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Western Australia 6005
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www.keypetroleum.com

ASX and Media Release

20th August 2010

REQUISITION FOR SHAREHOLDERS' MEETING TO RESTRUCTURE BOARD

Key Petroleum Limited (ASX:KEY) advises that it has today received a notice under section 249D of the Corporations Act 2001 from a group of its shareholders (**Requisitioning Shareholders**), representing 9.1% of all issued shares in the Company, requesting that a General Meeting of shareholders be convened for the purpose of restructuring the composition of the Board.

Specifically, the Requisitioning Shareholders are seeking to remove 3 existing Directors – the Chairman Ted Ellyard, the Finance Director Dennis Wilkins and non-Executive Director Richard O'Shannassy and replace them with 2 new Directors, Jitto Arulampalum and Frank Cannavo (**Proposed Directors**).

Under the Corporations Act the Company has 21 days within which to issue a notice convening the requested General Meeting, which must be held within the next 2 months.

A copy of the section 249D notice is attached to this release.

Prior to the receipt of the section 249D notice, the Board had been approached by the Proposed Directors and the legal representative for the Requisitioning Shareholders and several discussions followed with them. The Board has during those discussions received both verbal and written assurances that the Requisitioning Shareholders would support future capital raisings by the Company and be pursuing new opportunities and directions.

With these assurances, Messrs Ellyard and O'Shannassy have decided to resign as Directors of the Company on 31 August 2010 following the General Meeting which has already been convened for that date for the transaction of other business.

The current Board considers that in order to effect an orderly transition to a newly constituted Board, it is desirable that Mr Wilkins remain a Director of the Company, particularly given his experience in the petroleum industry and knowledge and understanding of the Company's operations and finances. Additionally, the Board will be earnestly considering other potential candidates with relevant experience and would welcome suggestions from other shareholders.

Mr Ted Ellyard, Chairman of Key Petroleum Limited, commented *"Both Richard O'Shannassy and I have decided to step down as Directors of the Company to facilitate a change to the Board largely in line with the wishes of the Requisitioning Shareholders, and also some other large shareholders, who collectively have indicated that they will support future capital raisings in the Company. If the Company is to maintain an active exploration and development programme in Australia, the UK and Tanzania, further funding will be required, before a positive cash flow from production can be assured. It is for this reason that we consider that we are acting in the best interests of the Company and all shareholders"*

"However, I believe that the continuing services of Mr Wilkins as a Director of the Company is desirable to maintain an experienced and balanced Board going forward and that a decision regarding his current tenure as a Director should be one for all shareholders to decide".

The Proposed Directors have indicated that they intend to travel to Perth later this month to meet the current Board and the Managing Director, in particular, to discuss the future direction of the Company.

Ken Russell
Managing Director

Background:

Key Petroleum Ltd is a producer of oil in the United Kingdom from its 100% owned, two onshore oil fields, Brockham and Lidsey located in the Weald Basin in the south of England. Key is also involved in oil and gas exploration and development projects in Tanzania where it has a 20% interest in the Nyuni block and in the West Songo Songo block where it holds a 50% interest and is the operator. Key has further interests in both on and offshore areas in Italy which it holds 100% and in Suriname, an established oil producing area in South America, where it holds a small interest in two onshore blocks. The Company has also recently entered into oil exploration in Australia by entering into a farmin agreement with CalEnergy to participate in the drilling of 2 wells in the Perth Basin, Western Australia.

For further Company background information please see the company's website at <http://www.keypetroleum.com> or contact

Ken Russell

or

John Ribbons

Managing Director

Company Secretary

+ 61 8 9327 3500

+ 61 8 9389 2123

info@keypetroleum.com

or

Ian Howarth

Collins Street Media

+ 61 3 9223 2465

ian@collinsstreetmedia.com.au

Attachment #1

PROSPERITY
LEGAL
LAWYERS

Prosperity Legal
52 Little Ryrie Street
Geelong, Victoria 3220, Australia

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Geelong, Victoria 3220, Australia

Tel: +61 3 5221 8414
Fax: +61 3 5221 0877
www.prosperitylegal.com

ABN 55 123 412 331

Our Ref: CB:MIN:1160
Your Ref:

URGENT

Facsimile Transmission

Date: 19 August 2010 **Fax No:** 08 9327 3510

To: Board of Directors
Key Petroleum Ltd

From: Chris Burrell

Pages (w/cover): 10

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Dear Directors,

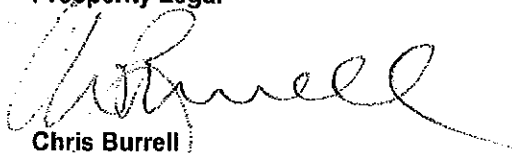
Request to convene a General Meeting pursuant to section 249D of the Corporations Act 2001 (Cth)

Please refer to the attached notice.

