

13 August 2012

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

Dear Sir

RE: KEY PETROLEUM LIMITED TO RAISE \$3 MILLION BY PRIVATE PLACEMENT

Key Petroleum Limited ("Key") is pleased to announce that it has today received commitments by professional and sophisticated investors who qualify under section 708(8), (10) or (11) of the Corporations Act to subscribe for, 100 million ordinary fully paid shares in the capital of Key at an issue price of 2.8 cents per share. It is expected that the completion of this placement will be within the next five business days.

The purpose of the capital raising is to provide working capital and funding for the Company's upcoming exploration well Cyrene-1 in EP438, onshore Canning Basin. This well is to be drilled by joint venture partner and operator Buru Energy Limited. The balance of the capital raising will be used to mature Key's other Canning and Perth Basin exploration campaigns.

Regards



KANE MARSHALL
Managing Director
KEY PETROLEUM LIMITED