline and LNG imports are being proposed as solutions to Australia's east coast gas shortage
- High gas prices continue to place pressure on east coast industrials and manufacturers
- Investment in the exploration and development of new gas fields is required to meet forecast increasing gas demands

Markets Role in Shaping Key Strategy

- Key has taken a long term view of world oil demand focusing on conventional oil and gas projects in Australia
- Australia has low levels of crude inventories and is heavily reliant on imported oil imports as a result of falling domestic refinery output
- Key's exploration acreage is placed near to pipeline and refinery infrastructure
- The Company is ideally placed for next phase of growth
- Exploration and development programs are planned for 2019 across the portfolio



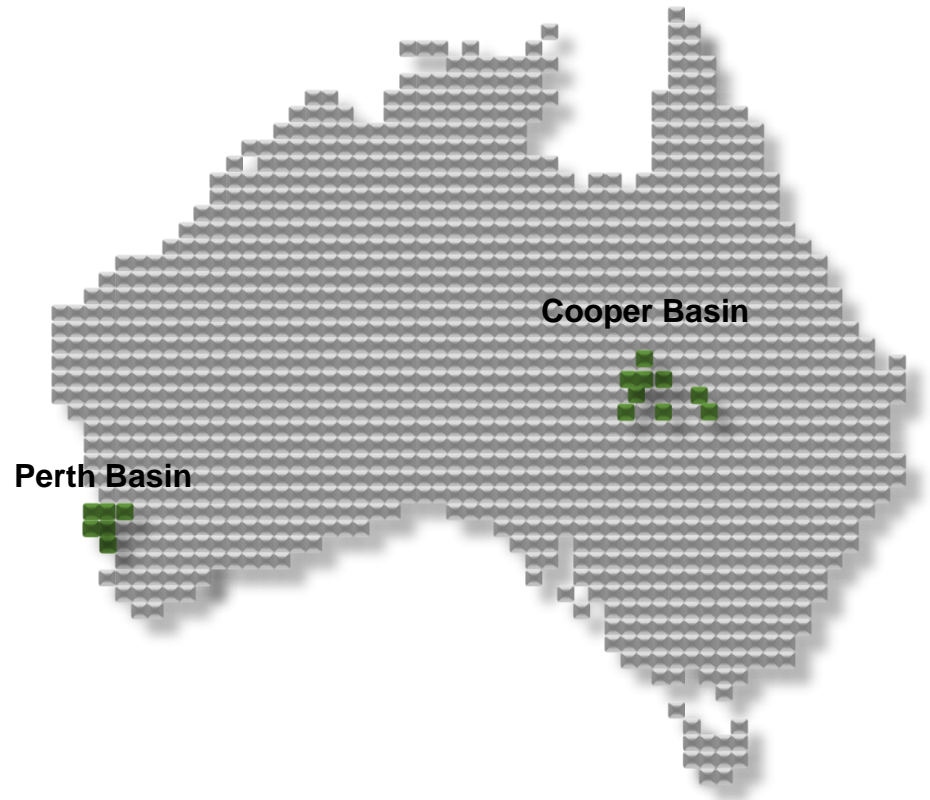
Source ABC Jul 2018



Source The Conversation, May 2018

Australian Focused Assets

- ◆ Key holds strategic acreage positions in under explored fairways of proven basins adjacent to infrastructure:
- ◆ South-west Cooper Eromanga Basin, Queensland after the recent acquisition of ATP 783, ATP 920 and ATP 924
- ◆ North Perth Basin, Western Australia with offshore Exploration Permit WA-481-P and onshore with Exploration Permit EP437 and the recently acquired Production Licence L7 (Mount Horner)



2018 Achievements

- ◆ Completed acquisition of Production Licence L7, North Perth Basin containing the Mount Horner Oil Field
- ◆ Key realised value in the previously dormant Mount Horner asset through its strong technical competencies and identification of a near term production opportunity
- ◆ A program of drilling and seismic will highlight the oil potential on the Bookara Shelf and potentially transition the Company to a near term oil producer and major player in the Perth Basin
- ◆ In the Cooper Basin Key has successfully negotiated an amended work program in ATP 920 and 924, reducing the work commitment from 9 wells and seismic acquisition, to a program consisting seismic reprocessing and one well, estimated at \$2.5 million (from \$30 million)
- ◆ Highly prospective conventional gas opportunities defined by 3D seismic in ATP 924 are near to ongoing peer activity and pipeline infrastructure
- ◆ Reduced contingent liabilities with divestment of non core assets

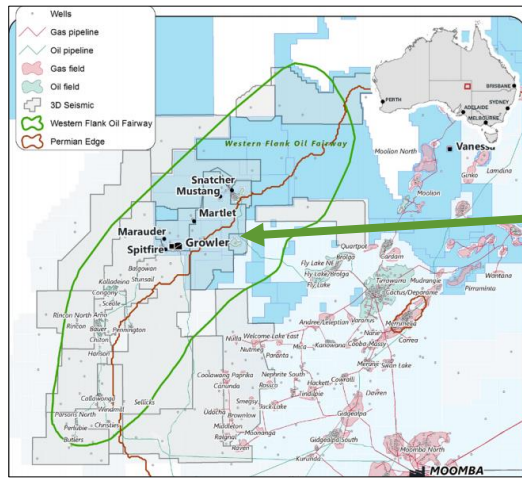
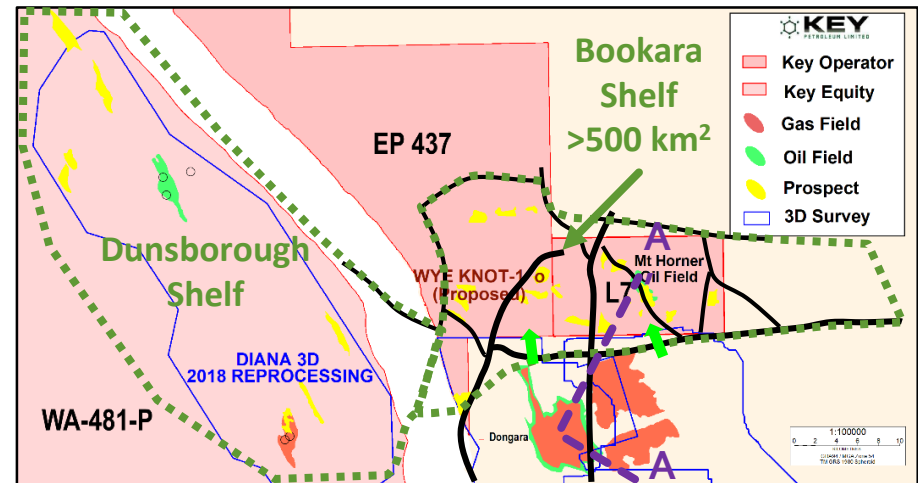
Project Portfolio

Perth Basin

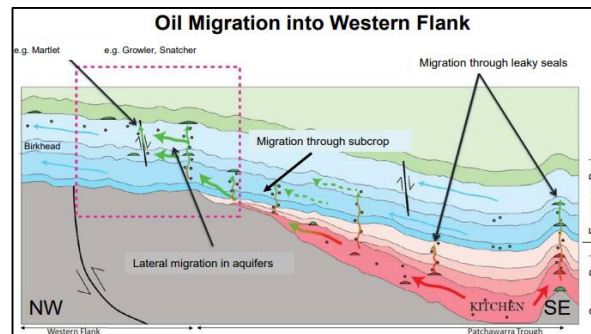
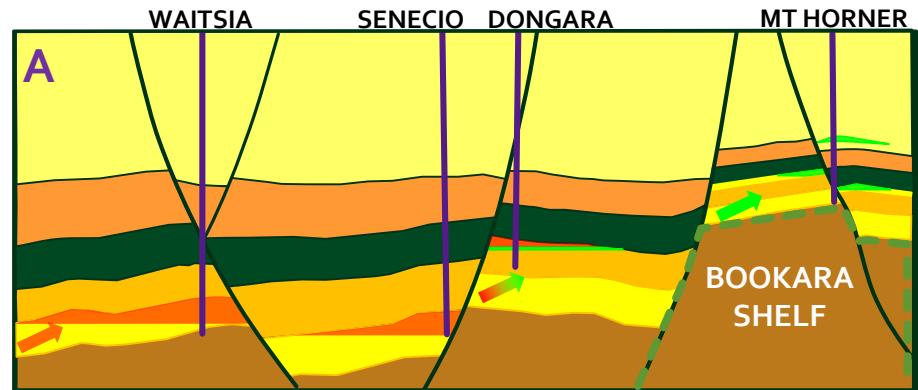
Cooper Basin

Northern “Flank” Oil Province

- Key Petroleum has captured the entire conventional oil play on the Bookara Shelf located north of the main gas province. The strategy has been quickly rewarded by Triangle Energy’s rapid investment
- Key Petroleum will operate and drill at least three wells and acquire modern 3D seismic across the Bookara Shelf in 2019
- Key will appraise conventional oil opportunities and fast track production via infill drilling and work overs, using existing infrastructure where possible



Cooper-Eromanga
Western Flank
oil migration focus



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

Appraisal of the Bookara Shelf



Mount Horner-5A Well head and pump jack

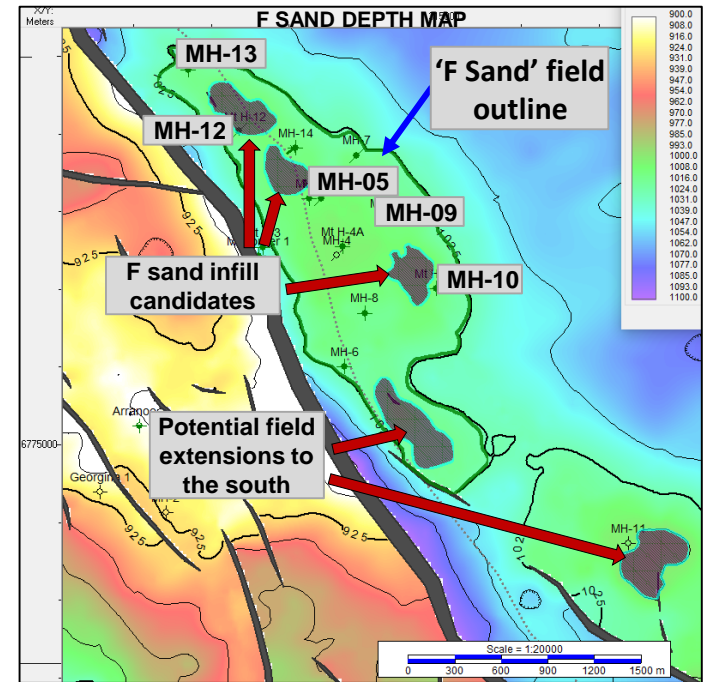
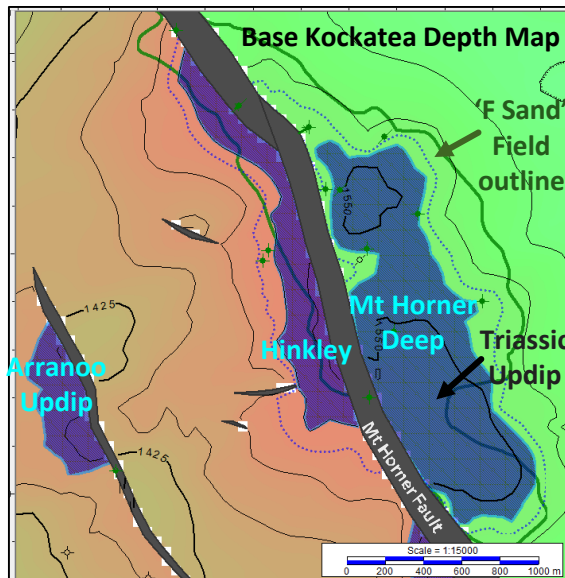


Mount Horner (background) and Facility

- ◆ The L7 Farmout Agreement with between Key and Triangle Energy (Global) Limited (ASX:TEG) has been executed whereby:
 - ◆ 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.
 - ◆ A workover program to investigate the potential for bypassed pay in two of the existing development wells may be implemented subject to due diligence
- ◆ 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

