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ABN: 50 120 580 618

Quarterly Report

For the period ended 31 December 2025



ACN 120 580 618

Update on Activities

Highlights for the Quarter

- Key Petroleum Limited (“Key” or “the Company”) continues to advance its interests in the Cooper-Eromanga Basin in Queensland. During the fourth quarter of 2025, the Company did not receive any further notifications regarding its eight Potential Commercial Area (PCA) applications across ATP 920 and ATP 924. According to the DNRM system, the applications remain under consideration at the decision stage.

The Company is pleased with the current status of the PCA applications and anticipates receiving formal government approval around the end of 2025. Upon approval, the two permits would each have a 15-year term, providing a long-term framework for development planning, partner engagement and funding activities, and the realization of the full value of the PCAs. Following confirmation of PCA approval, the Company intends to commence relevant technical studies to support the next stage of development.

- The Company successfully held its Annual General Meeting (AGM) on 27 November 2025, at which all scheduled resolutions were duly considered and approved. This was followed by a Board meeting to review the Company’s performance in 2025 and to discuss its development strategy for 2026.

Following the successful completion of a share issuance in the third quarter of 2025, the Company raised a certain amount of funds, providing financial support for its day-to-day operations. The Company plans to undertake a further share issuance in early 2026 to raise additional capital and to seek suitable projects during 2026, with the aim of enhancing its asset portfolio and laying a solid foundation for future growth.

In December 2025, following the decision of the former Company Secretary to retire, the Company appointed a new Company Secretary. The handover process has been completed, and the new Company Secretary brings relevant legal and financial expertise to support the Company’s ongoing operations and development.

Activities for the Upcoming Quarter

- Based on the current status of the two PCA applications, the Company will continue to actively pursue all reasonable avenues to facilitate the approval process as efficiently as possible. This may include further engagement with relevant government departments to reinforce the strategic importance of the PCAs and outline the Company’s proposed next steps following approval. The objective is to support timely decision-making and maintain momentum. Upon receiving formal approval, the Company intends to promptly progress the projects by initiating the necessary technical studies, advancing financing preparations, and moving the PCA assets toward the next stage of development.
- The Company’s current financial position remains limited. Regardless of the timing of PCA approvals, ensuring sufficient financing remains a key priority to support ongoing operations and project development.

- In the first quarter of 2026, the Company's main focus will be to continue issuing a certain number of new shares to raise additional funds to support the development of its business.

Cooper Eromanga Basin, Queensland

ATP 920

Key Petroleum Limited (Operator) (via wholly owned subsidiary)	80.00%
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Pancontinental Oil and Gas NL	*20.00%
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* Pancontinental is to earn an undivided 20% participating interest in ATP 920 in accordance with Farmin Agreement dated 30 October 2019

ATP 924

Key Petroleum Limited (Operator) (via wholly owned subsidiary)	75.00%
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Pancontinental Oil and Gas NL	*25.00%
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*Pancontinental is to earn an undivided 25% participating interest in the Ace Area of ATP 924 in accordance with the Farmin Agreement dated 30 October 2019

The PCA applications for ATPs 920 and 924 reflect our commitment to advancing these tenures responsibly while adapting to evolving policy frameworks. We remain confident in the prospectivity of these areas and are prepared to move forward with development plans once the PCAs are secured.

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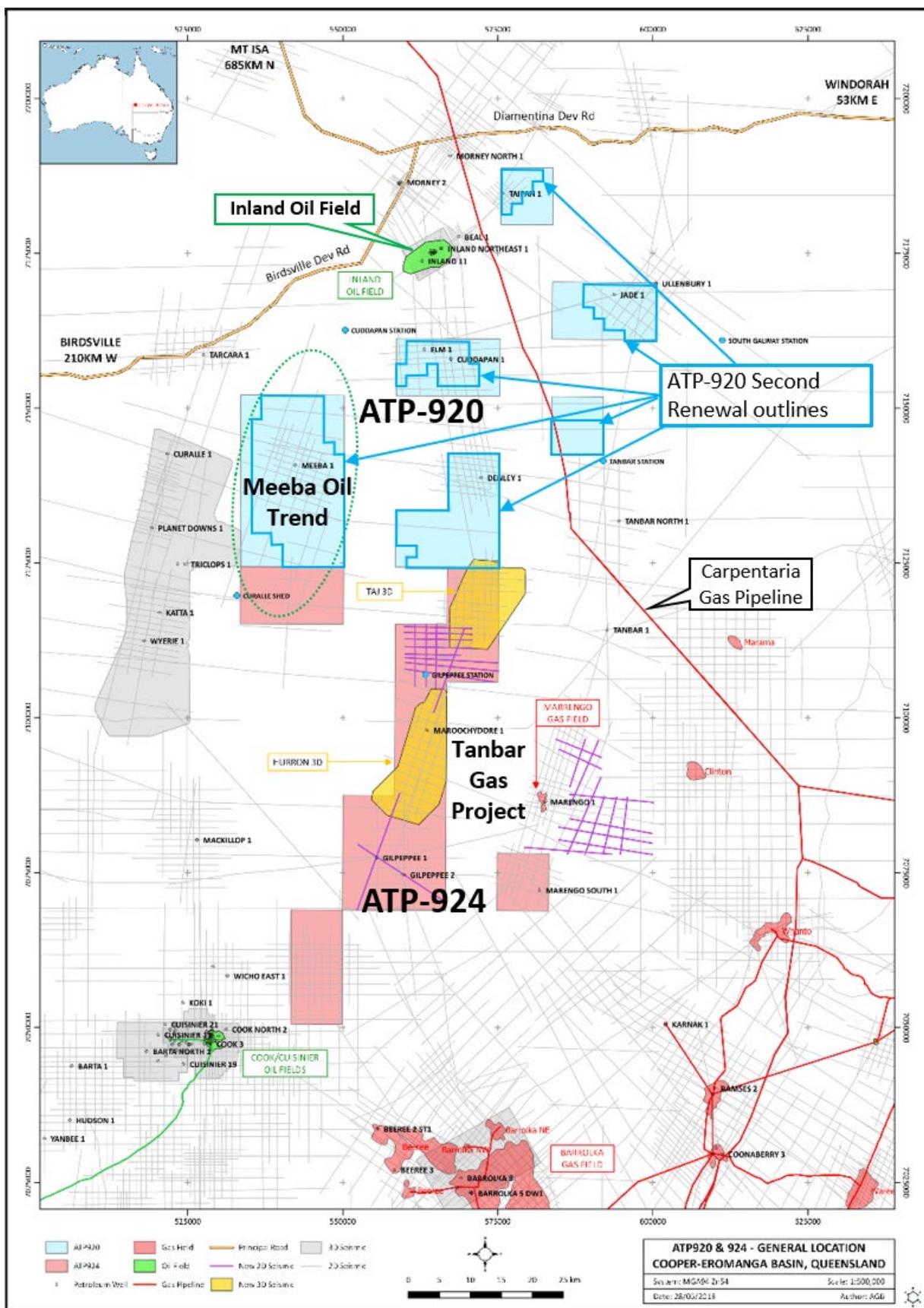


