

4 August 2020

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

PRODUCTION LICENCE L7 (R1) MOUNT HORNER JOINT VENTURE

Key Petroleum Limited attaches herewith an ASX Announcement pertaining to the L7 (R1) Mount Horner Joint Venture.

This announcement has been authorised by the Board of Directors.

For more information please contact:

IAN GREGORY
Company Secretary
Key Petroleum Limited

Telephone: +61 (0) 8 9381 4322

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ASX Announcement

4 August 2020

PRODUCTION LICENCE L7 (R1) MOUNT HORNER JOINT VENTURE

As a result of A.C.N. 008 939 080 Pty Ltd (**A.C.N.**) (a subsidiary of Triangle Energy (Global) Limited) failing to remedy its failure to pay a cash call (**Cash Call**) issued by Key on 28 January 2020 for the sum of \$77,710.00, Key believes that A.C.N. is deemed to have elected to have withdrawn from the Joint Operating Agreement (**JOA**) referred to in the Farmout Agreement between A.C.N. and Key dated 31 October 2018 (**Farmout Agreement**), the Farmout Agreement and L7 at midnight on 3 August 2020. The Farmout Agreement provides that unless A.C.N. and Key agree an alternative course of action by 25 August 2020 then:

1. A.C.N. must reassign the 50% interest in L7 and the L7 joint venture to Key;
2. A.C.N. must deliver to Key all records in connection with that interest; and
3. Key is under no obligation to repay A.C.N any money it has expended under the Farmout Agreement.

A.C.N. disputes the validity of the Cash Call, the Programme and Budget upon which the Cash Call was based and therefore its deemed withdrawal from the JOA, the Farmout Agreement and L7.

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