L7 Redevelopment

- 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



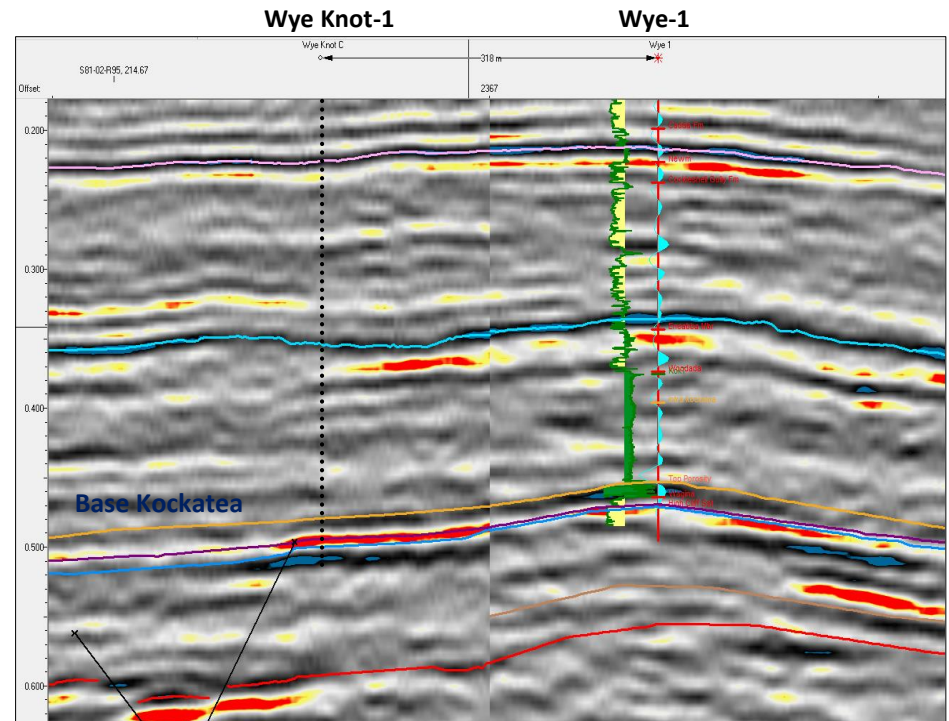
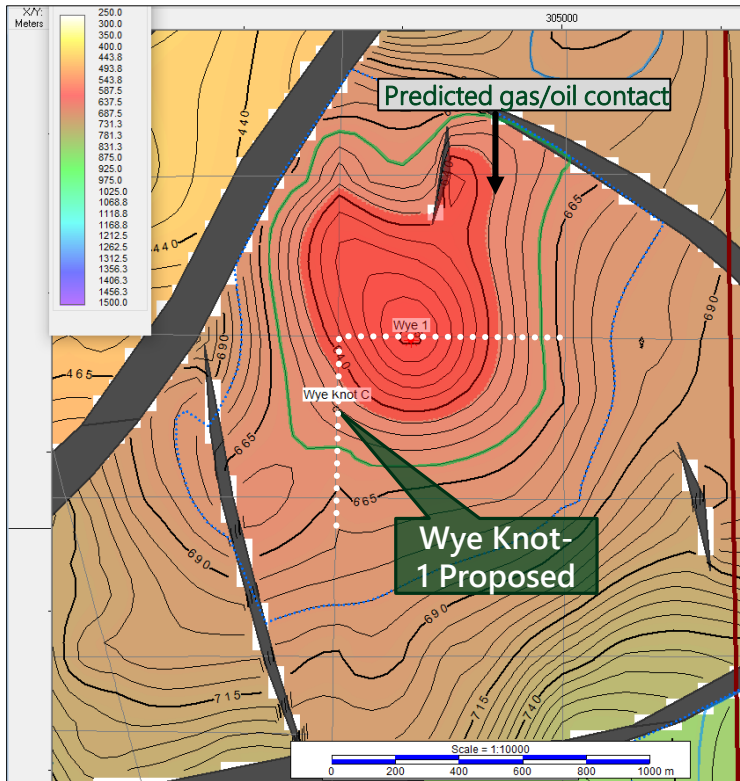
- 3D seismic acquisition within L7 will significantly de-risk the remaining oil potential in the Mount Horner field including deeper proven targets
- Mount Horner Deep has an un-risked Gross Prospective Resource Range of 0.31 (1U) - 1.11 (2U) – 2.12 (3U) mm bbls probabilistically determined³
- Minimum 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 Licence 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 27.

^{2,3} Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development and 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 26 on resource estimate determination.

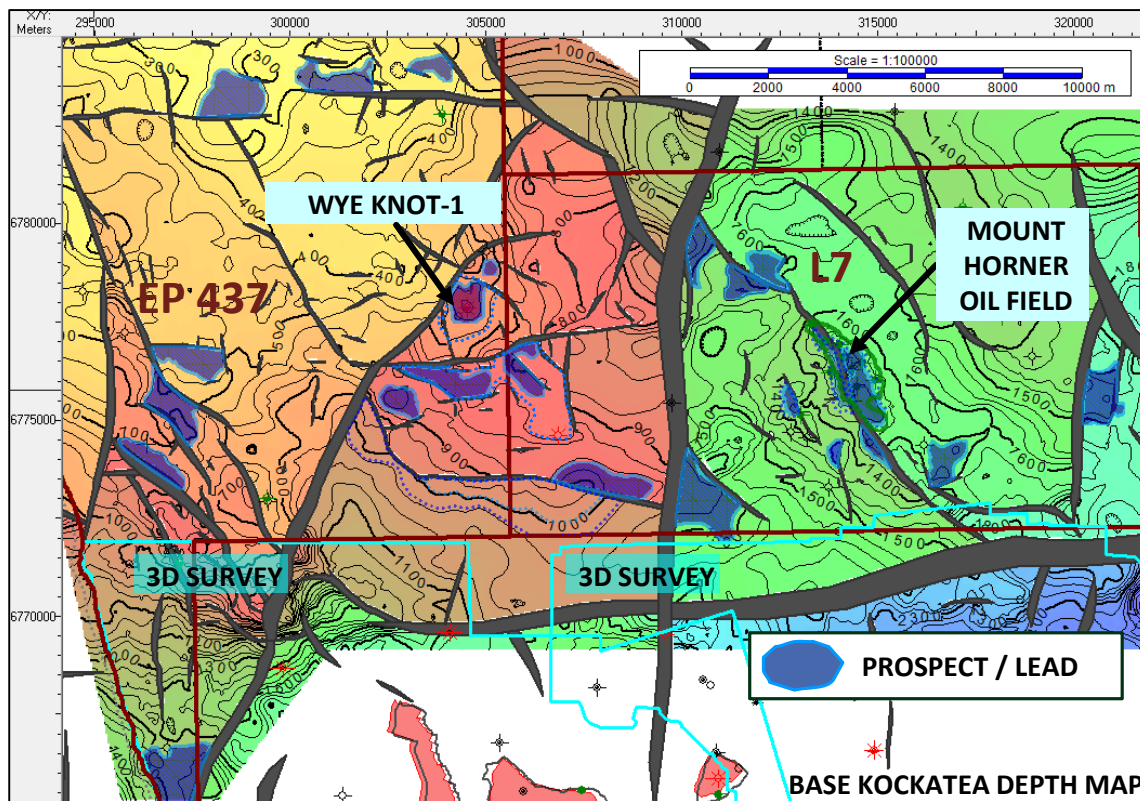
Bookara Shelf Near - Term Exploration

- 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 bbls⁴
- 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



⁴ Range is un-risked, Wye Knot prospective resource range has been reviewed in light of additional data at Mount Horner and assessed probabilistically. The 3U case is not considered to be a material change in estimates. Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development and 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 26 on resource estimate determination.

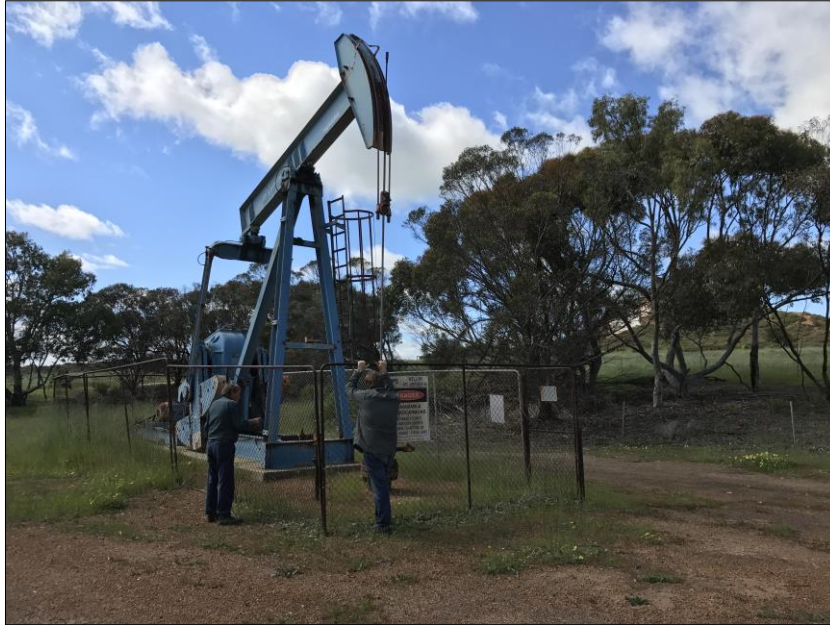
Bookara Shelf Oil Project Resource Summary



- 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

Mount Horner Operations



- ◆ Preliminary field surveys commenced while awaiting final formal regulator approval to undertake any decommissioning at Mount Horner with assessment of current facility infrastructure for Phase II Development being undertaken in parallel
- ◆ Remaining beam pumps and other oilfield inventory to be mobilised to Mount Horner in coming weeks



Camp Mobilisation to Mount Horner



Partial mobilisation of Mount Horner camp

- Mobilisation of the Key Petroleum Services camp to Mount Horner has commenced, with shire approvals being finalised to complete the installation
- The 40 man camp will accommodate personnel for workover, seismic acquisition and drilling campaigns across the Bookara Shelf Oil Project
- Key Petroleum Services operational base will provide significant cost saving to the L7/EP 437 joint ventures

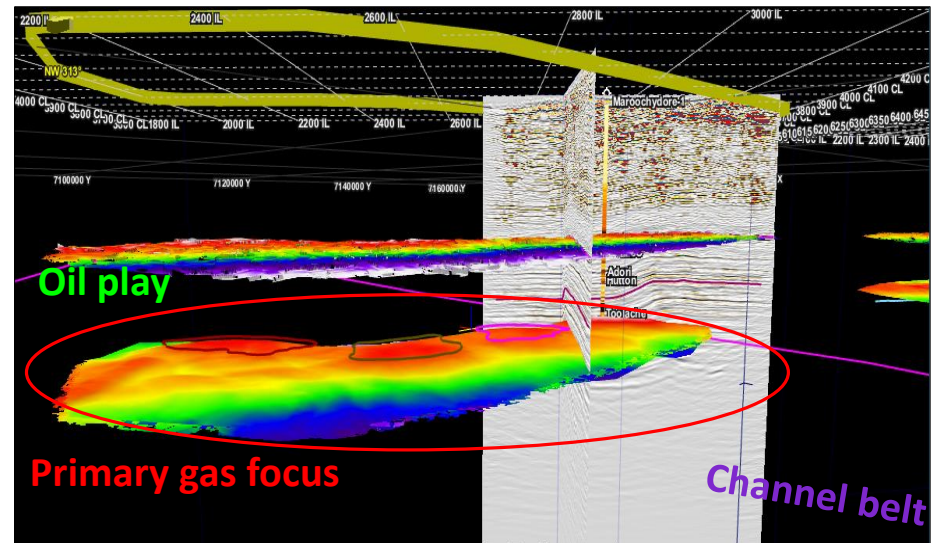
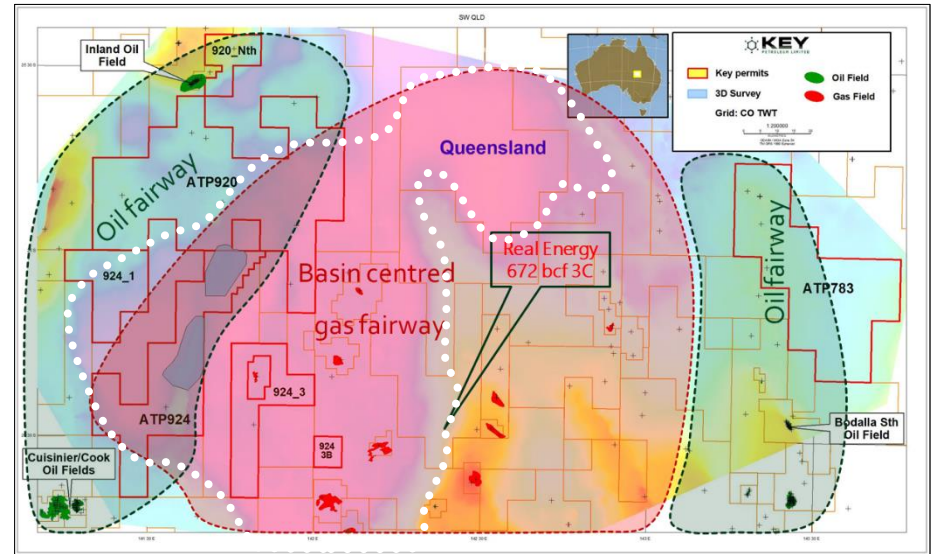