Unfortunately Mr Diab Abuaiadh is currently overseas and we have been unable to secure his signature. As such Mr Abuaiadh's shareholding should not be included in determining the 5% threshold required under section 249D.

Notwithstanding the removal of Mr Abuaiadh's shareholding the Requisitioning Shareholders still collectively represent 9.10% of the total number of shares that may be cast at the general meeting of the Company.

Yours faithfully,
Prosperity Legal



Chris Burrell
Managing Partner
+61 3 5221 8414
chris@prosperitylegal.com.au

Enc.

Geelong

Melbourne

ABN 55 123 412 331

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TO: Directors
 Key Petroleum Limited
 Level 1/14 Outram Street
 West Perth WA 6005
 Via facsimile: (08) 9327 3510

Request to Convene a General Meeting
 pursuant to section 249D of the Corporations Act 2001

This request is made by the undersigned shareholders of Key Petroleum Limited ("the Company") who collectively hold no less than a total of 5% of the votes that may be cast at the general meeting of the Company.

Shareholder	Number of votes	% of votes
UBS Wealth Management Australia Nominees Pty Ltd	3,442,935	2.64
Campestre Enterprises Pty Ltd	2,800,000	2.15
Mr Stephen Cansdell Hirst	1,905,000	1.46
Minsk Pty Ltd	1,398,365	1.07
Mr Eric Robert Hedt and Mrs Leanne Joy Hedt <ER & LJ Hedt Super Fund A/C>	1,000,000	0.77
Gianfarm Investments Pty Ltd	607,357	0.47
Xenith Enterprises Pty Ltd	500,000	0.38
Diab Abualadh	400,000	0.31
Anthony Milicia	200,000	0.15
Totals	12,253,657	9.41%

Note: the voting % is calculated against 130,175,516 ordinary shares which reflects the number of shares on issue as quoted in the Company's most recent Appendix 5B released to the ASX on 30 July 2010.

(the "Requisitioning Shareholders")

Pursuant to section 249D of the Corporations Act and in accordance with the provisions of the Company's Constitution, the Requisitioning Shareholders request the Directors of the Company to call and hold a general meeting of the Company for the purposes of considering, and if thought fit to pass, the following resolutions:

Resolution 1 – Removal of Edward (Ted) Ellyard as a director and appointment of Indrajit (Jitto) Arulampalam in his place

To consider, and if thought fit, pass the following as an ordinary resolution:

"That Edward (Ted) Ellyard be removed from office as a director of the Company with immediate effect and that Indrajit (Jitto) Arulampalam be appointed a director of the Company in his place."

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Resolution 2 – Removal of Richard O'Shannassy as a director and appointment of Frank Cannavo in his place

To consider, and if thought fit, pass the following as an ordinary resolution:

"That Richard O'Shannassy be removed from office as a director of the Company with immediate effect and that Frank Cannavo be appointed a director of the Company in his place."

Resolution 3 – Removal of Dennis Wilkins as a director

To consider, and if thought fit, pass the following as an ordinary resolution:

"That Dennis Wilkins be removed from office as a director of the Company with immediate effect."

For the purposes of Resolutions 1 and 2 please see attached consents to act as directors and declarations of interest for each nominating director.

Pursuant to section 249D(5) of the Corporations Act, you must call the meeting within 21 days after the date of this letter and the meeting must be held no later than two (2) months after you receive this notice.

Pursuant to section 249P of the Corporations Act, please distribute to all shareholders of the Company the attached statement pertaining to the proposed resolutions, at the same time, and in the same manner, as the notice of the meeting is given.

