

12 May 2015

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

PERTH BASIN TESTING PROGRAM 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 TESTING PROGRAM 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 21 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.

DCA Rig #6 is currently in the DCA yard in Perth completing upgrades subsequent to third party rig inspection findings at the direction of Key. The rig is expected to be mobilised to site during the week commencing 18 May 2015. In accordance with the Land Access Agreement, formal notification of Key's intention to commence operations has been issued to the Land Owner and pressure testing of the completion equipment has been carried out by Halliburton, this equipment will also be mobilised during the week commencing 18 May 2015.

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

For more information please contact:

Key Petroleum Limited (Tel: +61 8 6389 0322)

Ian Gregory

Company Secretary

12 May 2015