



ANNUAL GENERAL MEETING

Monday 23rd November 2009

QV1 Building, 250 St Georges Terrace, Perth

10:00am

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RESULTS OF RESOLUTIONS PROXY VOTES

RESOLUTION #	FOR	AGAINST	CHAIRMAN'S DISCRETION	ABSTAINED
# 1	19,448,548	2,119,162	2,728,167	0
# 2	21,296,461	311,249	2,728,167	10,000
# 3	16,356,917	5,260,793	2,728,167	0
# 4	13,690,299	7,927,411	2,728,167	0

KEY PETROLEUM'S ASSET AREAS



COMPANY OBJECTIVES

- Increase shareholder value through the discovery and development of commercial oil & gas deposits
- Undertake systematic and cost effective exploration of its oil & gas concessions using modern techniques
- Fund exploration in joint venture with other companies and in its own right
- As opportunity allows, acquire new projects that have substantial upside
- Build a sustainable ASX-listed international E&P company

WHAT'S KEY BEEN DOING?

- Became an oil producer & Operator, onshore U.K.
- Carried out successful capital raising.
- Started preparing to drill first onshore U.K. well.
- Continued with field appraisal, Kiliwani North.
- Worked to obtain offshore Italian acreage
- And is awaiting Suriname drilling – 5 wells, now expected Q4 2009

BOARD AND MANAGEMENT



Ted Ellyard
Chairman

- 32 yrs + oil & gas expertise
- Chairman / CEO of ASX / AIM companies
- Creator of shareholder wealth, Hardman, Minemakers & others



Ken Russell
Managing Director /CEO

- 35 yrs + international oil industry experience
- E&P assignments with multi-national companies
- Background in oil & gas field management



Dennis Wilkins
Finance Director

- Corporate finance specialist
- Capital raisings & directorships, ASX & TSX companies
- Company administration & corporate governance



Richard O'Shannassy
*Non – Executive Director &
Company Legal Counsel*

- Lawyer with 27 yrs + resource industry involvement
- Extensive international petroleum transactions



John Ribbons
Company Secretary

- Experienced resource industry accountant
- Company secretary to several ASX companies

COMPANY OVERVIEW

Shares on Issue	129 Million
Price	12cents (23/11/09)
Options Unlisted	5,000,000 @ 50c, 750,000 @ 20c - expiring on 30/11/2010
Market Cap	Approx \$15.5 Million (23/11/09)
Debt	Nil
Cash on Hand	AUD\$4.75 Million– <u>plus oil production income</u>
MAIN ASSETS	<p><u>Onshore Southern England</u></p> <ul style="list-style-type: none">• Brockham & Lidsey fields (100%)• 85BOPD + infill and new pool potential <p><u>Offshore Tanzania</u></p> <ul style="list-style-type: none">• Nyuni PSA (20%) Exploration prospects + Kiliwani North discovery (tested 40 MMscf/d)• West Songo Songo PSA (50% and Operator) <p><u>Italy</u></p> <ul style="list-style-type: none">• Onshore Borsano (100%)• 4 x Offshore applications pending (100%)

2008 – 2009

THE YEAR IN REVIEW

The strategy for the year was;

- Commercialisation of Kiliwani North
- Expansion of business in Italy
- Seek further opportunities for wealth creation

Results for Year;

- Acquired 2 producing UK Onshore Oil Fields
- Slow progress in Tanzania
- Exit from Namibia
- Have completed further steps in Italy, such as E.I.A's

2009 – 2010

THE YEAR AHEAD

Strategy going forward

- Maintain focus on growing company
- Production optimization at UK oilfields
- Continue to seek out growth opportunities

The company's management have been actively pursuing acquisitions throughout the year however the company's management are not always able to discuss these things openly due to confidentiality agreements which have to be entered into. These can restrict what can be said publically.

WHY ONSHORE UK ?

