

28 May 2015

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

DUNNART-2 COMPLETION AND TESTING UPDATE

We attach herewith ASX Announcement for Investors regarding Dunnart-2 completion and testing operations within EP437, Onshore Perth Basin.

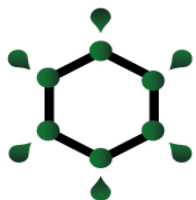
Joint Venture participants in EP437 are:

<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>

Regards



IAN GREGORY
Company Secretary
KEY PETROLEUM LIMITED



KEY
PETROLEUM LIMITED

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ASX RELEASE

DUNNART-2 COMPLETION AND TESTING UPDATE

Key Petroleum (Australia) Pty Ltd, a wholly owned subsidiary of Key Petroleum Limited and Operator of EP437, is pleased to announce that all Drilling Contractors of Australia ("DCA") Rig 6 drilling equipment has now arrived at the Dunnart-2 site coinciding with the delivery of 3 ½ inch tubing string, Halliburton completion sliding sleeve and completion packer and TKM Xmas tree.

The flare pit will be modified to suit testing and completion operations once rig up has been completed followed by the arrival of both the Completion and Wireline Engineers. Key's Managing Director Kane Marshall is also expected to arrive on site on Saturday, 30 May 2015 and will manage all operational logistics requirements for the duration of the program.

The rig up and subsequent testing and completion program will be run in daylight hours only with perforation and the flow test expected to take place shortly after rigging up has been completed this weekend.

Photographs of the Dunnart-2 site and activities appear below.

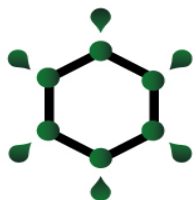
For more information please contact:

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

Ian Gregory

Company Secretary

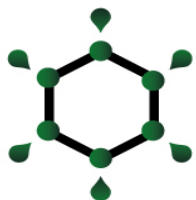
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DCA Rig 6 now unloaded and mobilised over the Dunnart-2 well



Koomey unit for BOP being unloaded at wellsite



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Close up of DCA Rig 6 in close proximity to the B section wellhead inside