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ASX and Media Release

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KILIWANI #1 - OPERATIONS UPDATE

Key Petroleum's (ASX code: KEY) provides the following operations update.
All reported depths are below the rotary table (RT) on the rig floor.

Report Time and Date:	06:00 hr 21/01/08 (East African Time)
Current Depth:	2257 metres MD
Operations:	Drilling to the 9-5/8" casing point has been achieved. The rig is now in the process of performing a "wiper" trip to clean the hole before running casing. The rig will then be drilling ahead into the expected reservoir section.

Participants in the Kiliwani #1 well with Key Petroleum (20%) are:

Ndovu Resources Ltd. (Aminex)	39% (Operator)
RAK Gas Commission	25%
East African Exploration Ltd.	10%
Bounty Oil and Gas NL	6%

For further background information please see the Company's web site or contact;

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NOTE: In accordance with ASX Listing Rules, any hydrocarbon reserves and/or drilling update information in this report has been reviewed and signed off by Mr. Ken Russell, Managing Director/CEO of Key Petroleum Ltd, who has at least 5 years experience in the sector. He consents to that information in the form and context in which it appears.