Key Petroleum Ltd

June 2008 Investor Presentation

www.keypetroleum.com

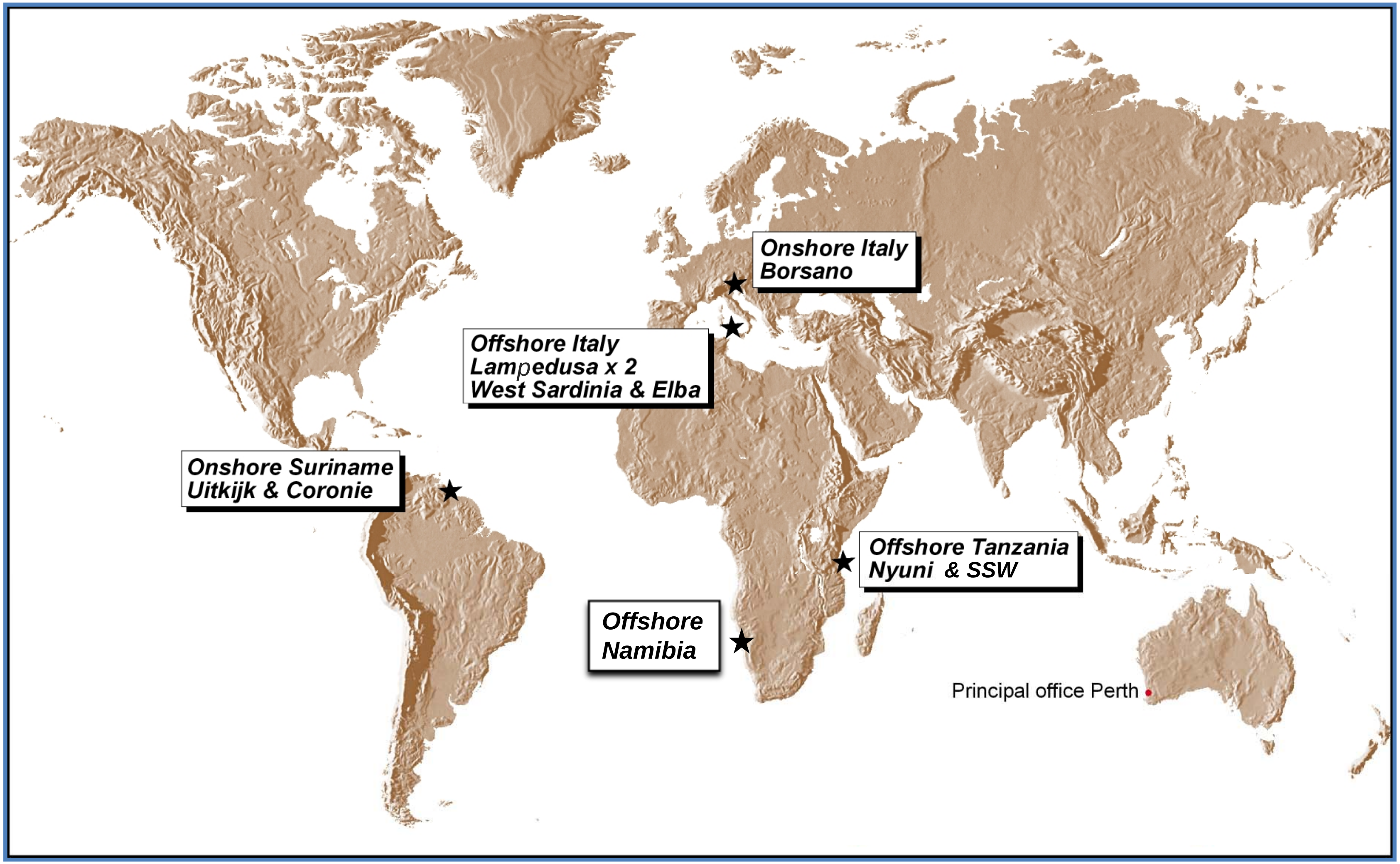
Disclaimer

The information in this presentation is an overview and does not contain all information necessary for investment decisions . In making investment decisions, investors should rely on their own examination of Key Petroleum Ltd and consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

The information contained in this presentation has been prepared in good faith by Key Petroleum Ltd. However, no representation or warranty, expressed or implied, is made as to the accuracy, correctness, completeness or adequacy of any statement, estimates, opinions or other information contained in this presentation.

Certain information in this presentation refers to the intentions of Key Petroleum Ltd, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties, and other factors that may cause Key Petroleum Ltd's actual results, performance or achievements to differ from those referred to in this presentation. Accordingly, Key Petroleum Ltd, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of events referred to in this presentation will occur as contemplated.

Location of Key Petroleum's Projects

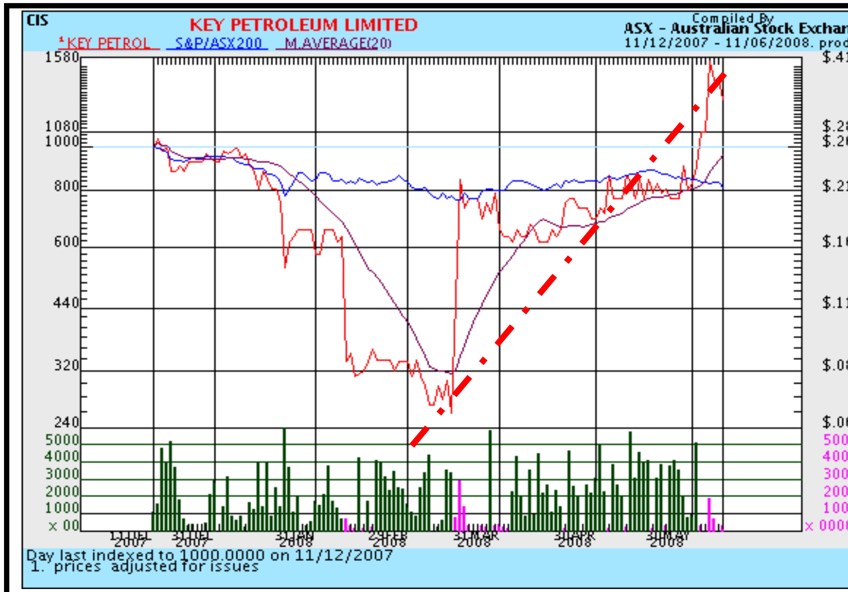


Fast Facts

FINANCIALS

	AUD
Cash (*on hand / deposits*)	$8.75 m
Market Cap	+/- $28.5 m
Share Price	36.5 cents
Shares on issue	86 m
Option Price	16 cents
Options on issue	44 m

Prices as of 12/06/08



TANZANIAN MILESTONES SINCE LISTING IN APRIL 2007

Tanzania

- Drilled two wells in first 12 months
- 50% success rate !
- Gas well produced 40mmscf/d through 72/64” choke
- Commercialsation of KN #1 well process commenced
- New Permit - Songo Songo West area signed with two large structures already observed

ONGOING PROJECTS

Tanzania:

- High Oil and Gas Potential

Italy:

- EIA lodged for four offshore areas
- Recent activity in adjacent block to Key’s Lampedusa blocks highlights significance of area

Namibia:

- JV with Pancontinental – offshore Walvis Basin - RL

Suriname:

- 5 wells drilled, 3 with hydrocarbons, Further drilling planned for Q4 2008

Others:

- Key is constantly reviewing other projects

Board and Senior Management

Ted Ellyard	• 30 yrs + oil & gas experience • Chairman / CEO of ASX / AIM companies • Creator of shareholder wealth (e.g. Hardman Resources)
Ken Russell	• 30 yrs + international oil industry experience • Exploration, development, production • 20 yrs Private Bus. ownership & Director roles
Dennis Wilkins	• Experienced in corporate finance • Capital raisings • Company admin & governance
Terence Nilsen	• 20 yrs + oil & gas experience • Knowledge of company's areas • Geologist with proven track record
Richard O'Shannassy	• Lawyer with 25 yrs+ experience in resources • Experience in international petroleum transactions
John Ribbons	• Experience in Company Secretarial role with other ASX companies

Ted Ellyard

Ken Russell

Dennis Wilkins

Terence Nilsen

Richard O'Shannassy

John Ribbons

Board Philosophy

- **Board members** have exposure to excellent further deal flow opportunities
- **Strong management** and experienced technical team
- **Highly prospective asset portfolio**
- **An active exploration program** with high impact drilling opportunities in portfolio
- **The Songo Songo West Licence** has added significant value to the Company's existing asset portfolio
- **Emphasis is placed on quality assets** in proven oil and gas regions where early drilling opportunities have already been identified
- **Projects located in politically stable countries** with attractive fiscal terms and with existing infrastructure are the Company's top priority

Company – Where Is it Today

- **It's focused** with a strategy that has resulted in very early success at Kiliwani North 1 and believes it has a low risk portfolio for growth with the recent award of the Songo Songo West Licence

- **SSW contains high impact leads** which Key will mature to drilling prospects in a short period of time. Key is also flexible enough to be opportunistic and adaptive to market conditions. The Namibian opportunity is an example of Key's ability to take advantage of opportunities

- **In Tanzania we will be acquiring further 2D seismic** in the Nyuni Block to mature a portfolio of high impact exploration opportunities

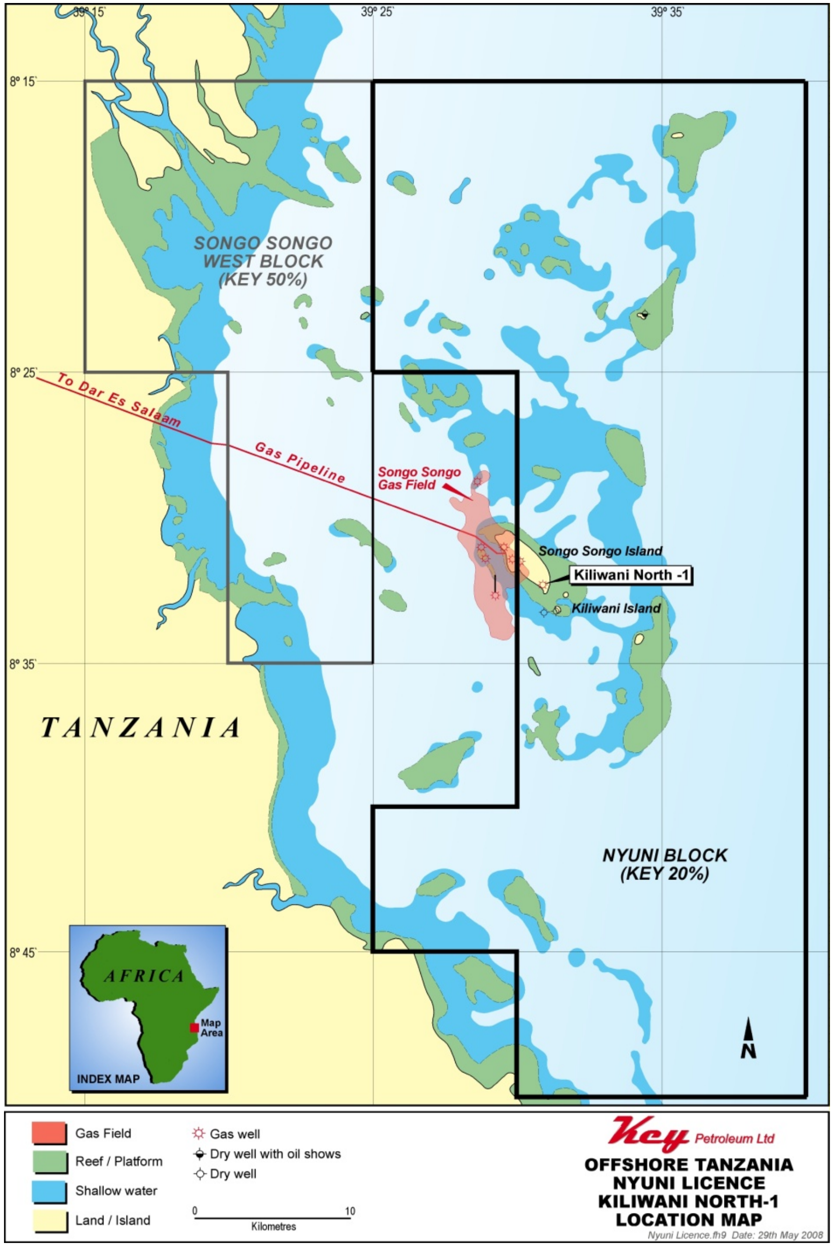
- **Fast tracking commercialisation process** for the Kiliwani North 1 gas discovery to obtain early cash flow from Kiliwani North 1 which will be used to add value to our current portfolio and acquire new high impact opportunities

- **In Italy** Key has 100% interest in the Borsano Block and is currently working through environmental requirements with authorities for four offshore blocks through its wholly owned subsidiary Puma Petroleum S.r.l., giving it the flexibility to partner with other likeminded companies