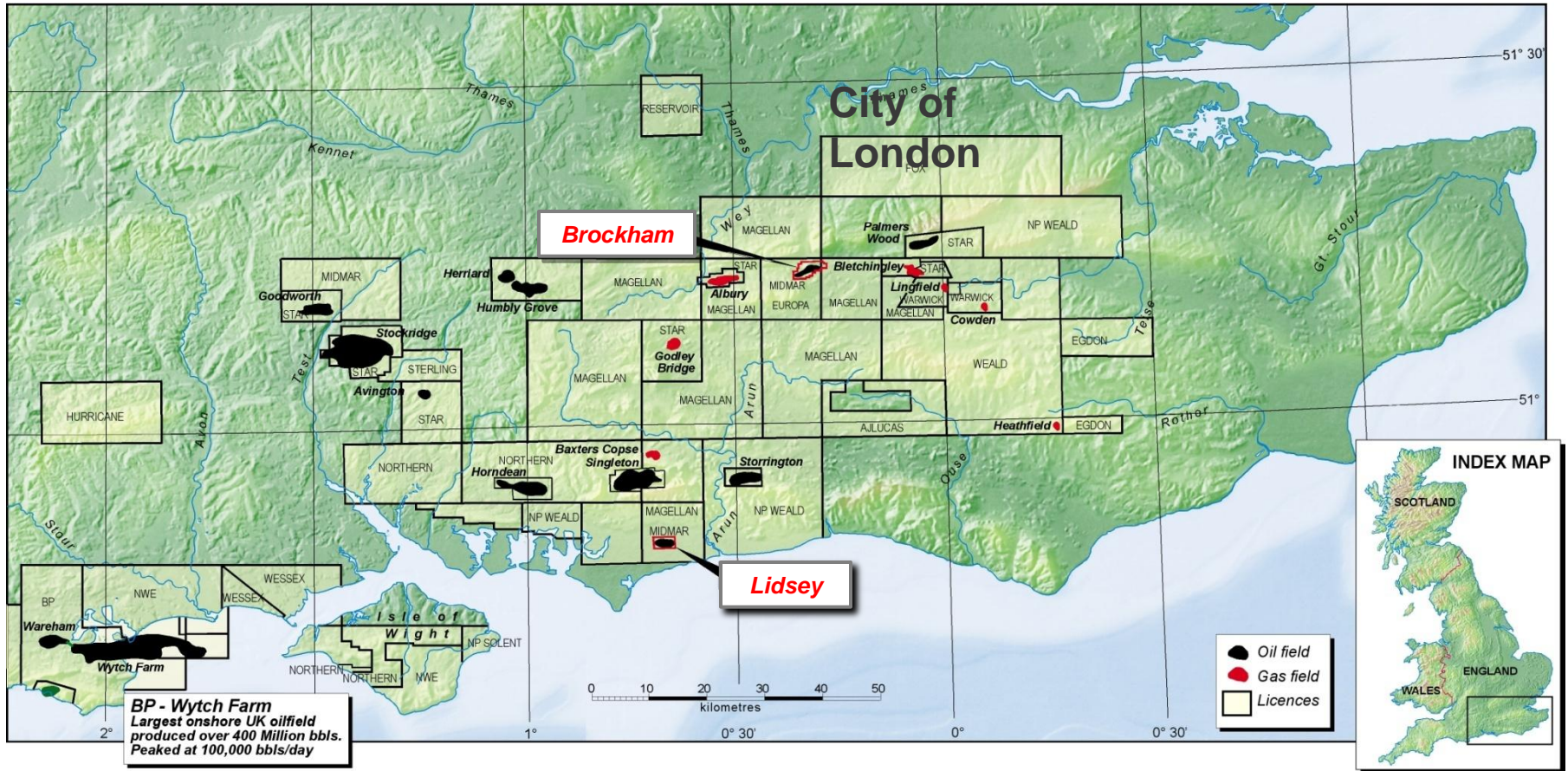
- Top tier international fiscal regime – 50% Govt take, less tax losses
- Oily region, neglected for 20 years
- Under-developed fields and immediate cashflow – build a business
- Increasing interest and business activity in Southern UK
- Favourable A\$:£ exchange rate trends
- Laws, language and business customs compatible with ours

KEY PETROLEUM WEALD BASIN LTD PRODUCING OILFIELDS

- Purchased for £ 2.0 million(A\$4.00)
- Tax credits >£1.5 million (A\$3.00)
- 85 BOPD with upside
- Established, simple operations
- Oil production revenue to Key Petroleum from day one



LOCATION OF BROCKHAM & LIDSEY OILFIELDS



New venture opportunities in surrounding acreage –
at least 4 industry exploration wells over the next year