Figure 1: Impact of Lake Eyre Basin boundaries on ATPs 920 and 924.

Corporate and Current Outlook for Key

- As of the end of the December 2025 quarter, Key Petroleum Limited had A\$136,295.48 in cash on hand.
- Key is confident in its ability to meet operational needs in the coming quarters and has the ability to pursue additional funding options as needed with the support of shareholders willing to step in and assist.
- During the quarter, the Company paid the amounts noted at Items 6.1 and 6.2 on the Appendix 5B, being payments of \$35,000 to related parties and their associates. This was the aggregate amount paid to the directors including directors' fees and consulting fees (\$17,000), and corporate administration and management fees (\$18,000).

Petroleum Permit Schedule

Petroleum Permit	Type	Location	Interest at Beginning of Quarter	Interest at End of Quarter	Acquired during Quarter	Disposed during Quarter
ATP 924	Authority to Prospect	Cooper Eromanga Basin, QLD	100% ▲	100%	-	-
ATP 920	Authority to Prospect	Cooper Eromanga Basin, QLD	100% ♦	100%	-	-

▲ Pancontinental is to earn an undivided 25% participating interest in the Ace Area of ATP 924 in accordance with the Farmin Agreement dated 30 October 2019

♦ Pancontinental is to earn an undivided 20% participating interest in ATP 920 in accordance with Farmin Agreement dated 30 October 2019

ASX Listing Rule 5.4.3

This announcement has been authorised for release by the Board of Directors.

Dated: 27 January 2026

Brisbane, Queensland

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CAUTIONARY STATEMENT

The information in this report is an overview and does not contain all information necessary for investment decisions. In making investment decisions, investors should rely on their own examination of Key Petroleum Ltd and consult with their own legal, tax, business and/or financial advisors in connection with any acquisition of securities.

The information contained in this report has been prepared in good faith by Key Petroleum Ltd. However, no representation or warranty, expressed or implied, is made as to the accuracy, correctness, completeness or adequacy of any statement, estimates, opinions or other information contained in this document.

Certain information in this document refers to the intentions of Key Petroleum Ltd, but these are not intended to be forecasts, forward looking statements, or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties, and other factors that may cause Key Petroleum Limited's actual results, performance or achievements to differ from those referred to in this document. Accordingly, Key Petroleum Ltd, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of events referred to in this presentation will occur as contemplated.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Key Petroleum Limited

ABN

50 120 580 618

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(17)	(62)
(e) administration and corporate costs	(129)	(229)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	5	5
1.9 Net cash from / (used in) operating activities	(141)	(286)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(2)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	(1)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(3)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	336
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(5)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	331
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	277	94
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(141)	(286)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	331

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	136	136
 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	136	277
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	136	277
 6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1		35
6.2 Aggregate amount of payments to related parties and their associates included in item 2		-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(141)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(141)
8.4	Cash and cash equivalents at quarter end (item 4.6)	136
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	136
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.97
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company has the ability to reduce costs as necessary. In addition, director accruals from previous quarters remain payable.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company is planning a further share issuance in the first quarter of 2026 and is currently in discussions with three interested parties. These discussions are ongoing, and while there is no certainty of completion, the Company continues to progress the proposed capital raising.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company will keep managing costs in line with the available funding and pursue additional funding options as needed.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2026

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.