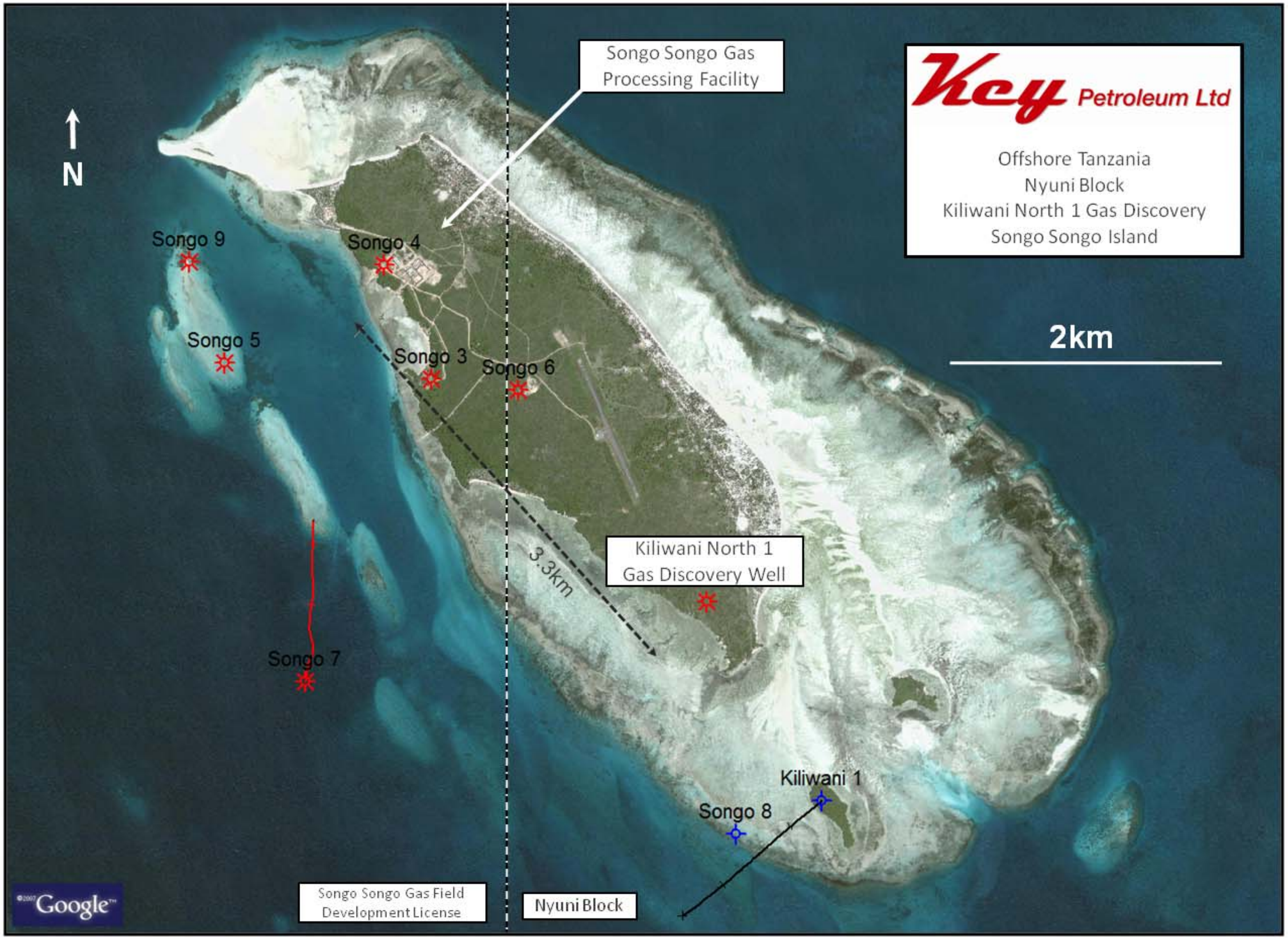
Tanzania – Nyuni Block

NYUNI BLOCK – OFFSHORE TANZANIA

- ***Key Petroleum earned 20% interest :-***
  - by paying 30% cost of 2 well programme, capped at US$15.4 M, thereafter 20% and
  - payment of 10% of operating cost for seismic acquisition (AFE US$2.5 M) (Completed)and
  - Issue of 2 million vendor shares to Aminex (Completed)
- ***Area 1,300 km2***, immediately adjacent to producing Songo Songo Gas Field, (estimated reserves 1 Tcf).
- ***230 km pipeline and infrastructure built in 2003.*** Partners have Government guaranteed right of gas access to the pipeline. “Songas” plans in place to increase throughput of facilities.
- ***Water depths*** range from islands (onshore) to deeper water regions in excess of 500m.
- ***The Block is operated by Ndovu***, 100% owned by UK listed Aminex plc.

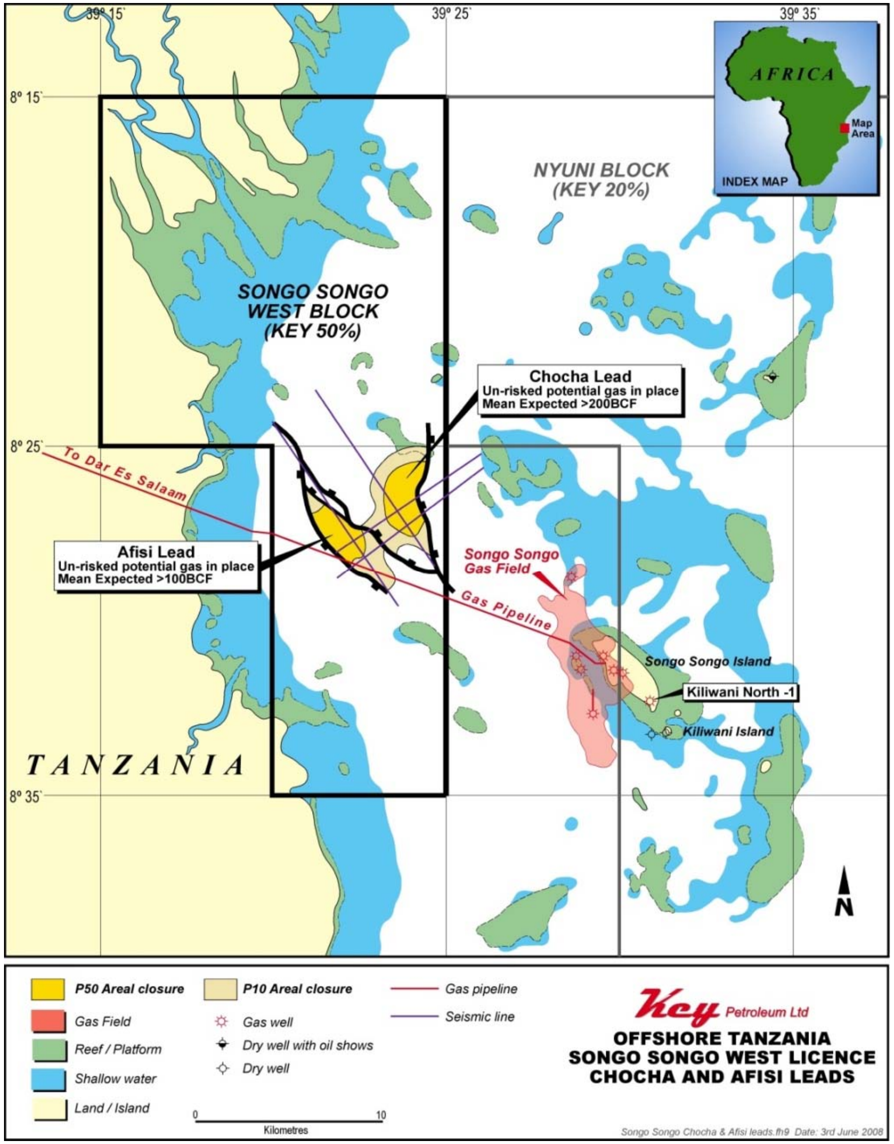


Tanzania - Songo Songo Island



SONGO SONGO WEST BLOCK – OFFSHORE TANZANIA

- ***Key Petroleum 50% interest and Operator :-***
  - 2 well programme in first 3 years, 2nd well contingent on success of first well.
  - Approx 235 km of 2D seismic undertaken in 2005 is available to SSW JV.
  - 2 large structures already identified from pre 2005 seismic
- ***Area 505 km2***, immediately west of producing Songo Songo Gas Field, (estimated reserves 1 Tcf).
- ***Pipeline traverse block.*** Songo Songo infrastructure and pipeline built in 2003. Partners have Government guaranteed right of gas access to the pipeline. "Songas" plans in place to increase throughput of facilities.
- ***Water depths*** range from islands (onshore) to shallow water regions of approximately 25m.
- ***The Block is operated by Key Petroleum***. UK listed Aminex plc is to be the remaining 50% participant.