BROCKHAM OILFIELD

Since acquisition we have;

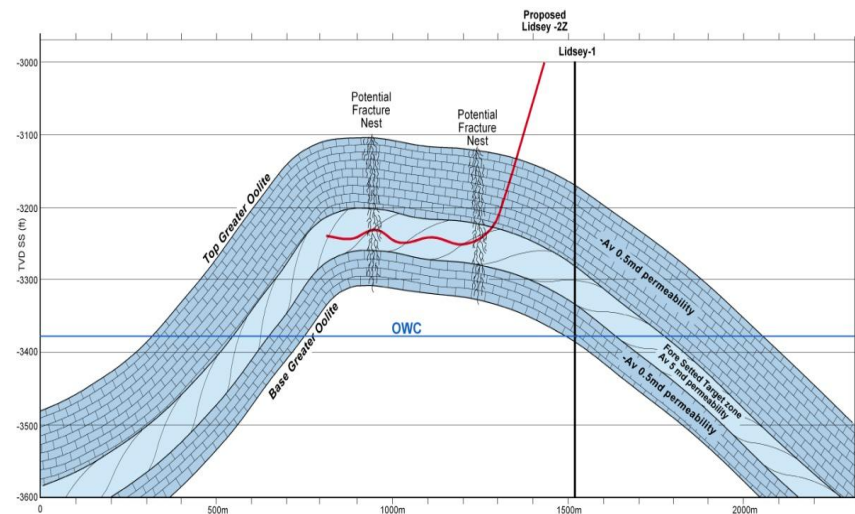
- Pulled rod pump, cleaned out tubing contents.
- Revised some operational procedures .
- Commenced IT and communication upgrade between locations.



LIDSEY OILFIELD

Since acquisition we have;

- Pulled rod pump, cleaned out tubing contents.
- Revised some operational procedures
- Commenced IT and communication upgrade between each location
- Started preparation work for new drilling



Well Design

LIDSEY OILFIELD – LIDSEY-2Z

Greater Oolite is the main Weald Basin oil reservoir

High porosity / low permeability

Productivity commonly enhanced by penetrating natural fractures, accessing more reservoir (horizontal drilling) and stimulation

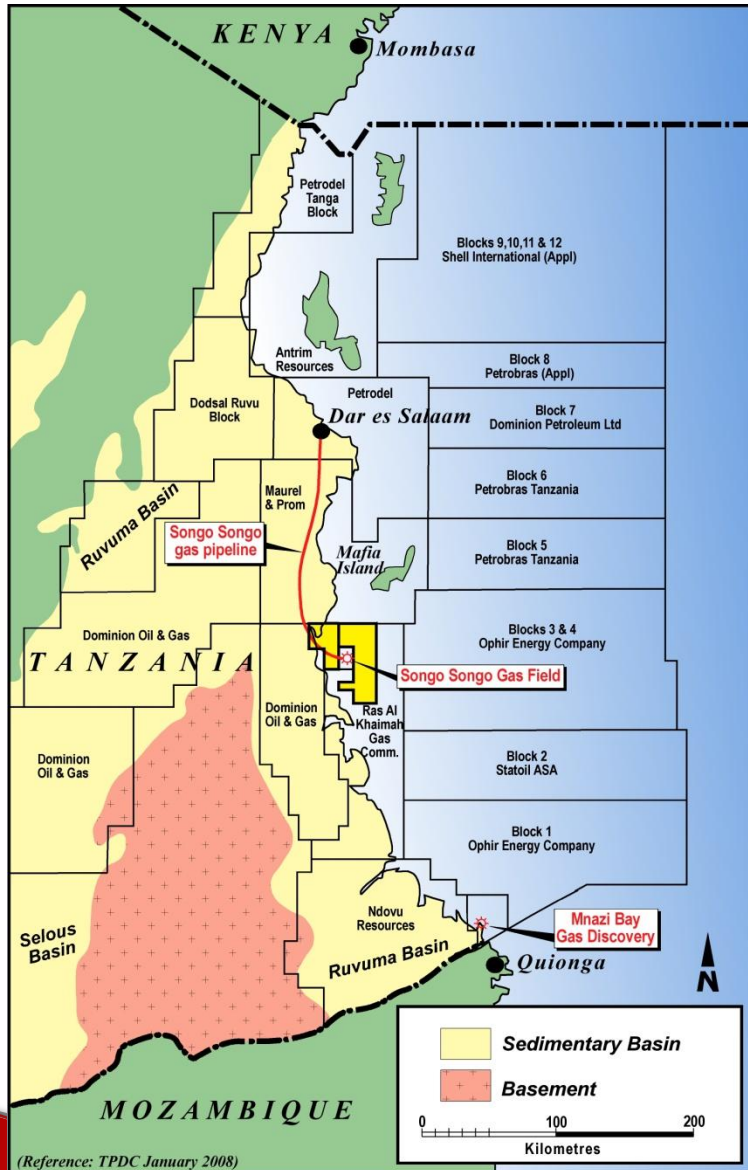
What will it deliver?