Dated: 19 August 2010

Signed by the Requisitioning Shareholders:

George Glannarelli, Director
Glan Limited Pty Ltd
<UBS Wealth Management Australia
Nominees Pty Ltd>

Tony Campestre, Director
Campestre Enterprises Pty Ltd

Stephen Cansdell Hirst

Lilia Gianarelli, Director
Minsk Pty Ltd

Eric Robert Hedt as trustee for
ER & LJ Hedt Super Fund A/C

Mark Glannarelli, Director
Glanfam Investments Pty Ltd

Michael Capestre, Director
Xenth Enterprises Pty Ltd

Diab Abuaiadh

Anthony Milicia

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STEPHEN HIRST

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Dated: 19 August 2010

Signed by the Requisitioning Shareholders:

George Giannarelli, Director
Gian Limited Pty Ltd
<JBS Wealth Management Australia
Nominees Pty Ltd>

Tony Campestre, Director
Campestre Enterprises Pty Ltd

Stephen Cannall Hirst

Lila Giannarelli, Director
Minsk Pty Ltd

Eric Robert Hest as trustee for
ER & LJ Hest Super Fund A/C

Mark Giannarelli, Director
Gianfam Investments Pty Ltd

Michael Capestre, Director
Xenith Enterprises Pty Ltd

Diab Abusleah

Anthony Milicia

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BENNETT RD

001/001

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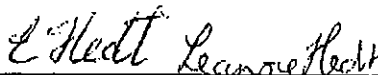
Dated: 19 August 2010

Signed by the Requisitioning Shareholders:

George Giannarelli, Director
Gian Limited Pty Ltd
<UBS Wealth Management Australia
Nominees Pty Ltd>

Tony Campestro, Director
Campestro Enterprises Pty Ltd

Stephen Cansdell Hirst



Lilia Gianarelli, Director
Minsk Pty Ltd

Eric Robert Hedt as trustee for
ER & LJ Hedt Super Fund A/C

Mark Giannarelli, Director
Gianfam Investments Pty Ltd

Michael Capestro, Director
Xenith Enterprises Pty Ltd

Diab Abuaiadh

Anthony Milicia

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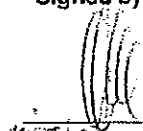
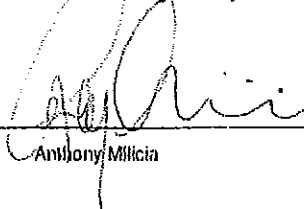
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Dated: 19 August 2010

Signed by the Requisitioning Shareholders:

 George Giannarelli, Director Gian Limited Pty Ltd <UBS Wealth Management Australia Nominees Pty Ltd>	Tony Campestre, Director Campestre Enterprises Pty Ltd	Stephen Cansdell Hirst
 Lilia Giannarelli, Director Minsk Pty Ltd	Eric Robert Hedi as Trustee for ER & LJ Hedi Super Fund A/C	 Mark Giannarelli, Director Gianlam Investments Pty Ltd
Michael Campestre, Director Xenith Enterprises Pty Ltd	Diab Abualadh	 Anthony Milicia

Statement accompanying section 249D Notice dated 19 August 2010

This statement is made on behalf of the Requisitioning Shareholders (us, we, our)

This section 249D notice and request for a general meeting reflects our continued concerns regarding the failure of the Board to realise the value of the Company's assets. Our concerns include:

1. The Board has failed to achieve many of the goals that it has set out to achieve.
2. The Company has lost approximately 50% of its market capitalisation in the last 12 months;
3. The Board has embarked on a process to sell the Tanzanian assets and we are concerned that the Board will not:
 - (a) realise this sale for true value; and
 - (b) obtain shareholder approval for the sale.
4. The Board has made a decision to invest in new activities in Australia which will not provide any upside to shareholders but merely use up the Company's working capital.
5. We are strongly displeased about the decision of the Board to raise capital of \$1 million without giving all shareholders the opportunity to participate. The capital raising was targeted towards sophisticated investors and undertaken at a significantly lower share price and included free options for those who participated.
6. We believe the Chairman, Ted Ellyard, has a conflict of interest through his involvement in the upcoming IPO of an oil and gas company that will be in direct competition with Key Petroleum.
7. We are also concerned as to whether there is sufficient independence of the directors given a majority of the current board members are also directors of another listed mining company.

For these reasons (among others), we have formed the view that it is time to change the complete composition of the Board. We need strong, independent board which will help rehabilitate the Company and drive it forward.

We are putting forward two nominees as part of this process. The main objective of both our nominees is to release the control at board level and then appoint the right experienced oil and gas people and setup the team going forward to develop the Company's current assets, consider new opportunities, and to keep the shareholders well informed. Both nominees are prepared to take on this role for no directors fees in interim as they can see considerable value in the Company's asset and will invest and bring substantial following once this objective is achieved.

Brief biographies of our nominees as directors of Key Petroleum follow.

