

21 April 2015

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

PERTH BASIN OPERATIONS UPDATE

We attach herewith an ASX Announcement for Investors providing an operational update on the onshore Perth Basin, Western Australia.

Regards



IAN GREGORY
Company Secretary
KEY PETROLEUM LIMITED

ASX RELEASE

PERTH BASIN OPERATIONS UPDATE

Perth Basin - EP437

Joint Venture participants in EP437 are:

<i>Key Petroleum Limited (Key Petroleum (Australia) Pty Ltd) (Operator)</i>	<i>43.47%</i>
<i>Rey Resources Limited (Rey Oil and Gas Perth Pty Ltd)</i>	<i>43.47%</i>
<i>Caracal Exploration Pty Limited</i>	<i>13.06%</i>

Further to our announcement of 17 April 2015, Key Petroleum (Australia) Pty Ltd ("Key" or "Company"), a wholly owned subsidiary of Key Petroleum Limited and Operator, is pleased to provide an update in relation to planned testing operations at Dunnart-2 in Exploration Permit EP437, Perth Basin, Western Australia.

All required approvals have now been granted by the Department of Mines and Petroleum to the Operator to undertake completion and testing operations at Dunnart-2 and all long lead items including pup joints and tubulars, wellhead equipment including, xmas tree, tubing hanger, gauges and valves are in Perth ready to be mobilised to the Dunnart-2 location.

DCA Rig #6 is currently in the DCA yard in Perth and Key personnel will inspect the rig later this week before mobilising the rig to the Dunnart-2 location at some stage during the next three (3) weeks. Camp facilities have been setup and completed south of Dongara at Key's operations base and onsite office and generator power facilities will shortly be mobilised from the operations base.

Key is also in discussions with two other oilfield rig contractors regarding a larger campaign in the Perth Basin and assessing whether any of their rigs could be utilised to undertake any workover activities (re-complete for production) in each of West Kora-1 (Production Licence L15) and Stokes Bay-1 (Retention Lease R1) in the Canning Basin.

The Company will update the market shortly on commencement of operations.

For more information please contact:

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Ian Gregory

Company Secretary

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