We have a number of models;

Base case – 120m net reservoir intersection ~200 BOPD

Longer net reservoir intersections could be ~ 500 BOPD or more

TANZANIA



East African activity continues –

Offshore Tanzania –

- Deepwater action :
Petrobras, Shell, Statoil &
Ophir

Onshore Tanzania –

- Ongoing drilling by Maurel
& Prom and Tullow

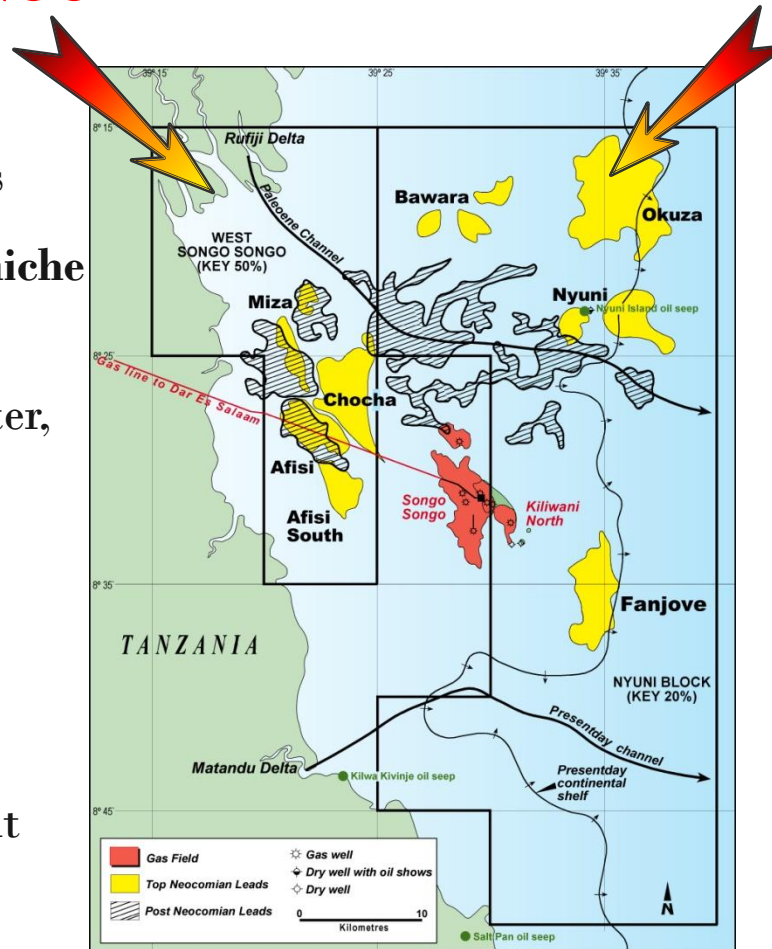
Northern Mozambique –

- Anadarko 6 wells over
2009-10

TANZANIA

WEST SONGO SONGO

- 50% Key & Operator
- 1 Tcf undiscovered gas
- Tanzania gas market niche over next 4 years
- Sheltered, shallow water, simple development
- Dual plays: Lower & Upper Cretaceous
- Liquids potential ?
- Ongoing industry exploration in adjacent acreage



NYUNI PSA

- 20% Key
- Appraisal seismic shot over Kiliwani North gas discovery (40 MMscfd)
- Kiliwani North commercialisation discussions continue
- Access to Songo Songo gas plant
- 2 Tcf undiscovered gas
- Large prospect & lead inventory – drilling in 2011
- Recently improved seismic - reprocessing

