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31 March 2014

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

WITHDRAWAL OF EMPIRE OIL AND GAS NL FROM EP437 JOINT VENTURE

We attach herewith ASX Announcement for Investors regarding the withdrawal of Empire Oil Company (WA) Limited, a wholly owned subsidiary of Empire Oil and Gas NL, from the EP437 Joint Venture.

Previous Joint Venture participants' interests in EP437:

Empire Oil & Gas NL (Empire Oil Company (WA) Limited)	*35%*
Key Petroleum Limited (Key Petroleum (Australia) Pty Ltd) - Operator	*50%*
Caracal Exploration Pty Limited	*15%*

Regards

IEGregory

IAN GREGORY
Company Secretary
KEY PETROLEUM LIMITED

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ASX RELEASE

WITHDRAWAL OF EMPIRE OIL AND GAS NL FROM EP437 JOINT VENTURE

Further to a request from Empire Oil Company (WA) Limited ("Empire") to withdraw from the EP437 Joint Venture, all parties have agreed to release Empire from the Joint Venture free of any liability, obligations, claims, suits or demands in respect of Exploration Permit EP437 ("the Permit"). In consideration, Empire will assign its current 35% holding in the Permit, on a pro-rata basis, to Key Petroleum (Australia) Pty Ltd, a wholly owned subsidiary of Key Petroleum Limited ("Key") (76.92%) and Caracal Exploration Pty Ltd ("Caracal") (23.08%).

Caracal and Empire also agree to release and discharge each other from all obligations, liabilities, claims, rights and benefits under the Caracal Farmin Agreement except that Caracal is entitled to retain the Farmin Interest as defined in the Farmin Agreement between Empire and Caracal.

The remaining Joint Venture Parties now hold the following interests in the Permit:

Key Petroleum Limited (Key Petroleum (Australia) Pty Ltd)	*77%*
Caracal Exploration Pty Limited	*23%*

After consultation with the Department of Mines and Petroleum ("DMP"), Key is to provide further information pertaining to its Health and Safety Management System in order to facilitate final approvals. The EP437 Joint Venture is confident that final DMP approvals and agreement of land access terms will be achieved early in the second quarter of 2014.

Further information will be disclosed to the market in due course.

For more information please contact:
Key Petroleum Limited (Tel: +61 8 6389 0322)

Ian Gregory
Company Secretary

31 March 2014