Indrajit (Jitto) Arulampalam

Mr. Arulampalam is currently the Chairman of two ASX companies: Medic Vision Limited [ASX:MVH] and Atos Wellness Ltd [ASX:ATW], which is also listed on the German Stock Exchange. Mr. Arulampalam has extensive corporate restructuring skills gained in several turnaround situations. Having spent more than 8 years with Westpac Banking Corporation in several key operational and strategic roles, he was hired by Newsnet Ltd as its CEO in 2005 to assist in the successful restructuring of the company and to position it for an IPO.

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Mr Arulampalam successfully repositioned Newsnet as a leading innovator in the messaging/Telco space to be recognized by the Australian Financial Review MIS magazine as one of the "Top 25 global rising stars" in 2006. Mr. Arulampalam is a charter member of TIE, the largest entrepreneurial network in the world and is a member of the Australian Institute of company directors.

Frank Cannavo

Mr. Cannavo has considerable experience within the listed company sector and has been singularly instrumental in assisting them achieve their growth strategies. Mr. Cannavo is currently a non-executive director of ATOS Wellness Ltd (ASX: ATW) and Medic Vision Limited (ASX: MVH) and has been a non executive director on a variety of mining related companies, including Hannans Reward Ltd (ASX: HNR). Mr Cannavo has also been involved in helping to rehabilitate a variety of publicly listed mining companies, both as a consultant and as a major shareholder.

Mr Cannavo is a visionary entrepreneur with a high level contact base in the private sector, he boasts a proven track record of success in all enterprises as well as holds extensive experience in creating solid, workable business strategies, capital raising, investment, acquisitions and IPO's.

Consent to act as director, notice of personal details and declaration of interest

To: Company Secretary
Key Petroleum Limited (ACN 120 580 618)
("the Company")

1. Consent

For the purposes of section 201D of the *Corporations Act 2001* (Cth), I confirm my consent to act as a director of the Companies.

2. Personal details

For the purposes of sections 205B and 205C of the *Corporations Act 2001* (Cth), I give notice of the following personal details:

Present given and family names	Frank Cannavo
All former given and family names	n/a
Date and place of birth	22/03/1976; Pascoe Vale, Australia
Usual residential address	61 Sugarload Drive, MacLeod VIC 3085

A director must notify the Companies of any change in their personal details set out above, within 7 days after the change (section 205C(2)). The Companies must notify ASIC of any change in the personal details of a director within 28 days after the change (section 205B(1)) – ASIC Form 484

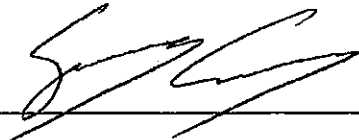
A director can have an alternative address substituted for the director's usual residential address in certain circumstances (section 205D).

3. Declaration of interest

For the purposes of section 191 and 192 of the *Corporations Act 2001* (Cth) and to enable the information to be recorded in the minutes of the next meeting of directors, I confirm that I have the following interest in a matter which may or does not affect the affairs of the Companies:

Nil

Signed: _____



Date: 18/08/2010

Name: Frank Cannavo

Consent to act as director, notice of personal details and declaration of interest

To: Company Secretary
Key Petroleum Limited (ACN 120 580 618)
("the Company")

1. Consent

For the purposes of section 201D of the *Corporations Act 2001* (Cth), I confirm my consent to act as a director of the Companies.

2. Personal details

For the purposes of sections 205B and 205C of the *Corporations Act 2001* (Cth), I give notice of the following personal details:

Present given and family names	Indrajit (Jitto) Arulampalam
All former given and family names	n/a
Date and place of birth	04/11/1967; Jaffna, Sri Lanka
Usual residential address	Unit 2, 343 High Street Road, Mount Waverley VIC 3149

A director must notify the Companies of any change in their personal details set out above, within 7 days after the change (section 205C(2)). The Companies must notify ASIC of any change in the personal details of a director within 28 days after the change (section 205B(1)) – ASIC Form 484

A director can have an alternative address substituted for the director's usual residential address in certain circumstances (section 205D).

3. Declaration of interest

For the purposes of section 191 and 192 of the *Corporations Act 2001* (Cth) and to enable the information to be recorded in the minutes of the next meeting of directors, I confirm that I have the following interest in a matter which may or does not affect the affairs of the Companies:

Nil

Signed: 

Date: 18/08/2010

Name: Indrajit (Jitto) Arulampalam