ITALY

KEY IN ITALY

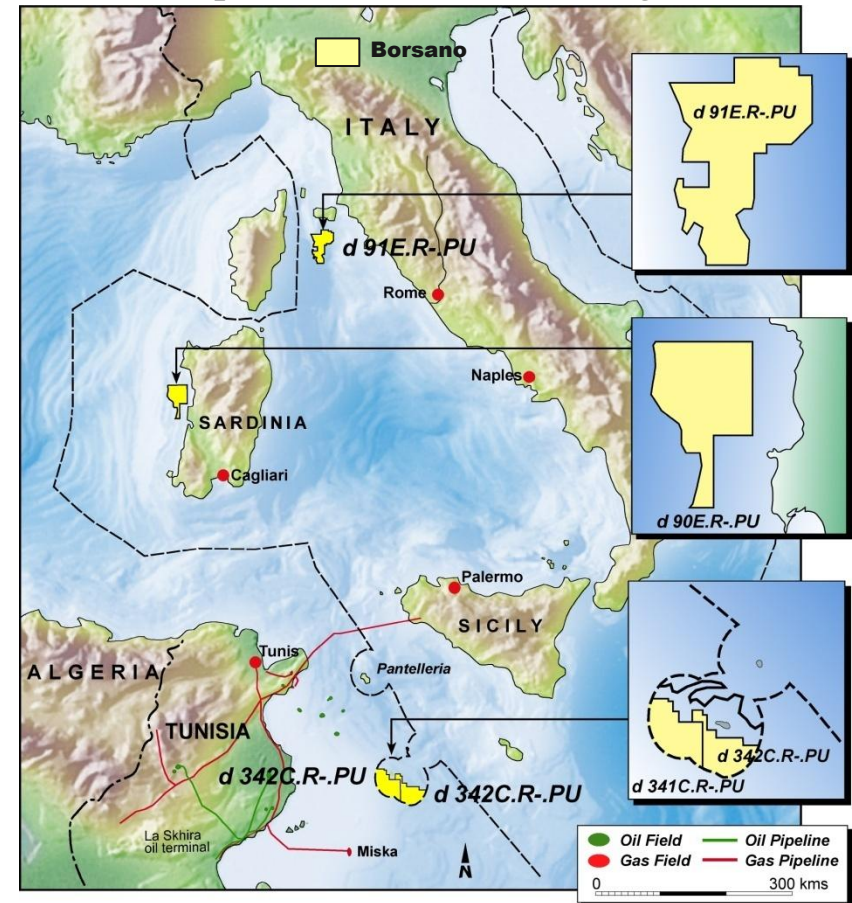
LAMPEDUSA, WEST SARDINIA & ELBA SOUTH

Application areas (100%)

- **Elba South**
Under-explored shelf, prospective for gas, close to major markets
- **West Sardinia**
Frontier shelf area, oil potential
- **Lampedusa East & West**
Shallow water Pelagian Shelf.
Not explored for 20 years

BORSANO LICENCE (100%)

