

28 October 2019

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

SHARE PURCHASE PLAN

Key Petroleum Limited (“Company”) attaches herewith an ASX Announcement pertaining to a capital raising to be undertaken by the Company via a Share Purchase Plan.

Regards



IAN GREGORY
Company Secretary
Key Petroleum Limited

KEY SHARE PURCHASE PLAN 2019

The Company is pleased to offer Eligible Shareholders the opportunity to participate in the Key Share Purchase Plan 2019 (“**SPP**”). You can contribute up to A\$30,000 by applying for fully paid ordinary Shares in the Company (“**New Shares**”) at an issue price of A\$0.0071 per New Share (“**Issue Price**”) without incurring brokerage or other transaction costs.

The Issue Price represents a discount of 20% to the volume weighted average market price of shares in the Company, calculated over the last 5 days on which shares in the Company were recorded as trading on ASX up to and including 25 October 2019.

Use of Funds

Proceeds from the SPP will be used to bolster Key’s general working capital position, advancement of our Perth Basin drilling program, advance engineering plans for drilling Ace-1 in the Cooper Eromanga Basin and to fund further strategic opportunities.

The SPP is capped to raise a maximum of A\$1.5 million. If Shareholder demand exceeds A\$1.5 million, the Company reserves the right to close the SPP early and scale back applications in its absolute and sole discretion.

The SPP is not underwritten. However, the Company reserves the right to place any shortfall in the SPP to investors at the discretion of the Directors, but any such placement will be at a price not less than the Issue Price.

Key elements of the SPP include:

- no brokerage or participation costs payable;
- subject to potential scale back, the number of Shares allotted to you will be based on your Application Monies, divided by the Issue Price and rounded down;
- an Issue Price of A\$0.0071 which represents the price based on a 20% discount to the 5 day VWAP of the Company recorded on the ASX on the Record Date; and
- if you are an Eligible Shareholder, you can apply for one of the following parcels of New Shares valued at A\$2,000 (minimum); A\$5,000; A\$10,000; A\$15,000; A\$20,000 or A\$30,000 (maximum).

New Shares issued under the SPP will rank equally with existing Key Petroleum Limited Shares.

Participation and Important Dates for the SPP

The SPP is available to each registered shareholder (**Eligible Shareholder**) of shares in the Company (including Custodians):

- as at 5:00pm WST on 25 October 2019 (“**Record Date**”) with a registered address in Australia, New Zealand or Hong Kong. If Hong Kong you must be a “professional investor” under the Hong Kong Securities Law;
- not resident or located in the US or any other jurisdiction in which the participation in the SPP would be unlawful; and



- who meet certain other conditions as expressly provided for in the Terms & Conditions within the SPP Plan booklet.

The SPP will open at 9.00am (WST) on 31 October 2019, when the SPP Plan booklet is expected to be dispatched, and is expected to close at 5:00pm (WST) on 25 November 2019.

No late applications will be accepted. However, the Directors reserve the right, subject to regulatory requirements, to vary the Closing Date without prior notice. Accordingly, shareholders are encouraged to submit their Acceptance Application form as early as possible.

If the Closing Date is varied, other dates will be changed accordingly.

On behalf of the Board, I encourage you to consider the opportunity provided under the SPP and thank you for your support.

If you require further information, please contact the Company on (+61 8) 9381 4322.

Yours sincerely

Rex Turkington
Chairman

For more information please contact:

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