



KEY
PETROLEUM LIMITED

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

ASF Group Limited becomes Cornerstone Investor in Key Petroleum Limited

We attach herewith an ASX Announcement on ASF Group Limited (ASX: AFA) becoming a cornerstone investor in Key Petroleum Limited.

Regards,

IAN GREGORY
Company Secretary
KEY PETROLEUM LIMITED



20 January 2014

ASX RELEASE

ASF GROUP LIMITED BECOMES CORNERSTONE INVESTOR IN KEY PETROLEUM LIMITED

The Board of Key Petroleum Limited ("Key" or "Company") is pleased to announce that ASF Group Limited ("ASF") will become a cornerstone investor in Key through a significant placement.

ASF has agreed to take a 19.9% placement of shares in the capital of the Company at 1.3 cents per share, a premium price on Key's five day volume weighted average share price ("VWAP") for a total subscription amount of \$1,175,815. The placement is in accordance with the Company's share placement facility approved at the 2013 Annual General Meeting.

As part of the investment Ms Min Yang, the Chairman of ASF Group Limited, will join the Key Board. Her extensive knowledge of the Canning Basin region and experience in raising funds for similar oil and gas projects will be a valuable asset to the Company going forward.

ASF is a publicly listed company on the Australian Securities Exchange (ASX: AFA) with a significant oil and gas investment presence in the Canning Basin. The company has considerable exposure to Asian capital markets, particularly access to funds in Hong Kong, Singapore and China in addition to being associated with a number of significant enterprises in China.

Key Petroleum's Managing Director, Kane Marshall said he was delighted to have secured ASF's investment at a time when the Company had taken over operatorship of all its acreage and was in a strong position to commence operations on a number of high impact prospects.

"ASF's investment is a turning point for the Company. Their placement not only adds skill and knowledge to strengthen the Board and share register but allows us access to new funding avenues both in Australia and in Asia for Key's working capital requirements and monetary needs for upcoming projects," he said. "Given the tough conditions for small companies to access capital, this transaction means Key can focus on exploration without being concerned over obtaining capital in a volatile market and enable the Company to put its full attention into progressing farmouts and drilling campaigns over the next couple of years."

IAN GREGORY

Company Secretary

KEY PETROLEUM LIMITED

For more information please contact:

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