Tanzania – Activity

- **Key has positioned itself into a prospective area directly next to <u>the main producing gas field along the whole length of the east coast of Africa.</u>**

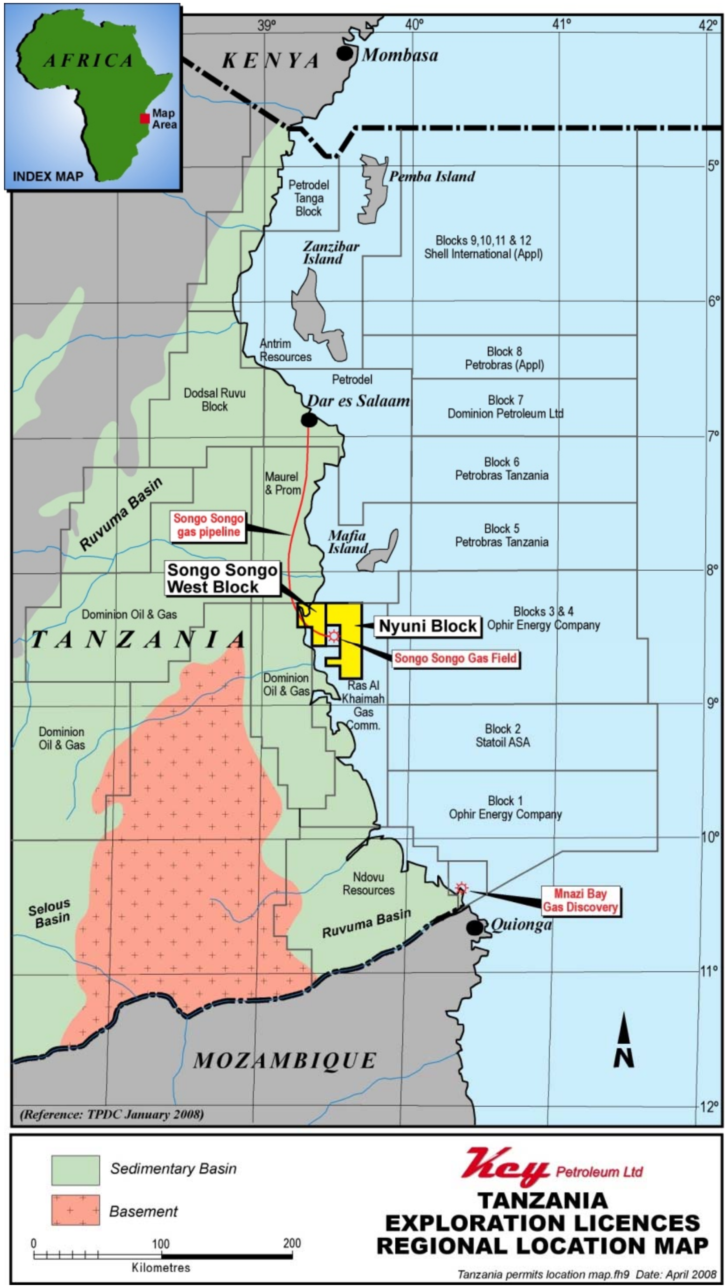
- ***Interest in Tanzania's energy potential has increased*** *with all the offshore areas taken up with a large number of majors involved.*

- ***"Songas" is steadily developing and increasing gas sales*** *to national utilities, business and domestic markets in and around Dar es Salaam*

- ***Increasing gas supply required*** *due to inability of Tanzania's hydro power to meet increasing demand following long periods of draught.*

- ***Population of Tanzania approximately 40 million*** *and growing*

- ***Gas fired power improves reliability of supply.*** *Songo Songo gas tied into power generation for 20 years so government require alternate supply for other markets.*



Key's second well, Kiliwani North, tested two structures :

- ❑ A potential **OIL** play,

and

- ❑ The northern lobe of the Kiliwani GAS structure.

  - ***Resulted in stabilised flow rate of 40 mmscf/d through 72/64" fixed choke, No H_2S or CO_2***

and

  - ***An area classed as a new gas field, separate to Songo Songo***

Important to remember reason Key searching for both oil and gas in Tanzania:

- ❑ *Tanzania **IMPORTS ALL** of the oil consumed in country*
- ❑ *Tanzania **ALSO** has a ready market for oil in surrounding countries, i.e. Kenya / Mozambique*
- ❑ ***Diesel fired power generation** would enhance the power distribution in the internal parts of country where gas supply not possible at this time (Mine sites, town etc.) and **ALSO** provides flexibility in location of power supply*

Current Pricing Regime (USD $):

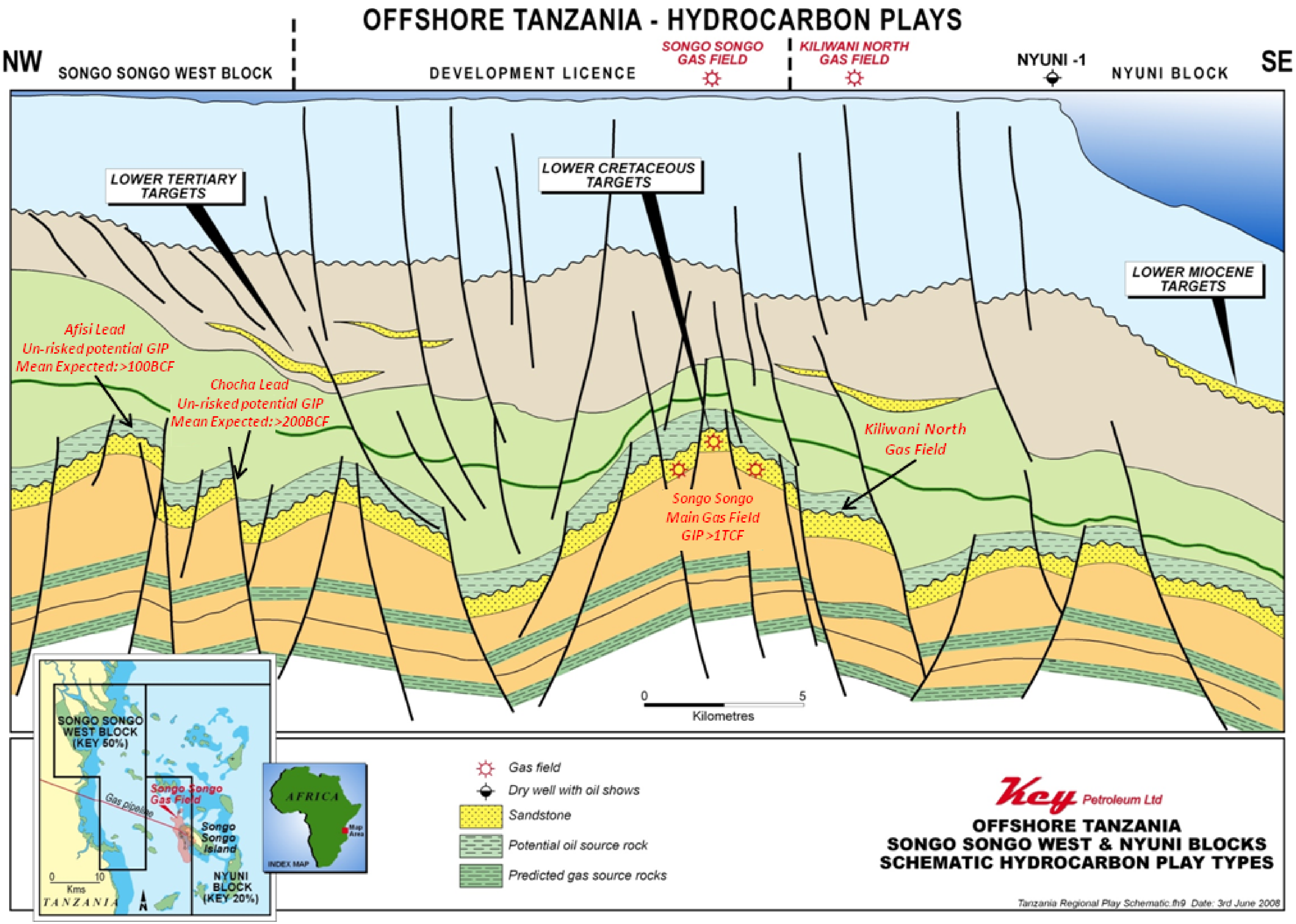
(Note: *Price taken from Songo Songo gas field operators 2007 Q1 Interim report*)