Kitchen mess associated with camp accommodation



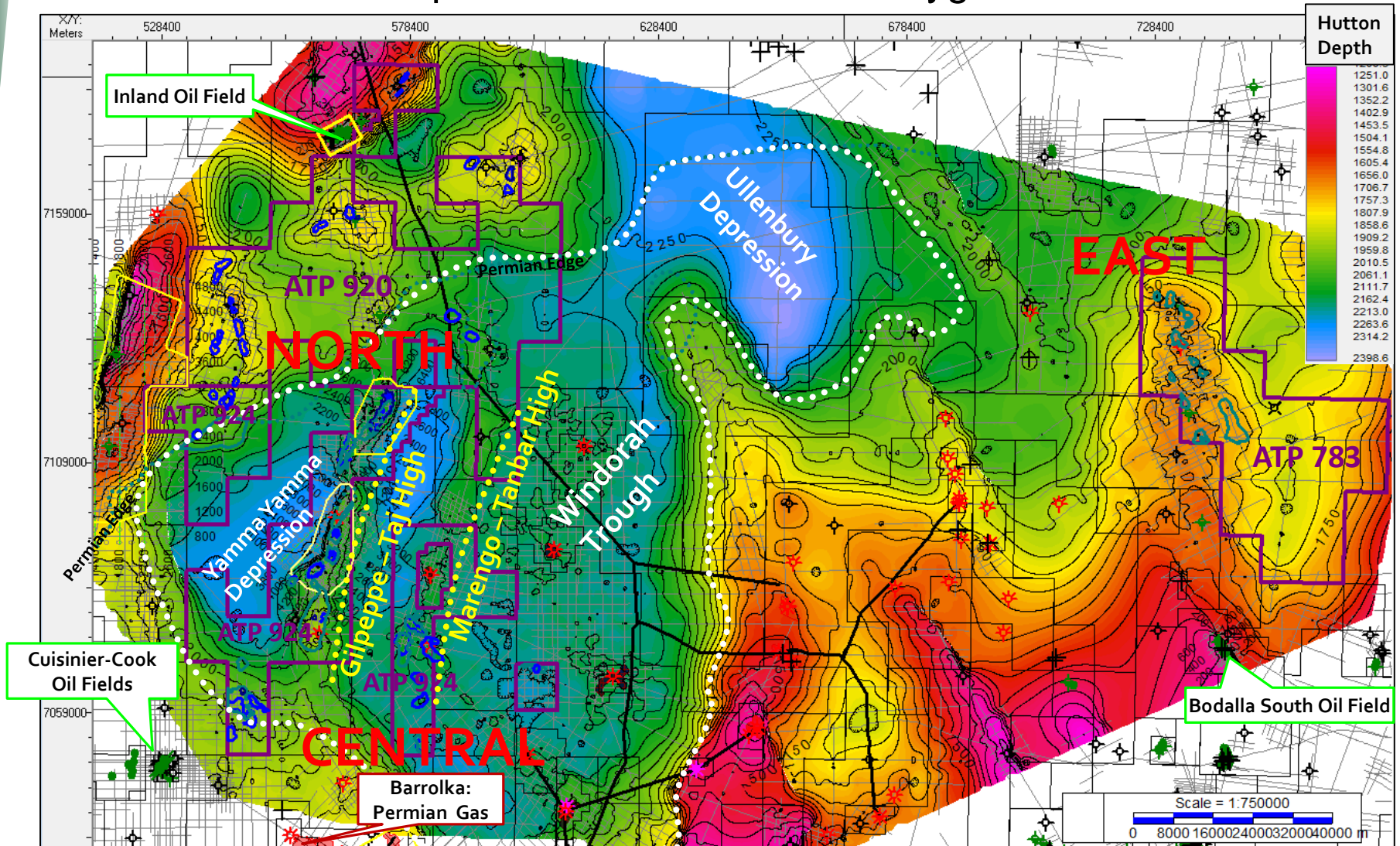
Cooper Eromanga Basin Portfolio

- Three ATPs over recognised under explored oil and gas fairways
- ATP 924 contains two new 3D seismic surveys that significantly lower prospectivity risk
- Original work program was focused on traditional oil plays at the Jurassic level
- Key's revised work program will be focused on gas exploration at the Permian level principally around the Tanbar Gas Project (above right)
- Abundant infrastructure in close proximity to Key's assets include, roads, a refinery and a gas pipeline



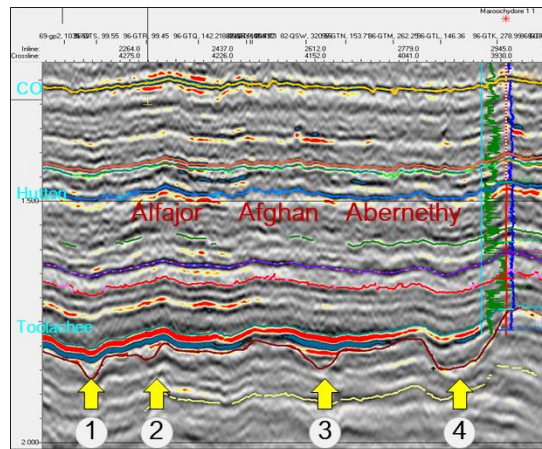
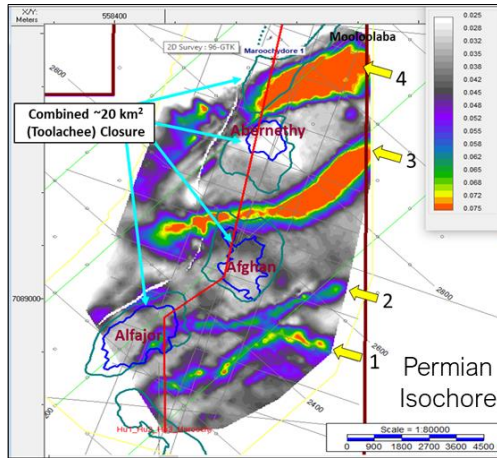
Regional Jurassic Structure Map

Prospects - Blue and Green Polygons



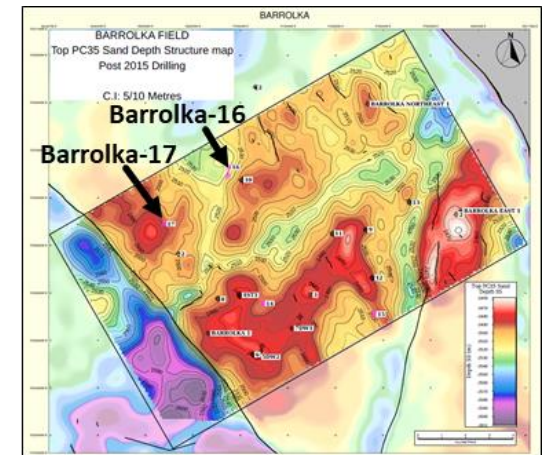
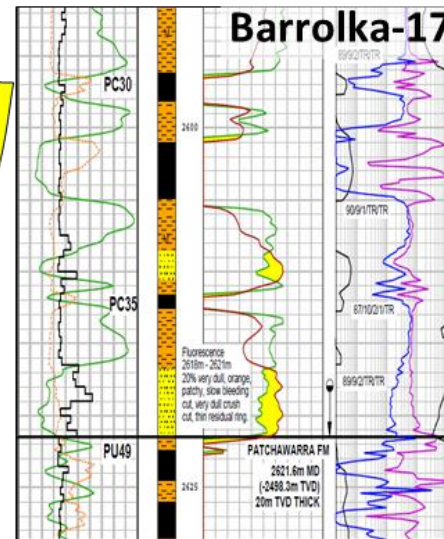
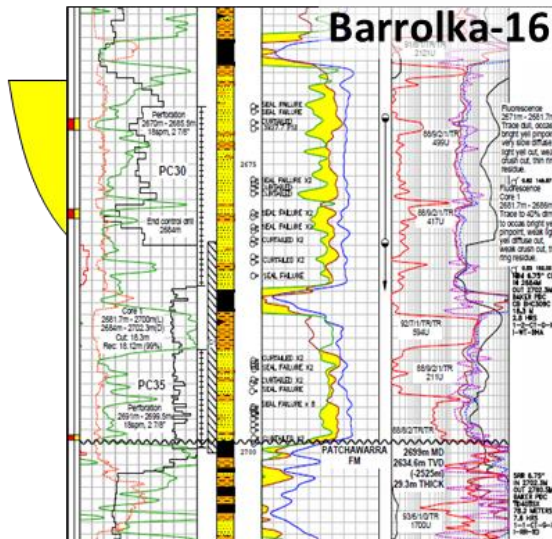
Permian Canyon Play Adjacent to CG Pipeline

- Permian Toolachee canyon complex is analogous to the Barrolka Gas Field



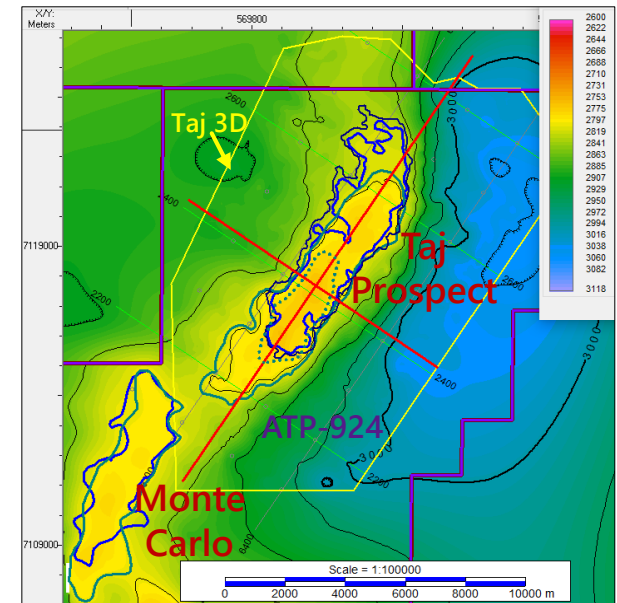
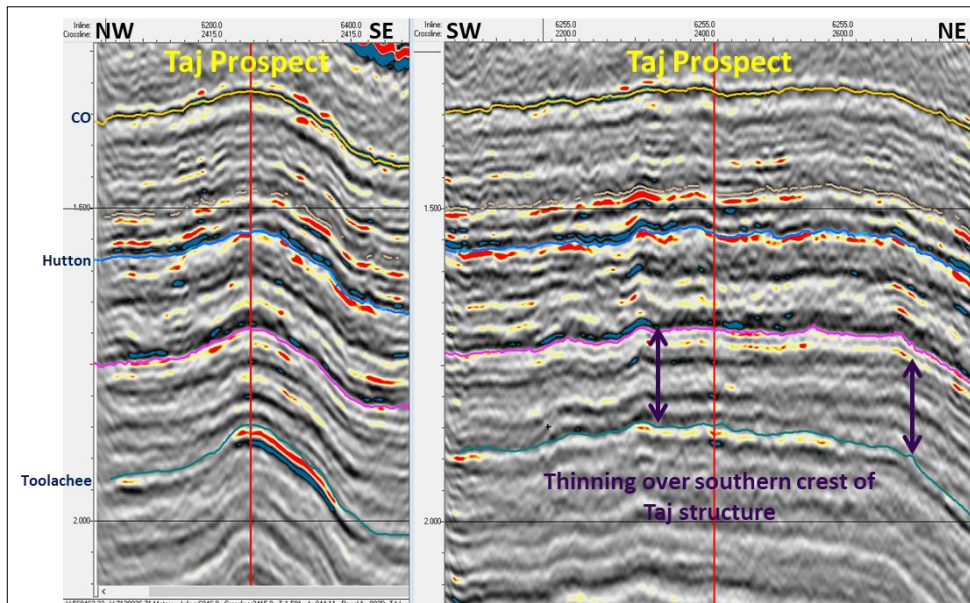
- Barrolka-17 drilled on a structural high (poor reservoir development) and Barrolka-16 was drilled in a paleo low (good reservoir development)
- Resource estimates of canyon features currently being assessed