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

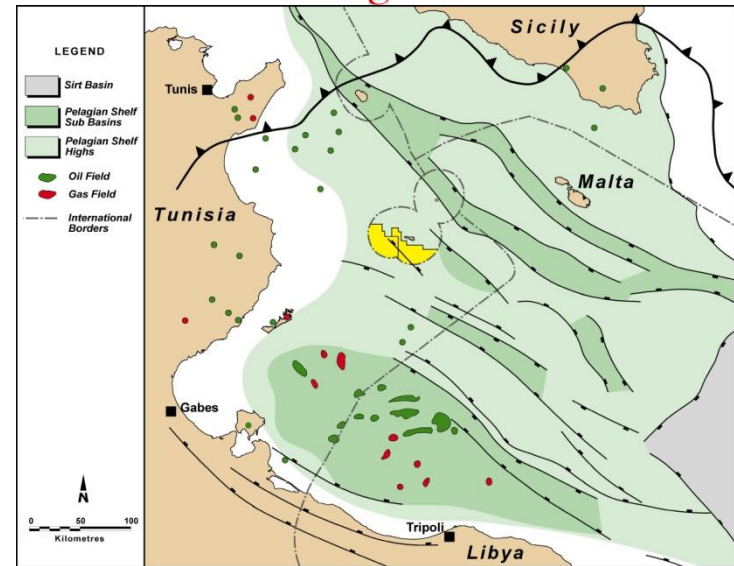


ITALY – Lampedusa Application Areas

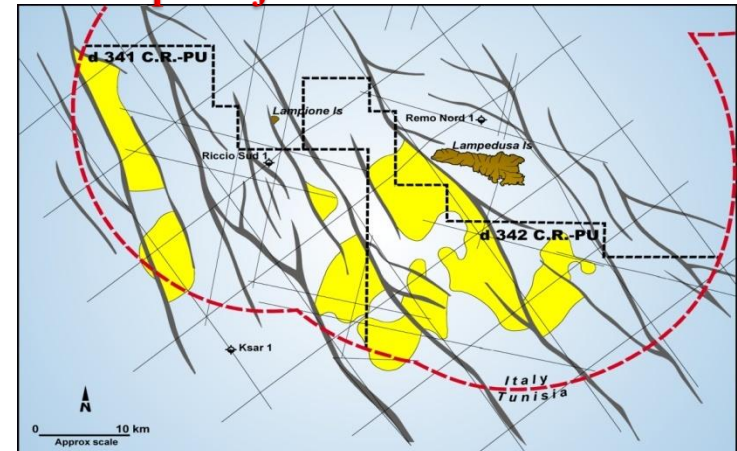
THE PLAY

- Pelagian Shelf (7BBOE discovered off Tunisia & Libya - Oilsearch 2008)
- Oil prone Cretaceous source rock
- Italian Govt “take” <40%
- Lampedusa unexplored since 1980’s oil price crash
- Key has mapped original seismic data
- Leads with unrisks mean STOIP up to 250MM bbl
- Next step: New seismic needed !

The Pelagian Shelf



Top Sedj Formation Leads



SURINAME

ACTIVITY:

Uitkijk –

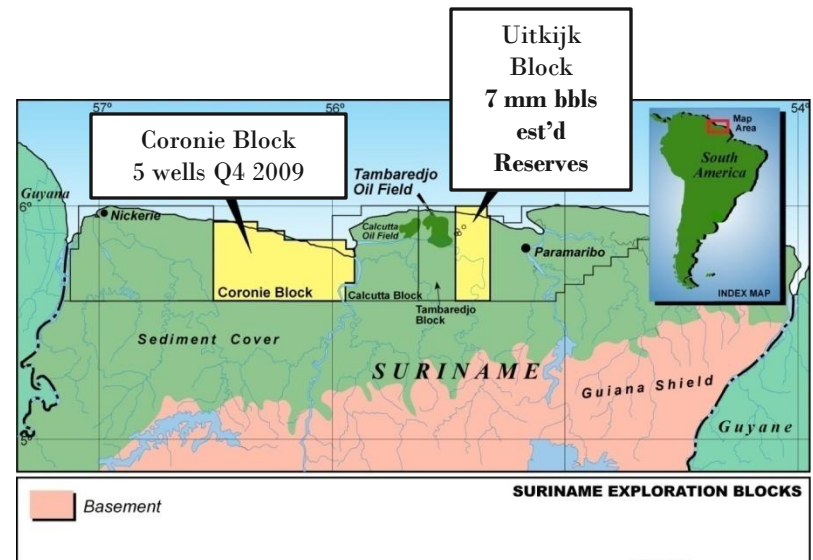
Staatsolie announced 7 mm barrels estimated reserves

- 10 wells drilled - 2008/2009

Coronie –

- 5 wells to be drilled, now scheduled for Nov / Dec start. (*Waiting on rig arrival*)

- Key Petroleum owns 1.75% free carried interest in 2 Blocks.
- Participants are Paradise Oil 60% (Govt.), Hardman (Tullow) 36.5% and Portsea Oil & Gas 3.5% (50% owned by Key Petroleum)



FORWARD PLANS

Onshore Southern England

Optimisation and Drilling.

Field development programme. Drilling scheduled Q1 2010

Tanzania

Kiliwani North

Gas commercialisation process ongoing

Italy

Offshore Permits

Granting of up to 4 offshore licences

and

Continue search for new asset acquisitions