		increases in last 12 months
Volumes Sold		
❑ Gas sold to – *Industrial*	301 mmscf	(31%)
❑ Gas sold to – *Power*	1,356 mmscf	(99%)
Price Obtained		
❑ Average price per mcf – *Industrial Market*	\$7.70	(1%)
❑ Average price per mcf – *Power Market*	\$2.19	(22%)

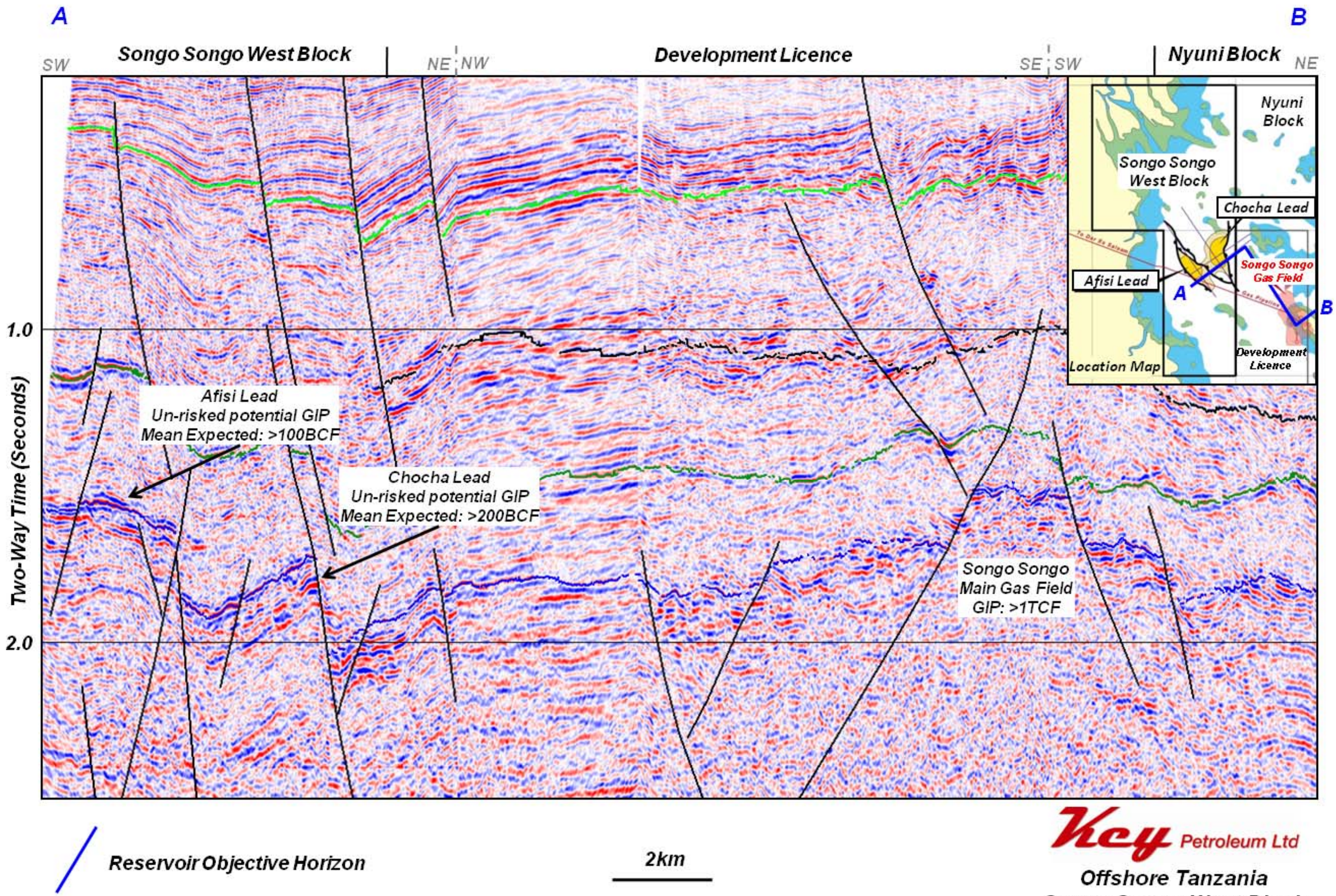
Glossary

- mmscf – Millions of standard cubic feet
- mcf – Thousands of standard cubic feet