Toolachee PC30 channel sands fill paleotopography



Taj Oil and Gas Prospect - Elephant #1

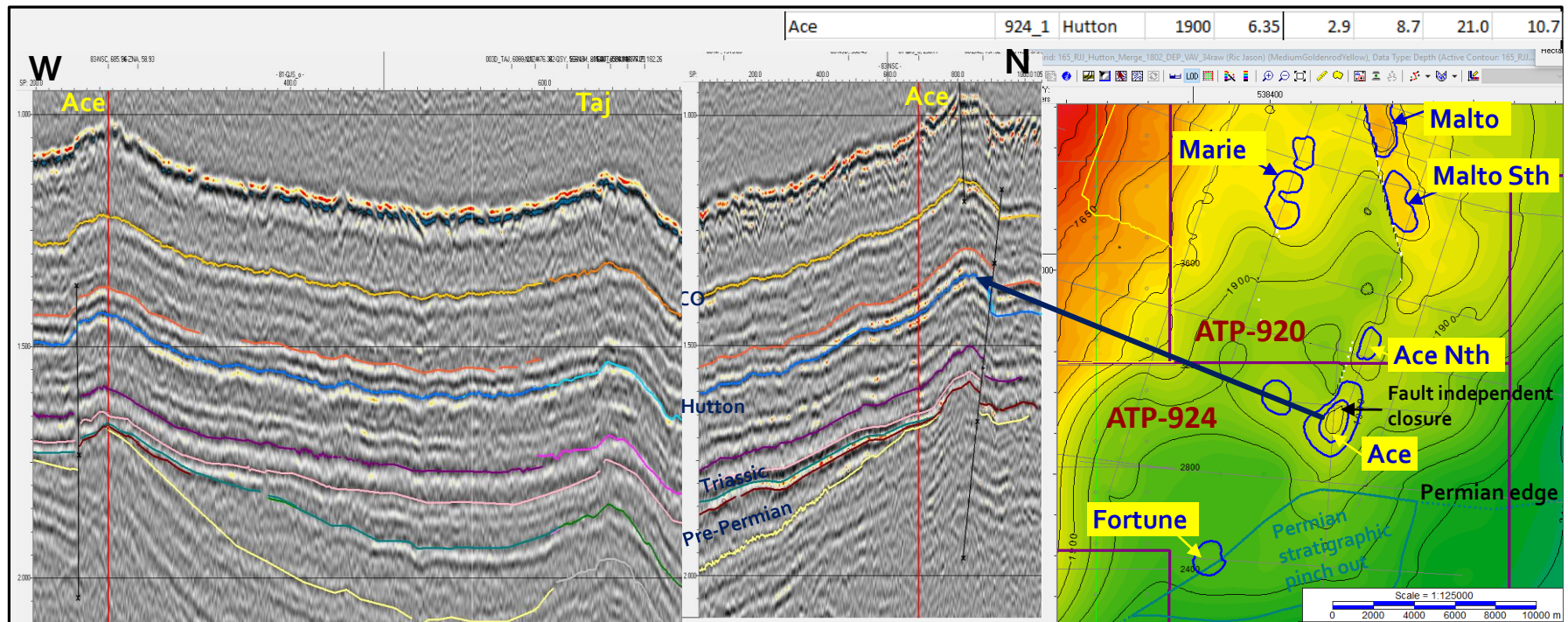
- Large 3D defined undrilled prospect with multiple targets (current conservative resource estimates do not include Triassic and other Jurassic intervals) located within the Tanbar Gas Project in ATP 924
- Pre Jurassic thinning defines early structure (prerequisite for success in the Basin). Significant onlap potential as demonstrated on trend at Gilpeppee Anticline
- At the Hutton Formation level only, within the Taj area of ATP 924 has a prospective resource estimate⁵ of 2.7 - 8.7 - 24.5 mm bbls (low, base and high) and the Permian Toolachee level has a gas prospective resource estimate of 16 - 35 - 69 bcf (low, base and high)



⁵ Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development and 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. Resource range was previously disclosed on 13th September, 2018, being the evaluation date. See Prospective resource notes on slide 26 for further information.

Ace Oil Prospect – Elephant #2 (Taj's Brother)

- Large untested anticline sitting within ATP 924 west of Tanbar Gas Project – Permian edge proximity
- Key Petroleum maps 5.7 km² total mapped closure
- High chance of multiple fault independent closures
- Potential of Triassic onlap play similar to Taj
- Prospective resource estimates to be disclosed in due course to the market



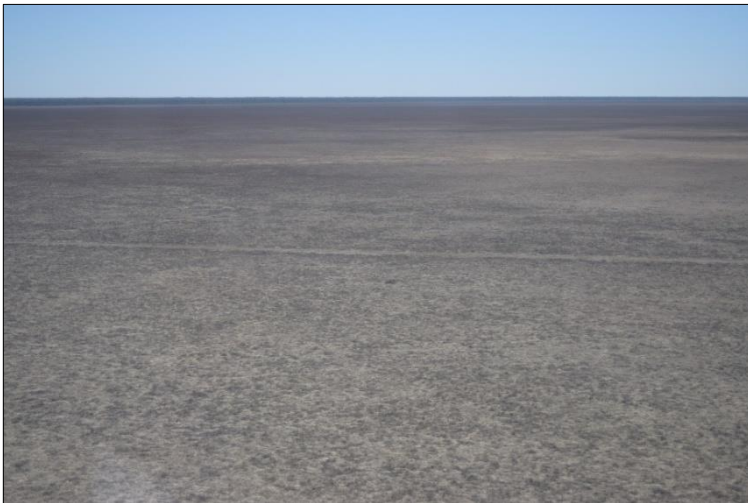
Tanbar Gas Project – Surveying of Well Locations



Chopper at Tanbar Station



South of Tanbar Station

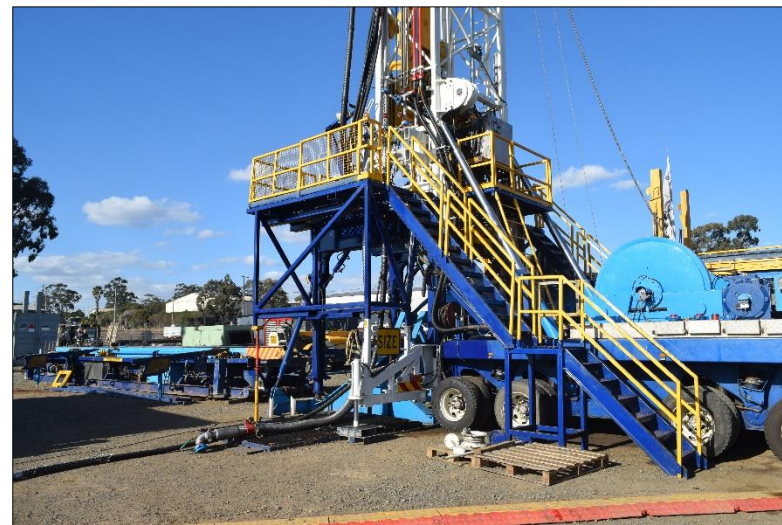
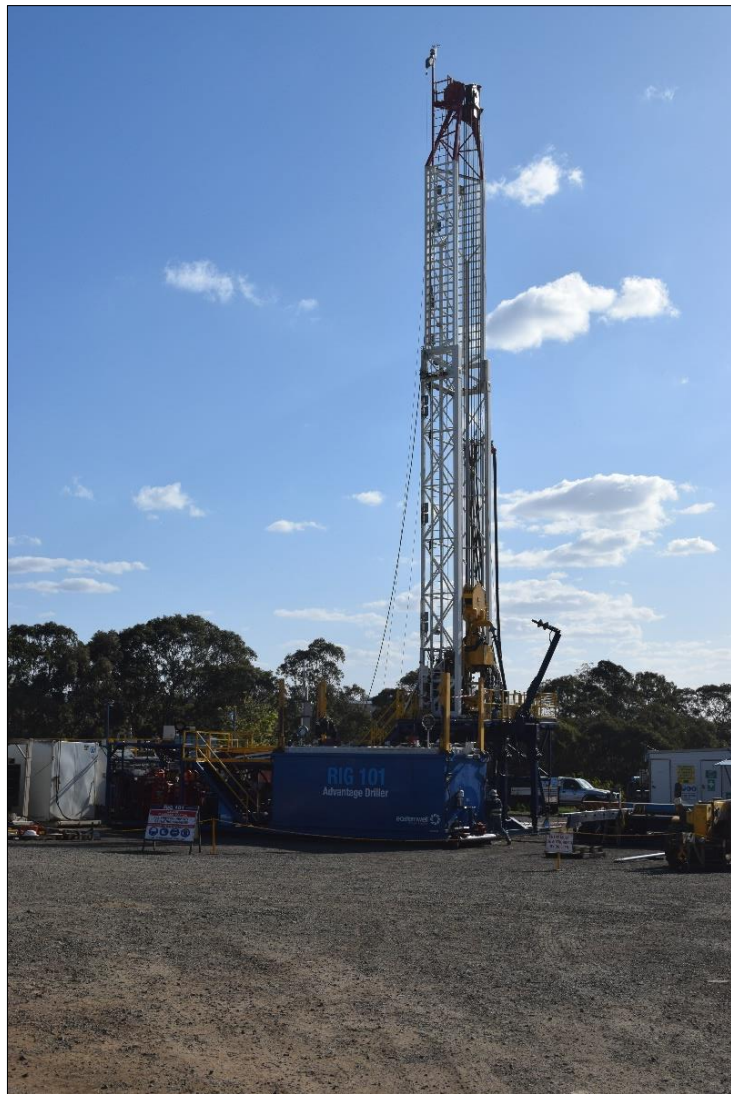


Gilpeppe Station Road – Taj Prospect



Gilpeppe-1 – West of Taj Prospect

Rig Inspections for Cooper Basin - 2019



2019 – A Big Year of Exploration and Development

- Tendering prior to year end for drilling, seismic and oilfield services
- Components of Mount Horner decommissioning to commence shortly
- Finalisation and resolution of land access matters in new year and drilling of Wye Knot-1 to commence with Mount Horner Oil Field Campaign
- Prospective resource estimates for Cooper Basin Tanbar Gas Project to be released before year end
- Seismic Reprocessing and ATP 920 and ATP 924 to be completed Q1 2019
- Rig tendering and selection for drilling in Cooper Basin Tanbar Gas Project

Timeline								
	2018	2019						
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
EP 437						1 WELL		
L7	DECOMMISSIONING				WORKOVERS		1 WELL	1 WELL
				3D SEISMIC				
ATP 924				1 WELL				
ATP 920	SEISMIC REPROCESSING							
ATP 783			SEISMIC REPROCESSING AND GEOCHEMICAL SURVEY					

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) and 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 Licence, L7, and Exploration Permit, EP 437 and ATP 924 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.



For further information please contact

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Or follow us on our social media handles below:



Annual General Meeting

26 November 2018

Managing Director's Presentation

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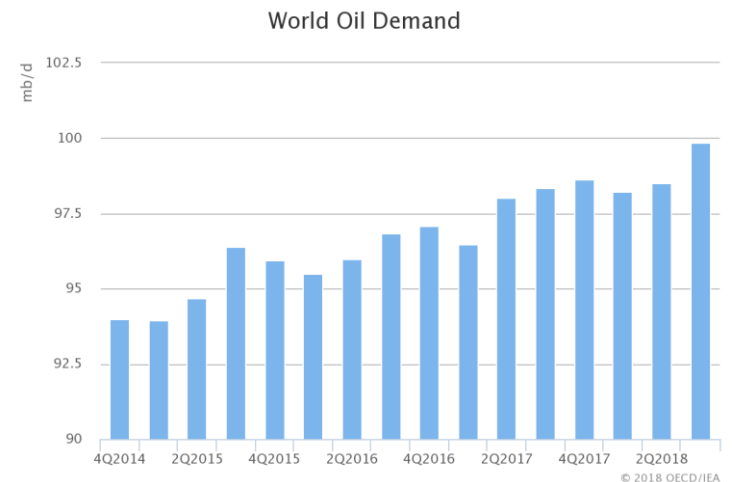
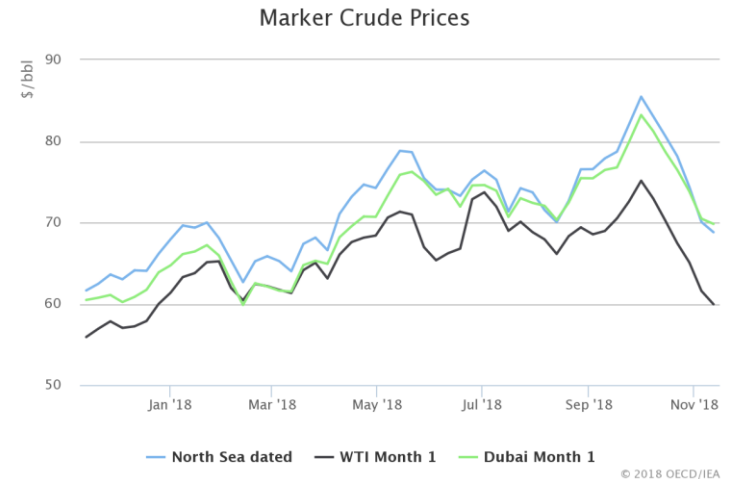
Competent Person's Statement

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 and is a qualified petroleum reserves and resources evaluator. Resources reported in this presentation and previous reports are based on representative information and supporting documentation. Bookara Shelf Oil project resource estimates and categories were evaluated and reported on 22nd November, 2018 with the prospective resource range for the Taj prospect being reported and evaluated on 13th September, 2018. 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.