Geological Schematic – Songo Songo West to Nyuni Block



Seismic Traverse - Songo Songo West to Songo Songo Gas Field



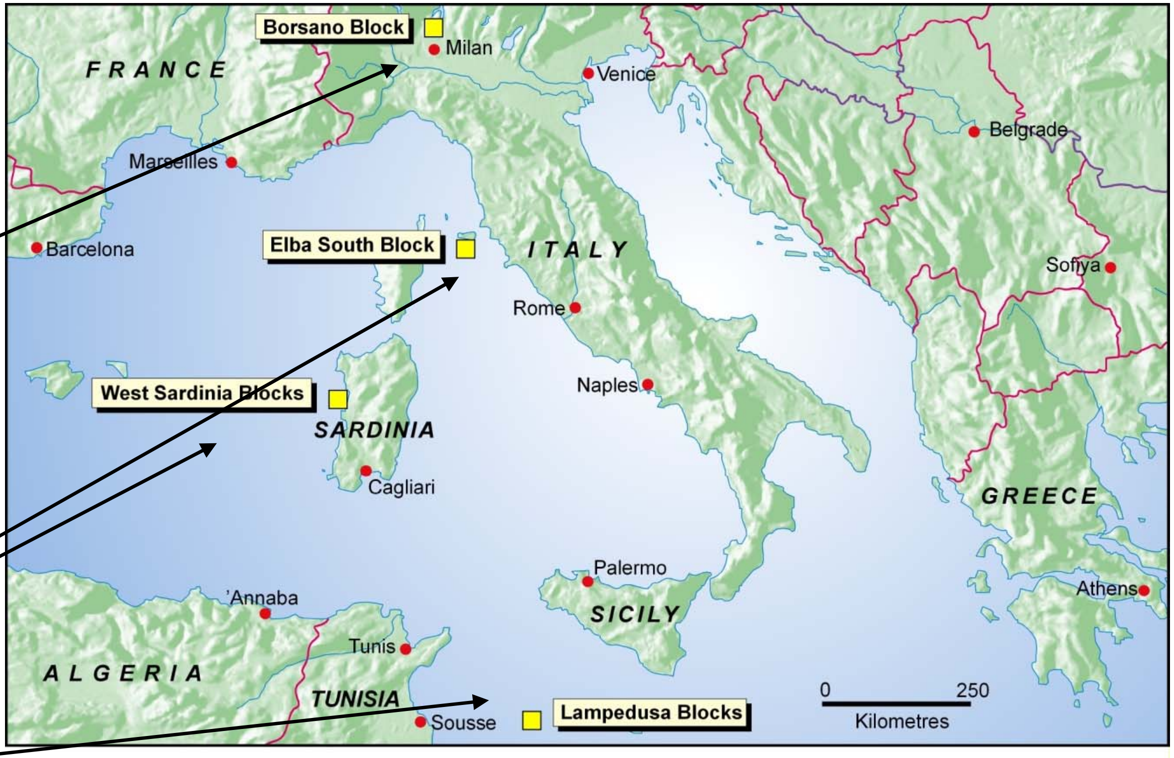
Key Petroleum Ltd

Offshore Tanzania
Songo Songo West Block
Afisi and Chocha Leads

June 2008

Onshore ~ Borsano ~100%

- Close to Industrial City of Milan
- Prospective for both oil and gas



LOCATION MAP OF ITALIAN BLOCKS

Offshore ~ 100%

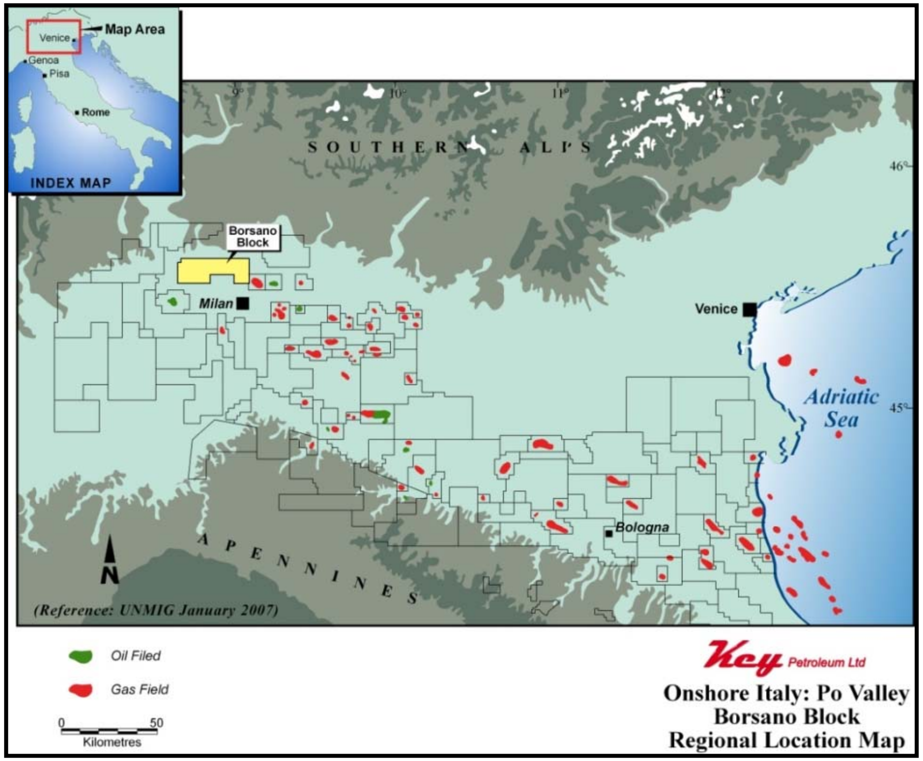
Lampadusa x 2 Blocks	~	Bordering Tunisian Waters, Several mapped closures, Potential for 10 ~ 50 million bbls recoverable, 30 km SE from Halk El Menzel Discovery, Water Depths: 40 ~ 120m
West Sardinia	~	Potential for Gas, Water depths: 50 ~ 200m
Elba South	~	Several Mapped Closures, Potential for gas, Water Depths: 50 ~ 200m

Po Valley Basin

- Po Valley in the industrial north of Italy
- Main gas production zone in Italy
- Italy imports about 90% of its gas requirements, mainly from Russia.
- Italy is the sixth or seventh biggest economy in the world
- Gas produced in Po Valley is high-quality. With high percentage of methane
- Gas prices in Italy are high, especially compared with Australia
- Delivery to point of sale costs low
- Infrastructure costs relatively low
- High demand by industry for gas
- Gas prices steadily increasing with EUR/cubic metre approx 0.30

and

- AUD$12 / mscf

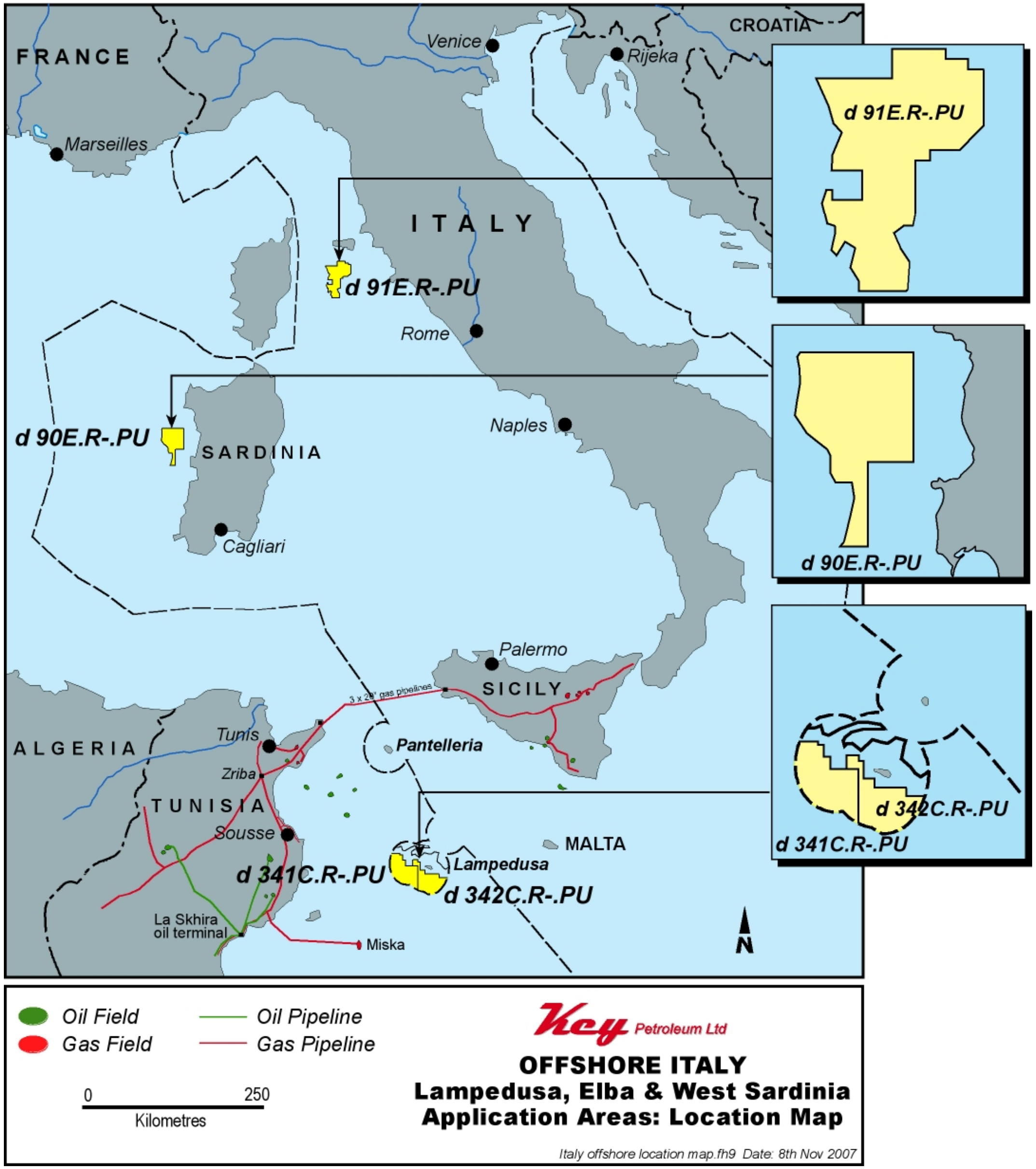


Lampedusa, West Sardinia & Elba South

Obtain Seismic

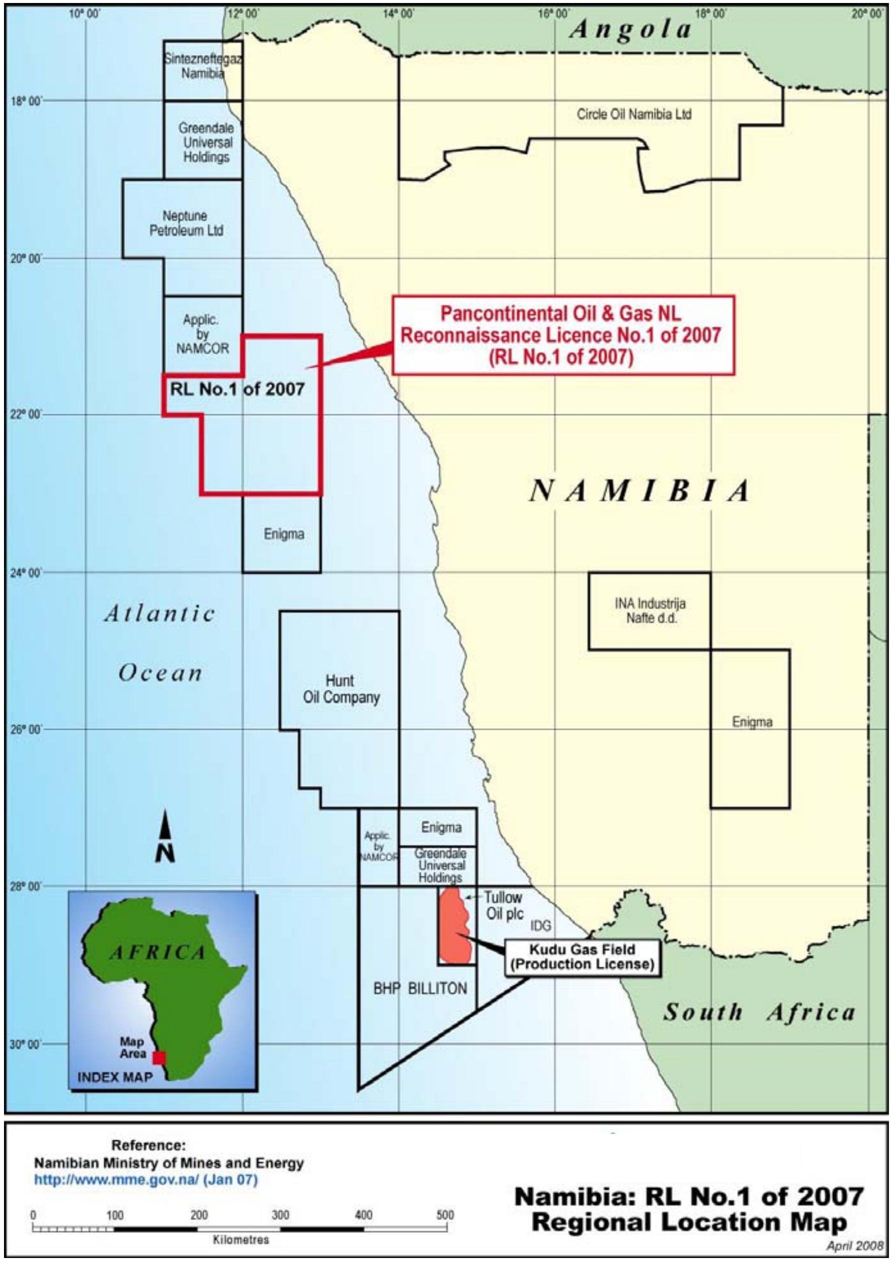
Work Up Prospects and Actively Seek Farmin Partners for Offshore Drilling

- Prospectivity of Lampedusa increased with Cairn Energy taking over MedOil.
- MedOil Tunisian permit is directly adjacent to Lampedusa
- 3D seismic performed in that block