Energy Market Overview

Oil Market Fundamentals

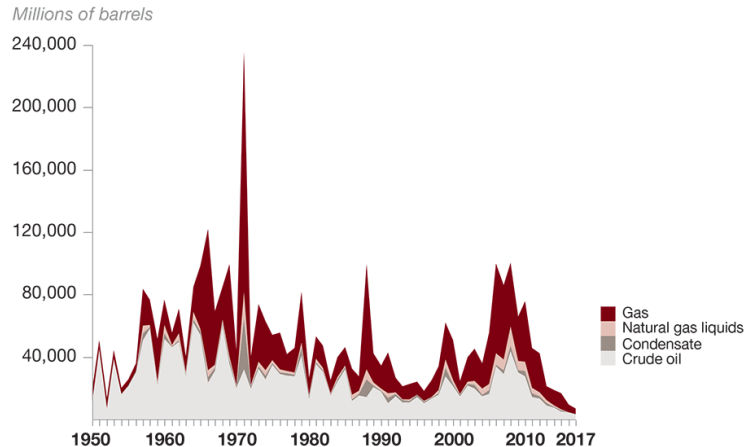
- The oil price has seen recovery supported by a more balanced market prior to the recent decline
- The recent trend reflects a wide range of issues including political tensions, (Iran waivers and tariff war), forecast weaker global economic growth, increase in inventories in the US and increased supply output by OPEC
- An increase in world oil demand is expected to continue to the middle of the century



Decline in Discoveries and Impact of US Shale

The long decline in new oil and gas discoveries

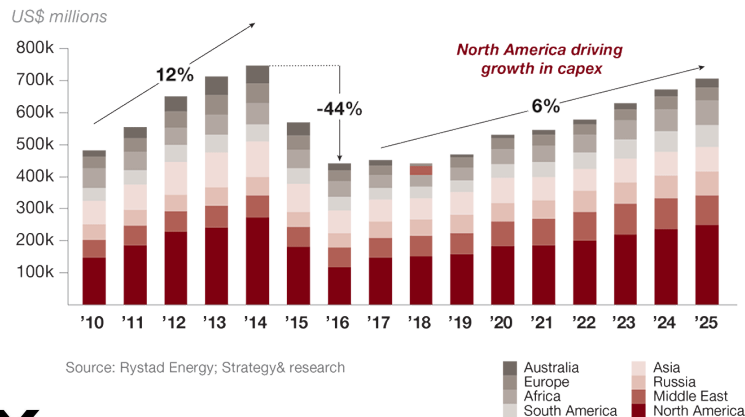
Global volumes of new discoveries in oil and gas



Source: Rystad Energy; Strategy& research

Expanding investments in oil and gas exploration

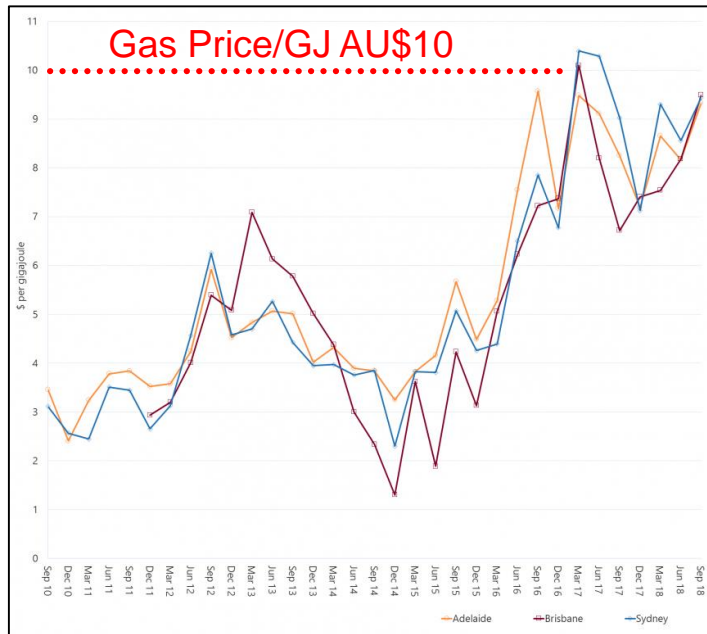
Global oil and gas capital expenditures



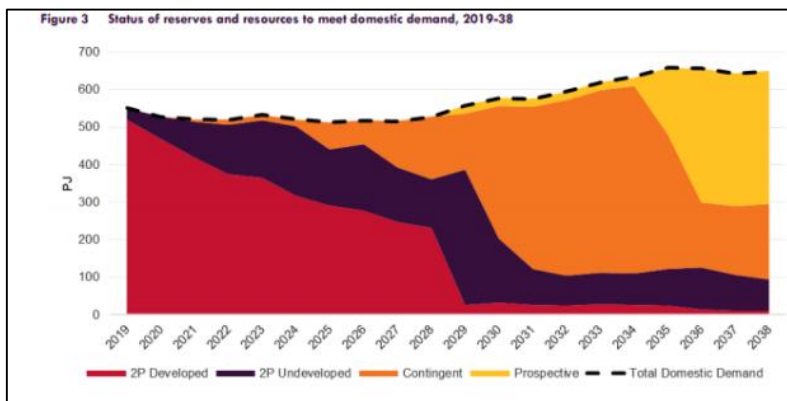
Source: Rystad Energy; Strategy& research

- Supply related challenges remain for high cost exploration and development ventures, i.e. deep water
- Key's Perth Basin conventional oil projects are robust with low lifting costs in any development, supported by a low operating cost model and material step-out drilling opportunities to incrementally drive organic growth
- There is the potential for a “two-speed oil market” as US shale remains a dynamic source of oil supply, investment in more conventional oil output will be limited to low cost, low risk opportunities

East Coast Gas Markets



Source Australian Energy Regulator

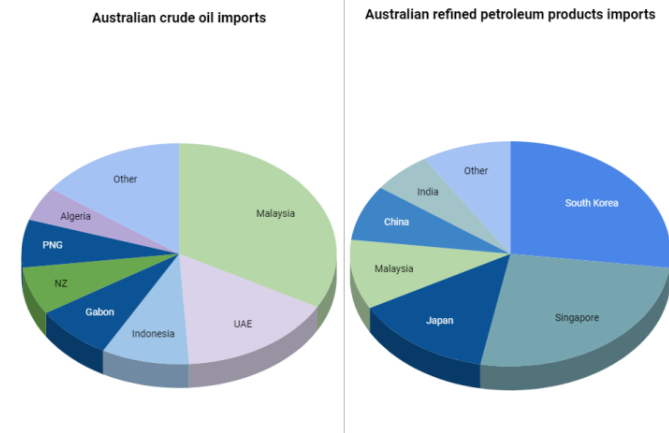


Source Australian Energy Regulator

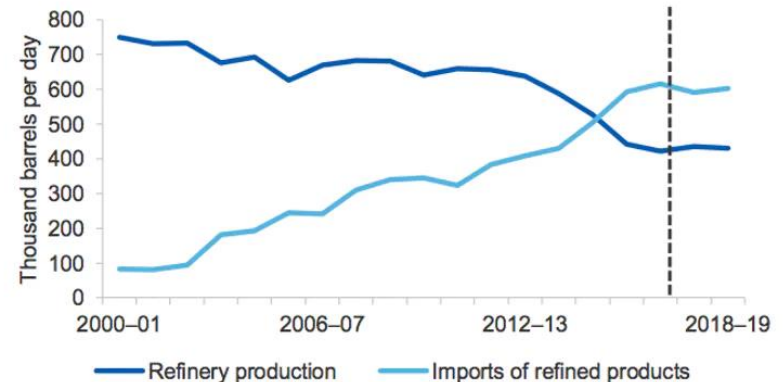
- Gas prices remain at levels close to AU\$10/gigajoule with continuing strong demand by industry
- LNG export caps, gas from the Northern Territory, Queensland's domestic gas initiative, subsidies, discounts, a trans-continental pipeline and LNG imports are being proposed as solutions to Australia's east coast gas shortage
- High gas prices continue to place pressure on east coast industrials and manufacturers
- Investment in the exploration and development of new gas fields is required to meet forecast increasing gas demands

Markets Role in Shaping Key Strategy

- Key has taken a long term view of world oil demand focusing on conventional oil and gas projects in Australia
- Australia has low levels of crude inventories and is heavily reliant on imported oil imports as a result of falling domestic refinery output
- Key's exploration acreage is placed near to pipeline and refinery infrastructure
- The Company is ideally placed for next phase of growth
- Exploration and development programs are planned for 2019 across the portfolio



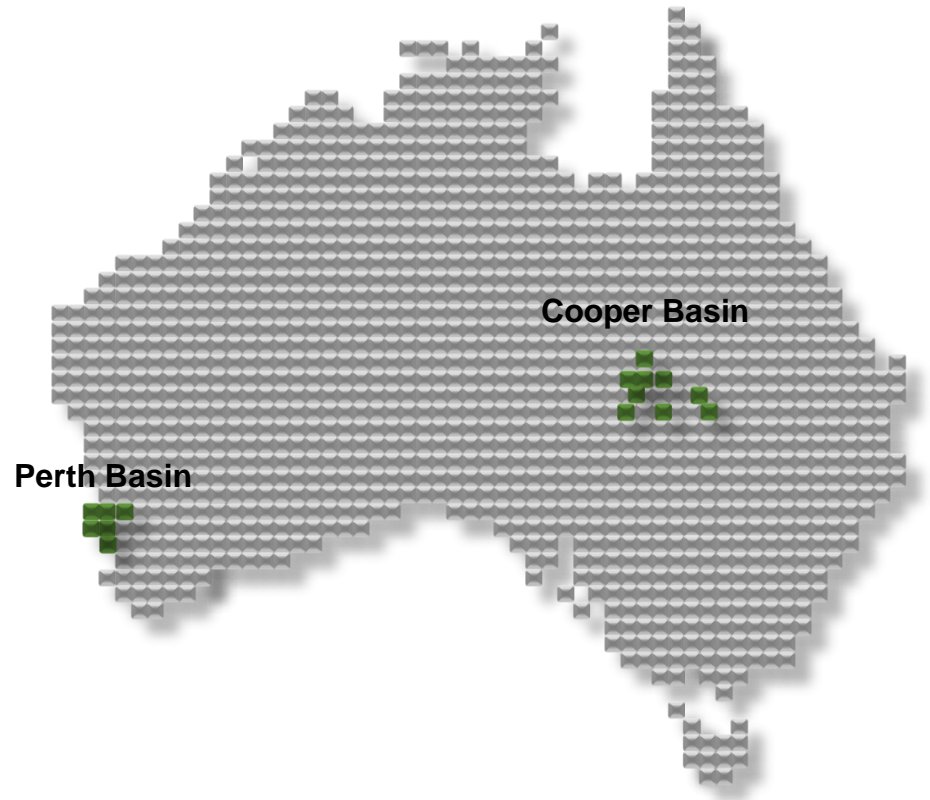
Source ABC Jul 2018



Source The Conversation, May 2018

Australian Focused Assets

- ◆ Key holds strategic acreage positions in under explored fairways of proven basins adjacent to infrastructure:
- ◆ South-west Cooper Eromanga Basin, Queensland after the recent acquisition of ATP 783, ATP 920 and ATP 924
- ◆ North Perth Basin, Western Australia with offshore Exploration Permit WA-481-P and onshore with Exploration Permit EP437 and the recently acquired Production Licence L7 (Mount Horner)



2018 Achievements

- ◆ Completed acquisition of Production Licence L7, North Perth Basin containing the Mount Horner Oil Field
- ◆ Key realised value in the previously dormant Mount Horner asset through its strong technical competencies and identification of a near term production opportunity
- ◆ A program of drilling and seismic will highlight the oil potential on the Bookara Shelf and potentially transition the Company to a near term oil producer and major player in the Perth Basin
- ◆ In the Cooper Basin Key has successfully negotiated an amended work program in ATP 920 and 924, reducing the work commitment from 9 wells and seismic acquisition, to a program consisting seismic reprocessing and one well, estimated at \$2.5 million (from \$30 million)
- ◆ Highly prospective conventional gas opportunities defined by 3D seismic in ATP 924 are near to ongoing peer activity and pipeline infrastructure
- ◆ Reduced contingent liabilities with divestment of non core assets

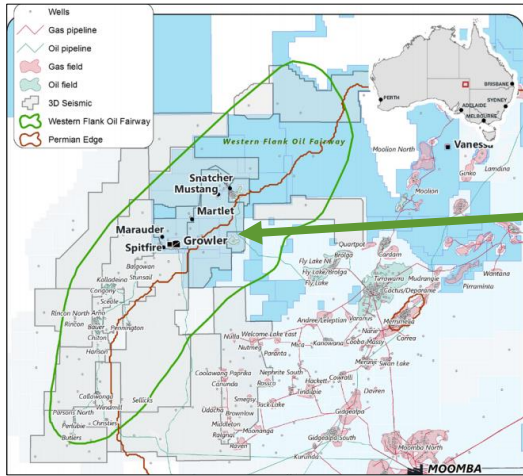
Project Portfolio

Perth Basin

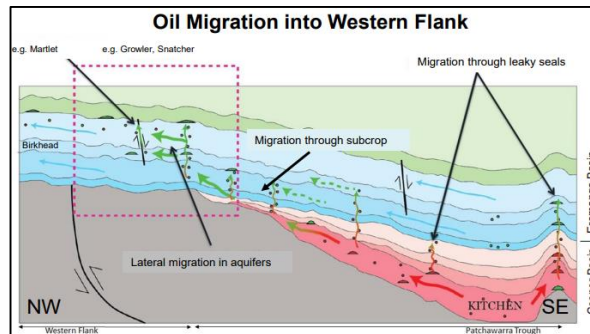
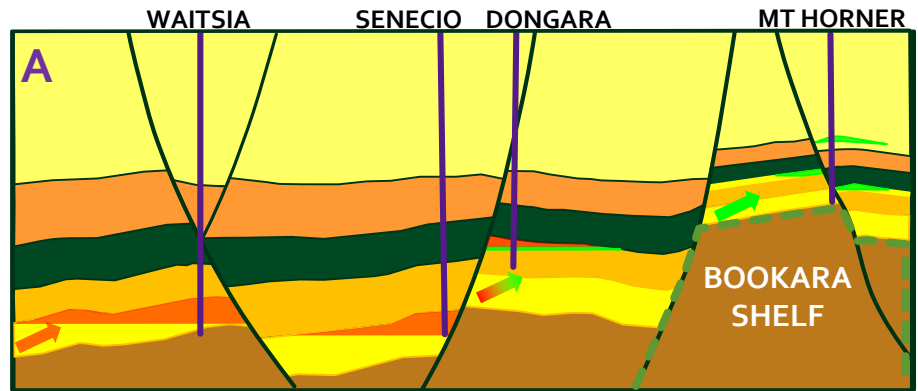
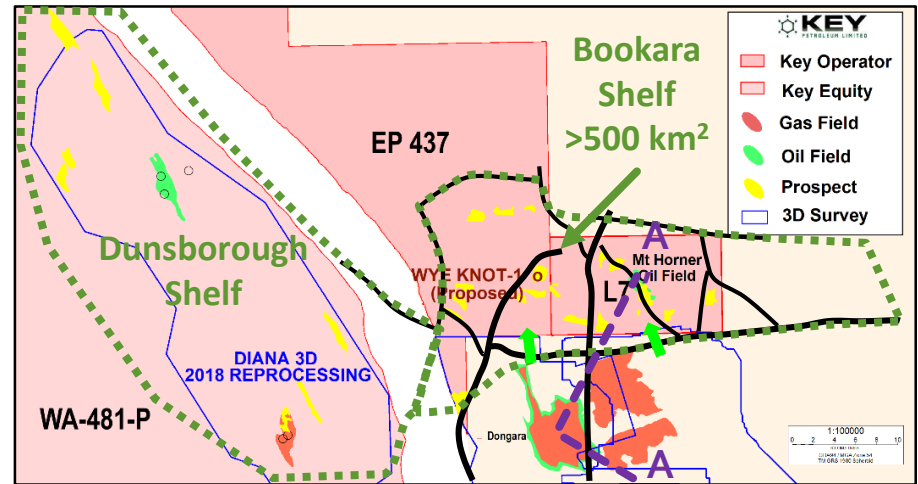
Cooper Basin

Northern “Flank” Oil Province

- Key Petroleum has captured the entire conventional oil play on the Bookara Shelf located north of the main gas province. The strategy has been quickly rewarded by Triangle Energy's rapid investment
- Key Petroleum will operate and drill at least three wells and acquire modern 3D seismic across the Bookara Shelf in 2019
- Key will appraise conventional oil opportunities and fast track production via infill drilling and work overs, using existing infrastructure where possible



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



Appraisal of the Bookara Shelf



Mount Horner-5A Well head and pump jack

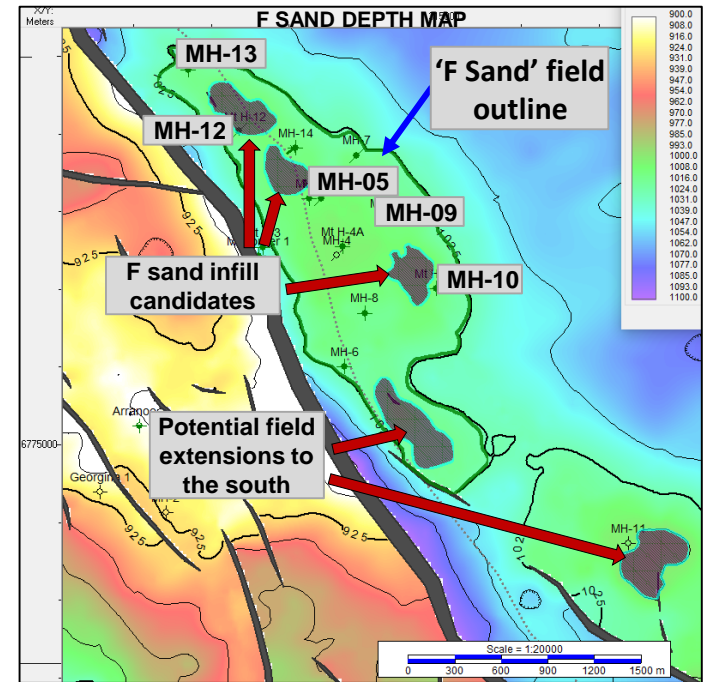
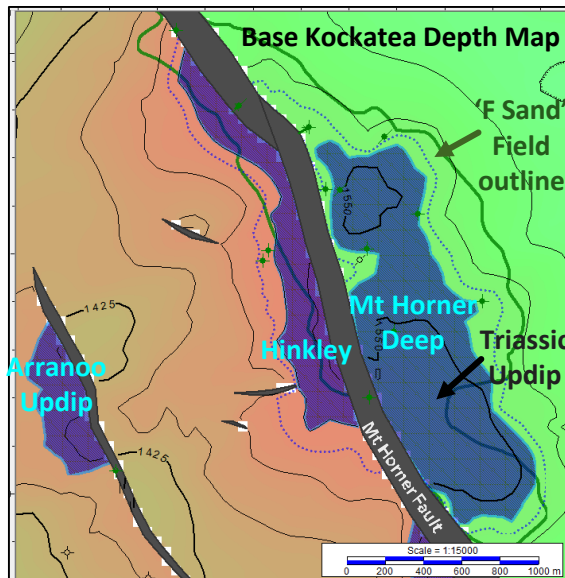


Mount Horner (background) and Facility

- ◆ The L7 Farmout Agreement with between Key and Triangle Energy (Global) Limited (ASX:TEG) has been executed whereby:
 - ◆ 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.
 - ◆ A workover program to investigate the potential for bypassed pay in two of the existing development wells may be implemented subject to due diligence
- ◆ 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

L7 Redevelopment

- 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



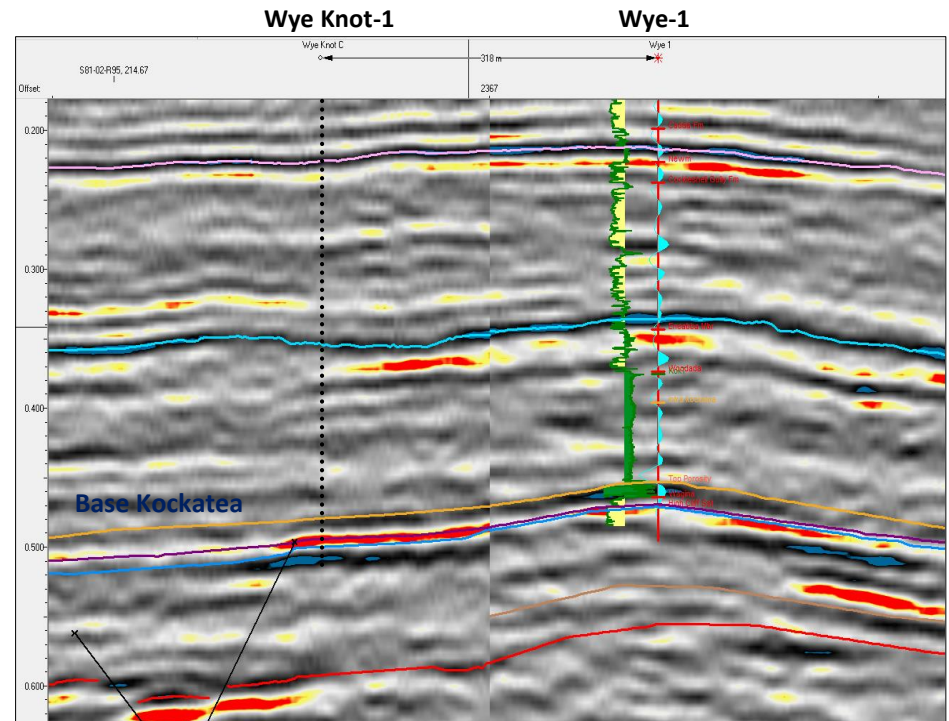
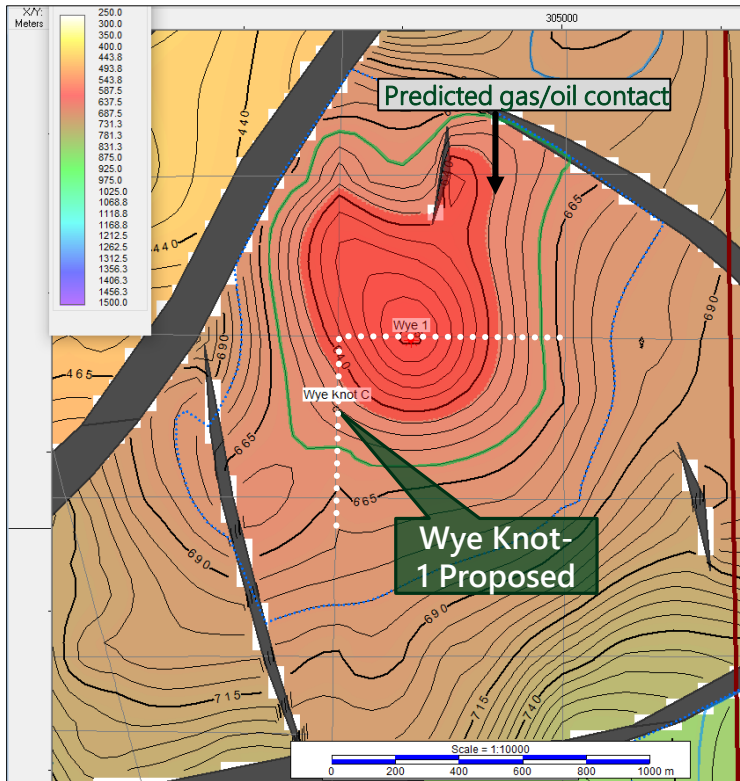
- 3D seismic acquisition within L7 will significantly de-risk the remaining oil potential in the Mount Horner field including deeper proven targets
- Mount Horner Deep has an un-risked Gross Prospective Resource Range of 0.31 (1U) - 1.11 (2U) – 2.12 (3U) mm bbls probabilistically determined³
- Minimum 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 Licence 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 27.

^{2,3} Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development and 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 26 on resource estimate determination.

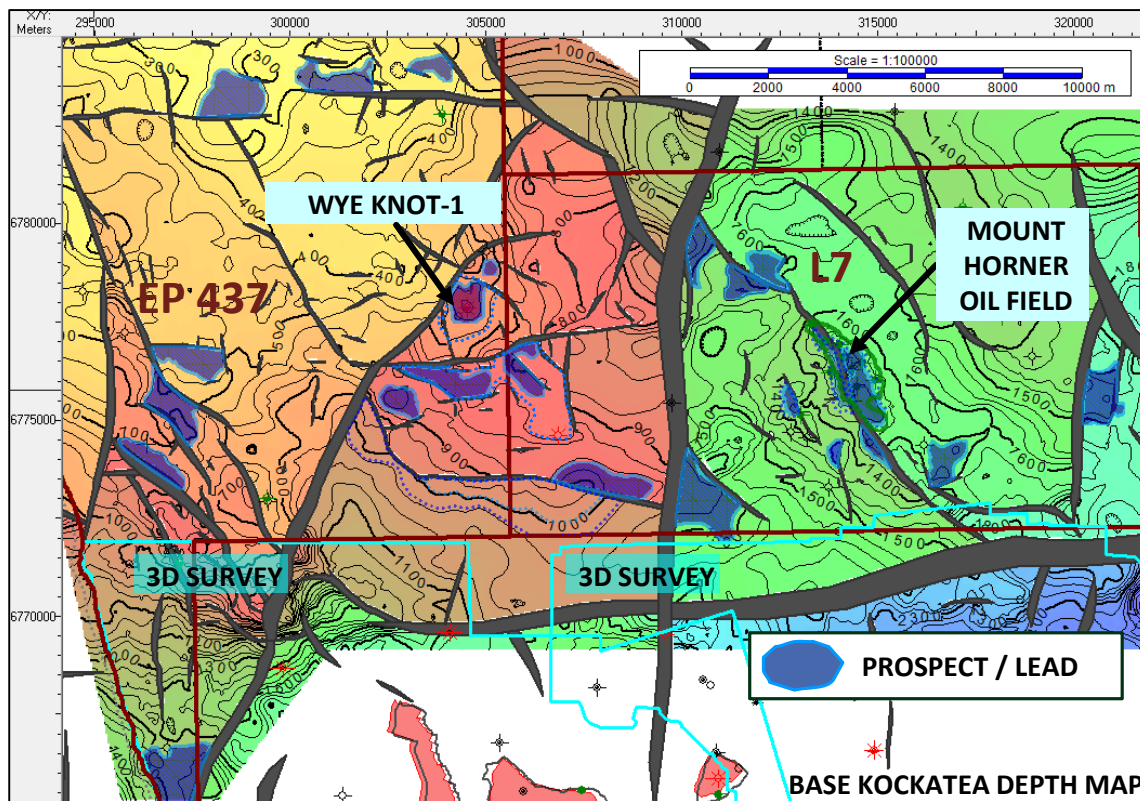
Bookara Shelf Near - Term Exploration

- ◆ 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 bbls⁴
- ◆ 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



⁴ Range is un-risked, Wye Knot prospective resource range has been reviewed in light of additional data at Mount Horner and assessed probabilistically. The 3U case is not considered to be a material change in estimates. Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development and 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 26 on resource estimate determination.