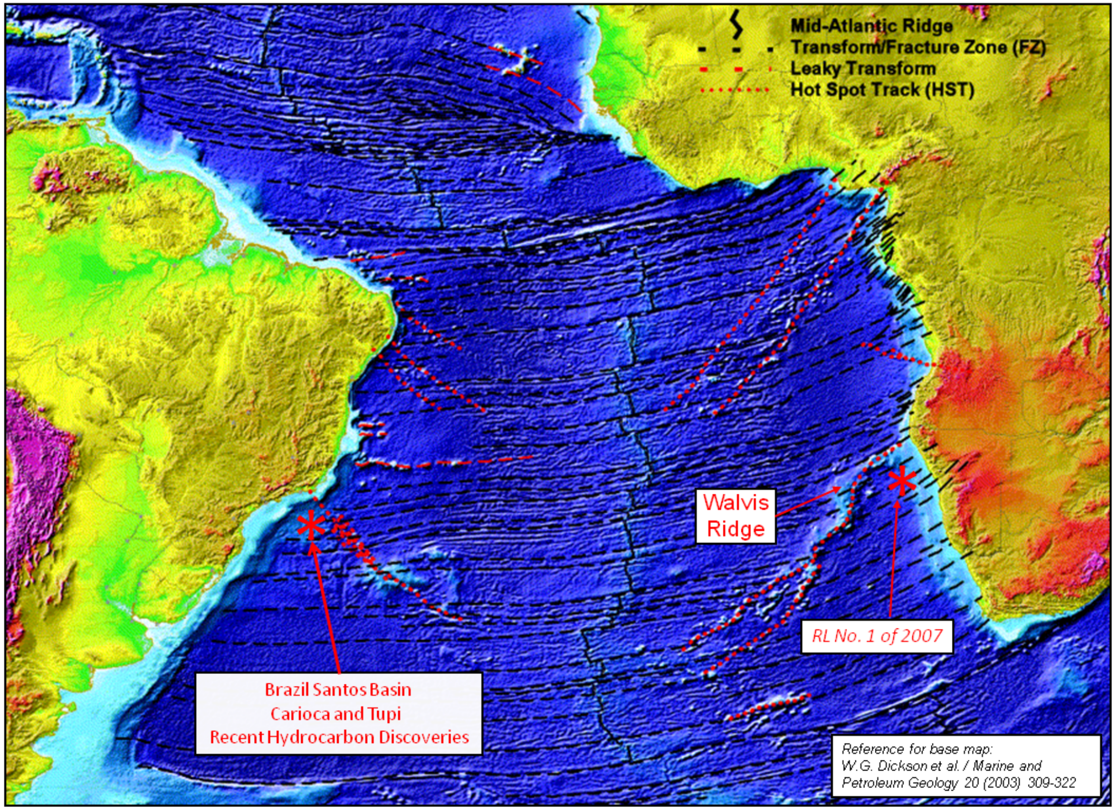
Namibia

- ***Key has signed a Consortium Agreement with Pancontinental Oil & Gas NL (ASX: PCL.AX) for joint petroleum exploration activities offshore Namibia.***
- ***Consortium believe*** that the area holds significant oil exploration potential.
- ***Pancontinental holds a Reconnaissance Licence***, No RL-1 of 2007 ('RL') offshore from the coast of Namibia, in the Walvis basin.
- ***The joint venture partners*** are now applying for this RL to be converted into a Petroleum Agreement (PA) and an Exploration Licence (EL)
- ***Key has agreed*** to be a 50% participant in any successful award.
- ***Offshore Namibia is an extension of the West African continental margin***, which hosts prolific oil and gas producing areas such as Nigeria and Angola.



Offshore Namibian exploration activity is now increasing rapidly with companies such as Hunt Oil Company, BHP Billiton and Tullow Oil acquiring licences along the Namibian coast.

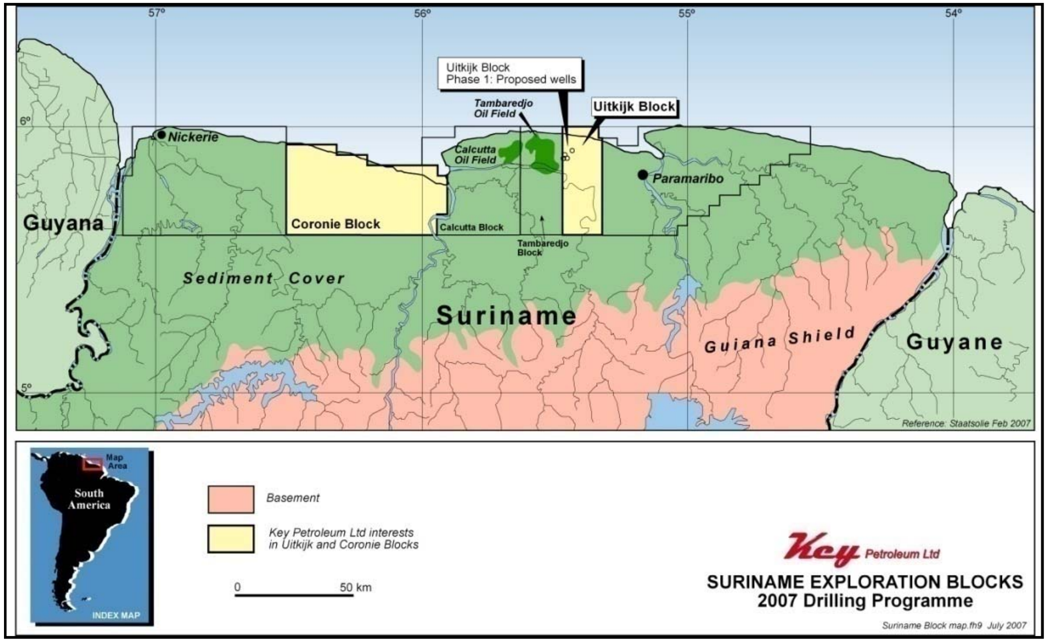
Under the terms of the joint venture agreement between the partners, Key will pay Pancontinental, on completion of a number of conditions, up to A$100,000 in reimbursement of past expenditure and will share in certain future costs.



Topography and Bathymetry for South Atlantic Region illustrating Crustal Features

Suriname

- Key Petroleum owns 1.75% free carried interest in 2 Blocks through 25 exploration wells.
- Participants are Paradise Oil 60% (Govt.), Hardman 36.5% and Portsea Oil & Gas 3.5% (50% owned by Key Petroleum)
- Low Cost, Low Risk onshore plays
- Both blocks adjacent to Tambaredjo and Calcutta Fields (Producing since 1982) 1 Billion bbls STOIIP
- Uitkijk ~ East side of Tambaredjo ~ 5 wells drilled, 3 with hydrocarbons
- Coronie ~ West side of Tambaredjo ~ More sparsely explored but has higher potential for larger sized fields.
- Produced oil is sold locally and exported to refinery at Trinidad
- Drilling Q4 Coronie



Provisional Activity Schedule

PROVISIONAL ACTIVITY SCHEDULE

PROJECT	% interest	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3
Tanzania (Nyuni Block)	20%		2 wells	Kiliwani North-1 Successful Gas Well	Seismic			KN-2 Appraisal	
Tanzania Kiliwani North 1 Commercialisation	20%		Official Notification of a Gas Discovery	Well Testing	Commercialisation Process				
Tanzania (Songo Songo West)	50%	Ongoing Technical Studies and PSC Negotiation		PSA Signed	Seismic Interpretation and Prospect Generation			Well Preparation Process	
Borsano	100%	Well Preparation Process		Well Location Approval Process					
Lampedusa	100%			EIA Approval Process			Seismic		
Elba South	100%			EIA Approval Process				Seismic	
Sardinia	100%			EIA Approval Process			Seismic		
Suriname	1.75%	Uitkijk Block 3 of 5 wells Encountered Hydrocarbons		Ongoing Technical Studies		5 wells	Coronie Block 5 Well Exploration Campaign		
Namibia (RL No.1 of 2007)	50%	Technical Studies of RL		RL Conversion Application (PA - EL)				Seismic Interpretation and Prospect Generation	
New Venture Evaluations				Ongoing New Venture Evaluations					

- *Tanzania ~*
  - *"Key" has signed a PSA for a new exploration block, Songo Songo West, adjacent to the producing Songo Songo gas field.*
  - *Completed 2 well drilling programme with success at Kiliwani North #1 (**40 mmscf/d** through 72/64" fixed choke).*
- *Italy ~*
  - *Puma Petroleum S.r.l fully established in country*
  - *Reviewing project seismic*
  - *Interviewing for permanent Italian staff*
- *Suriname*
  - *Drilling - 4th Qrt 2008 with 5 onshore wells planned*
- *Namibia*
  - *Offshore – Walvis Basin - J V with Pancontinental – RL to EL*
- *New Opportunities ~ "Key" continues to maintains its focus on growth and wealth creation opportunities*