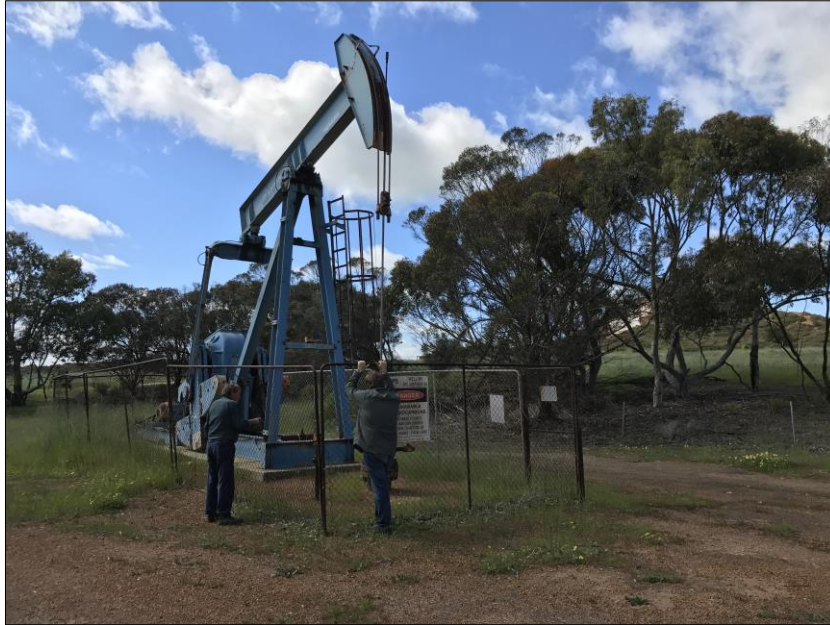
Bookara Shelf Oil Project Resource Summary



- 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

Mount Horner Operations



- ◆ Preliminary field surveys commenced while awaiting final formal regulator approval to undertake any decommissioning at Mount Horner with assessment of current facility infrastructure for Phase II Development being undertaken in parallel
- ◆ Remaining beam pumps and other oilfield inventory to be mobilised to Mount Horner in coming weeks



Camp Mobilisation to Mount Horner



Partial mobilisation of Mount Horner camp

- Mobilisation of the Key Petroleum Services camp to Mount Horner has commenced, with shire approvals being finalised to complete the installation
- The 40 man camp will accommodate personnel for workover, seismic acquisition and drilling campaigns across the Bookara Shelf Oil Project
- Key Petroleum Services operational base will provide significant cost saving to the L7/EP 437 joint ventures

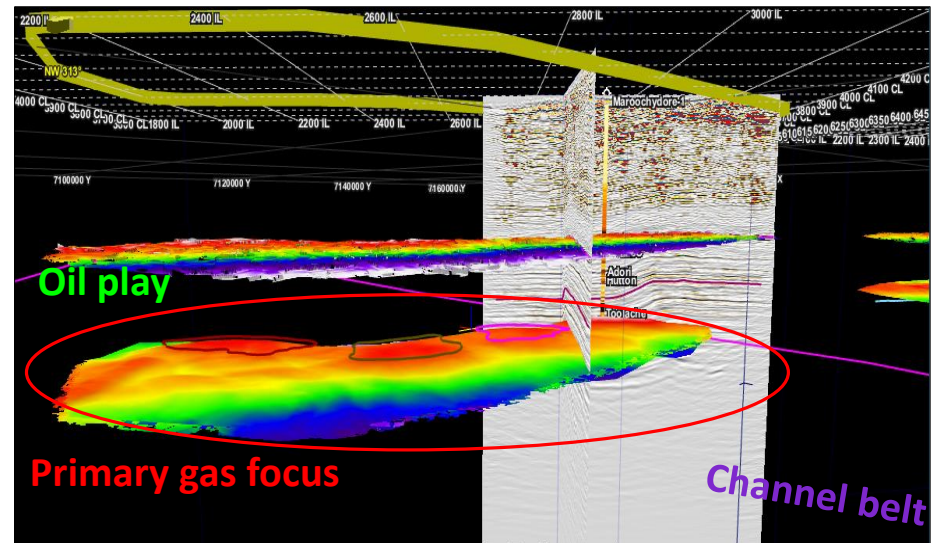
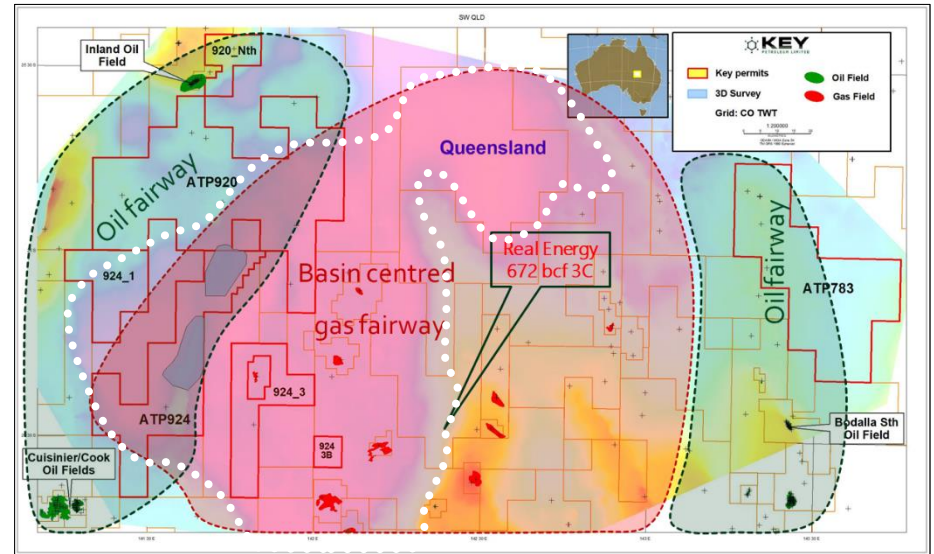


Kitchen mess associated with camp accommodation



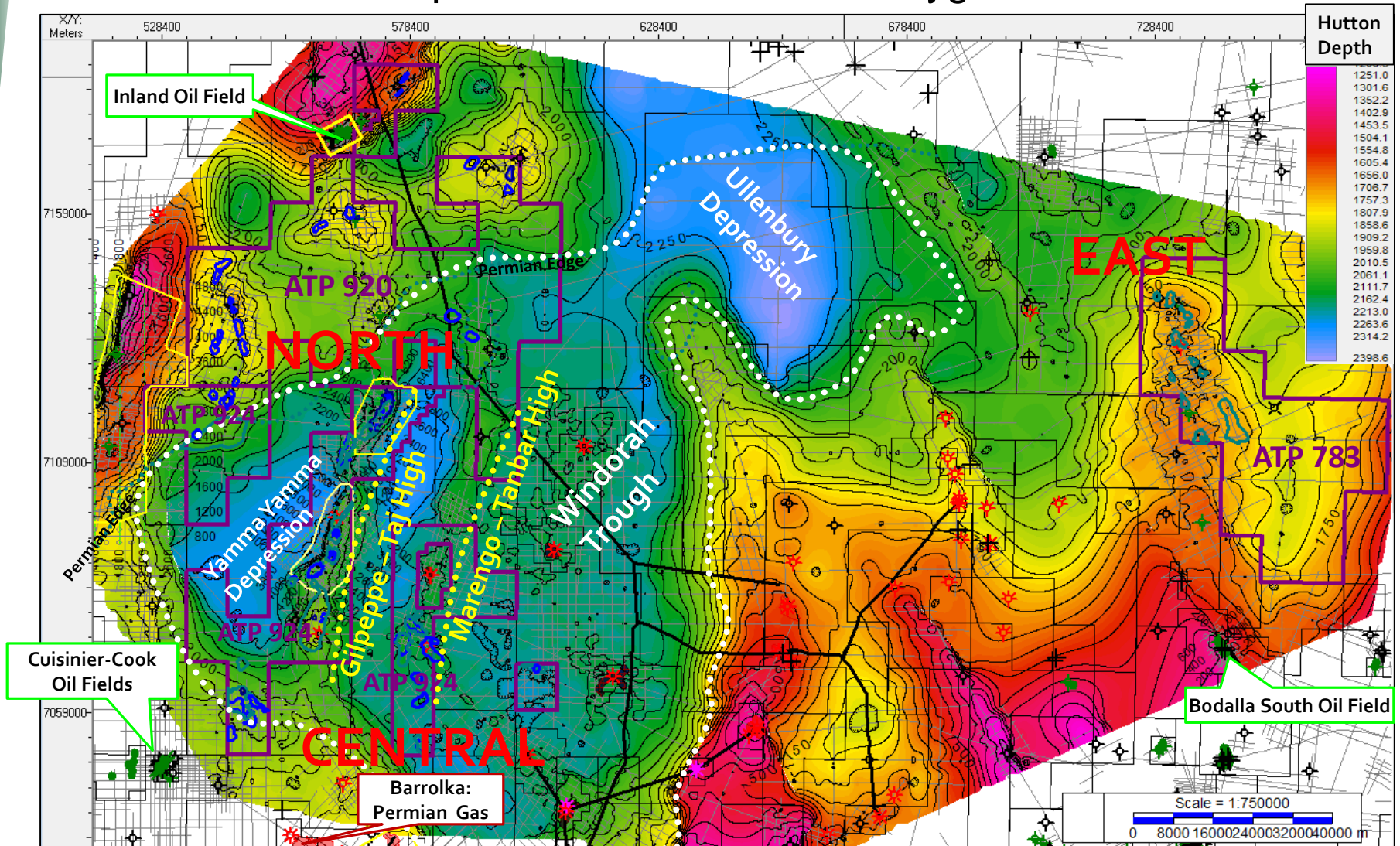
Cooper Eromanga Basin Portfolio

- Three ATPs over recognised under explored oil and gas fairways
- ATP 924 contains two new 3D seismic surveys that significantly lower prospectivity risk
- Original work program was focused on traditional oil plays at the Jurassic level
- Key's revised work program will be focused on gas exploration at the Permian level principally around the Tanbar Gas Project (above right)
- Abundant infrastructure in close proximity to Key's assets include, roads, a refinery and a gas pipeline



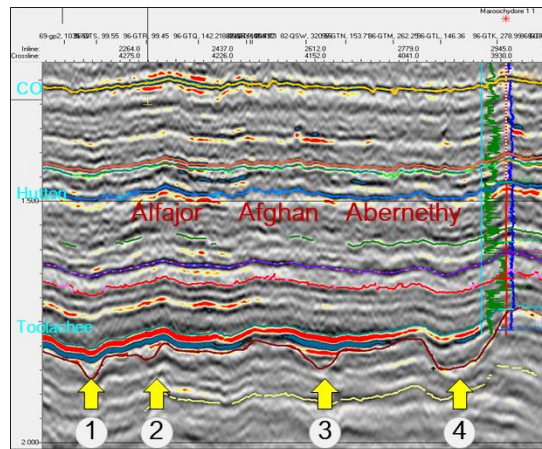
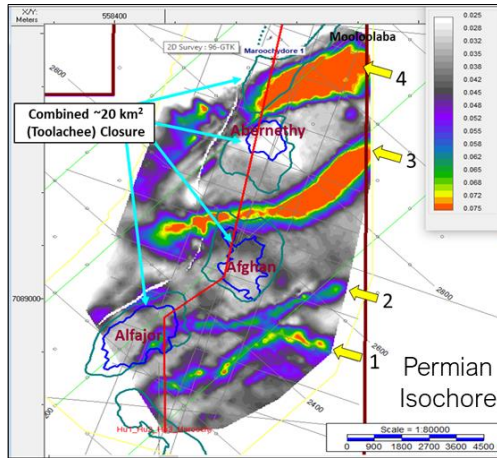
Regional Jurassic Structure Map

Prospects - Blue and Green Polygons



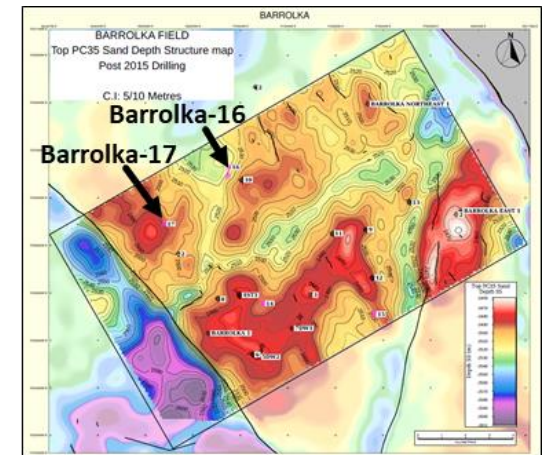
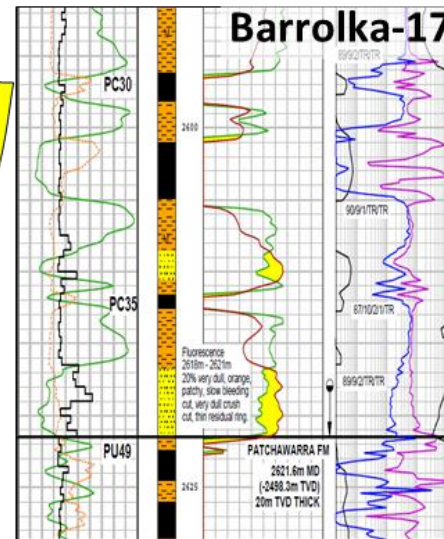
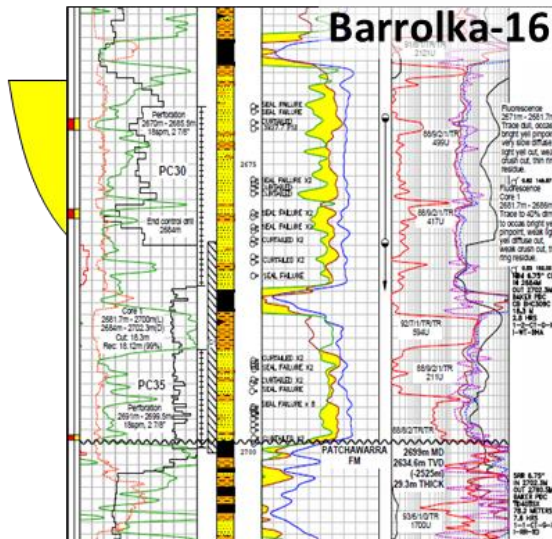
Permian Canyon Play Adjacent to CG Pipeline

- Permian Toolachee canyon complex is analogous to the Barrolka Gas Field



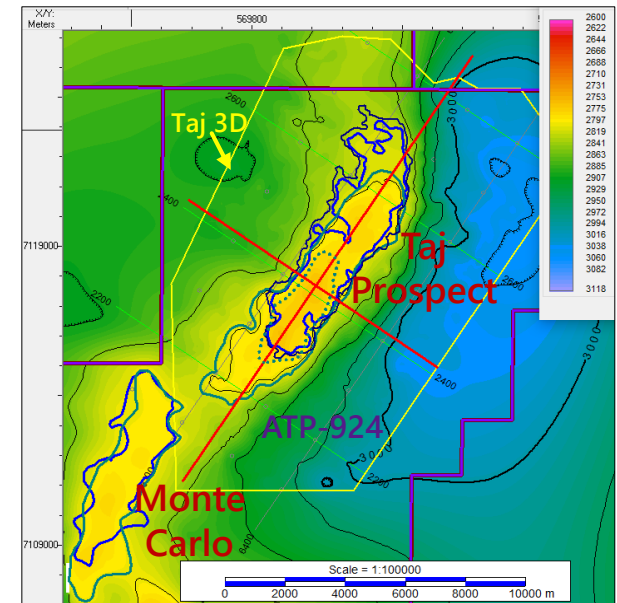
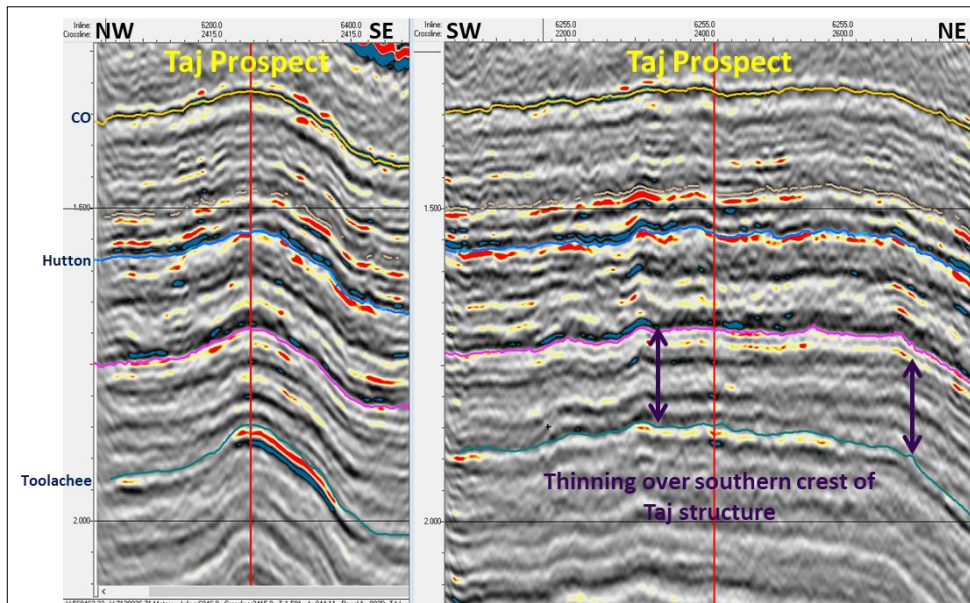
- Barrolka-17 drilled on a structural high (poor reservoir development) and Barrolka-16 was drilled in a paleo low (good reservoir development)
- Resource estimates of canyon features currently being assessed

Toolachee PC30 channel sands fill paleotopography



Taj Oil and Gas Prospect - Elephant #1

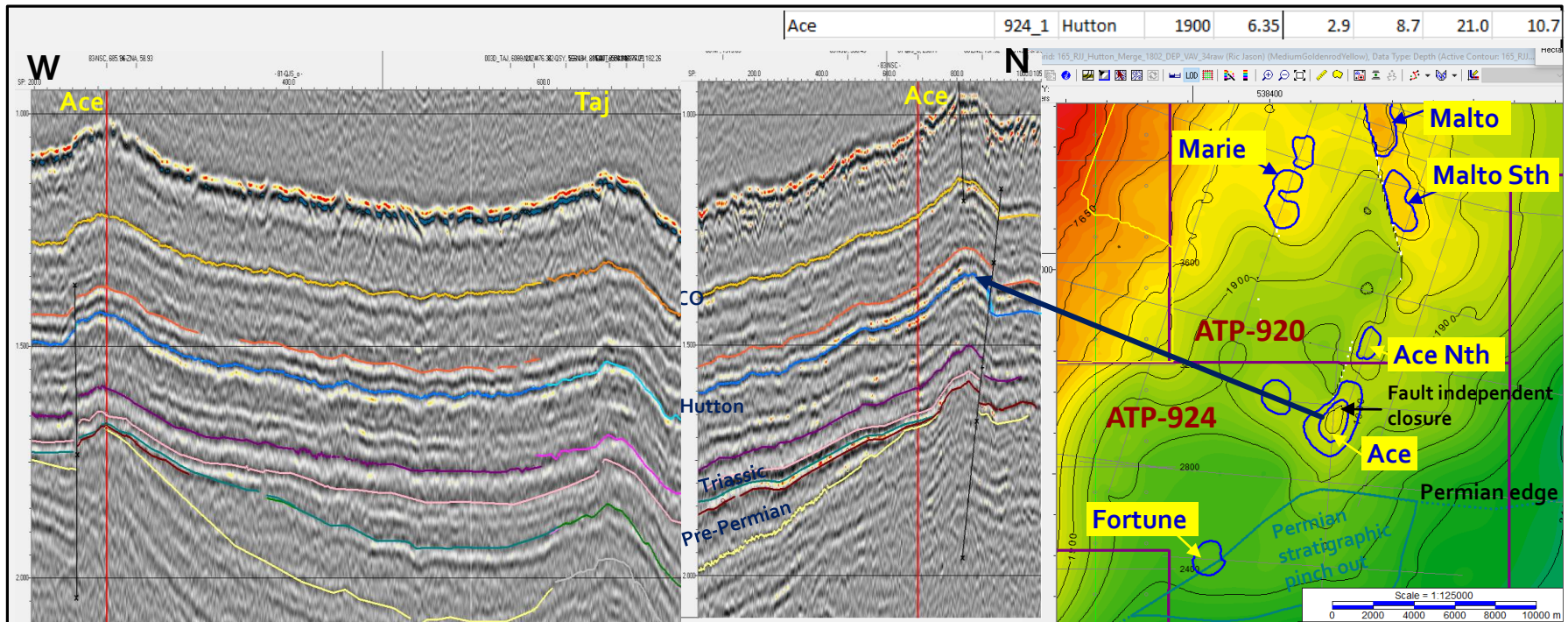
- Large 3D defined undrilled prospect with multiple targets (current conservative resource estimates do not include Triassic and other Jurassic intervals) located within the Tanbar Gas Project in ATP 924
- Pre Jurassic thinning defines early structure (prerequisite for success in the Basin). Significant onlap potential as demonstrated on trend at Gilpeppee Anticline
- At the Hutton Formation level only, within the Taj area of ATP 924 has a prospective resource estimate⁵ of 2.7 - 8.7 - 24.5 mm bbls (low, base and high) and the Permian Toolachee level has a gas prospective resource estimate of 16 - 35 - 69 bcf (low, base and high)



⁵ Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development and 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. Resource range was previously disclosed on 13th September, 2018, being the evaluation date. See Prospective resource notes on slide 26 for further information.

Ace Oil Prospect – Elephant #2 (Taj's Brother)

- Large untested anticline sitting within ATP 924 west of Tanbar Gas Project – Permian edge proximity
- Key Petroleum maps 5.7 km² total mapped closure
- High chance of multiple fault independent closures
- Potential of Triassic onlap play similar to Taj
- Prospective resource estimates to be disclosed in due course to the market



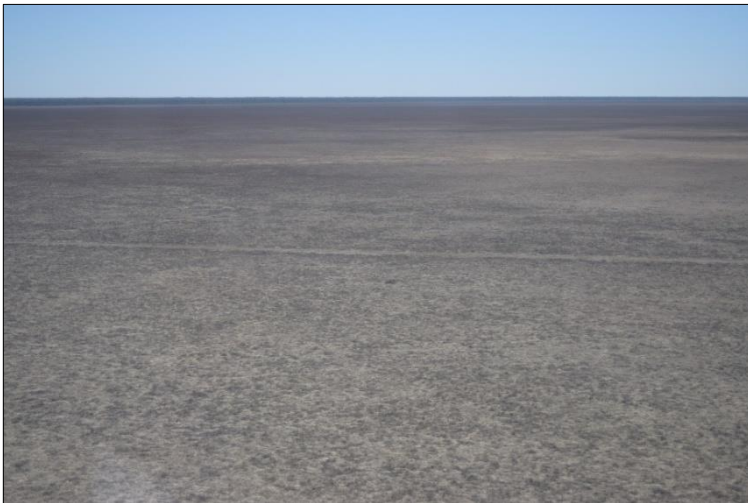
Tanbar Gas Project – Surveying of Well Locations



Chopper at Tanbar Station



South of Tanbar Station

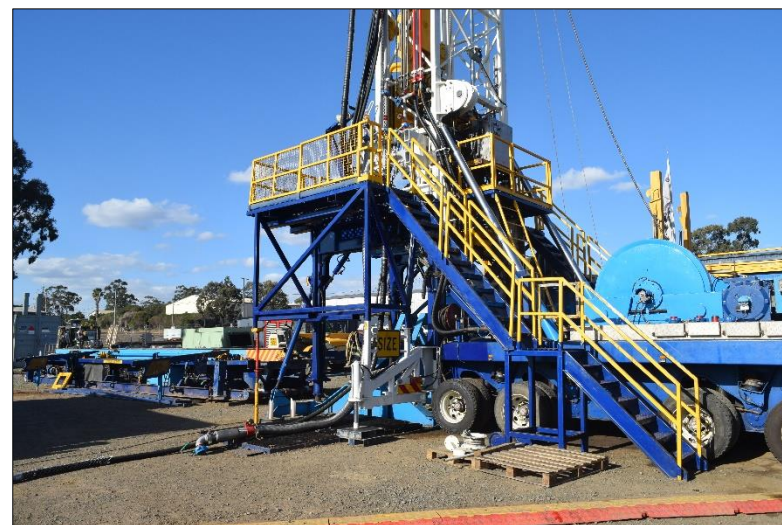


Gilpeppe Station Road – Taj Prospect



Gilpeppe-1 – West of Taj Prospect

Rig Inspections for Cooper Basin - 2019



2019 – A Big Year of Exploration and Development

- Tendering prior to year end for drilling, seismic and oilfield services
- Components of Mount Horner decommissioning to commence shortly
- Finalisation and resolution of land access matters in new year and drilling of Wye Knot-1 to commence with Mount Horner Oil Field Campaign
- Prospective resource estimates for Cooper Basin Tanbar Gas Project to be released before year end
- Seismic Reprocessing and ATP 920 and ATP 924 to be completed Q1 2019
- Rig tendering and selection for drilling in Cooper Basin Tanbar Gas Project

Timeline								
	2018	2019						
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
EP 437						1 WELL		
L7	DECOMMISSIONING				WORKOVERS		1 WELL	1 WELL
				3D SEISMIC				
ATP 924				1 WELL				
ATP 920	SEISMIC REPROCESSING							
ATP 783			SEISMIC REPROCESSING AND GEOCHEMICAL SURVEY					

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) and 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 Licence, L7, and Exploration Permit, EP 437 and ATP 924 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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