



KEY
PETROLEUM LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

ACN 120 580 618

Key Petroleum Limited

Corporate Information

For the year ended 30 June 2026

Directors

Mr. Wei Jin - Chairman and Executive Director

Mr. Louis Chien - Managing Director (resigned 31 July 2025)

Mr Yan Zhao - Managing Director (appointed 6 August 2025)

Ms. Yuqi Cao - Executive Director

Mr. Jujun Zhang - Executive Director, Chief Executive Officer, Vice Chairman (appointed 6 January 2026)

Prof. Bingsong Yu - Non-Executive Director (appointed 15 October 2024)

Company Secretary

Celine Xia (appointed 16 December 2025)

Ian Gregory (resigned 19 December 2025)

Registered Office and Principal Place of Business

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179 North Quay

BRISBANE QLD 4000

Telephone: +61 (0) 7 3063 9680

Solicitors

Nicole Radice

Hopgood Ganim

Lawyers

Level 10, 360 Queen St

BRISBANE QLD 4000

Bankers

National Australia Bank Limited

West End Murray Street Mall

239 Murray Street Mall

PERTH WA 6000

Share register

Computershare Investor Services Pty Ltd

Level 17

221 St George's Terrace

PERTH WA 6000

Telephone: +61 3 9415 4000 or 1300 850 505 (within Australia)

Auditors

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco WA 6008

Key Petroleum Limited

Corporate Information

For the year ended 30 June 2026

Internet address

www.keypetroleum.com.au

Email address

investors@keypetroleum.com.au

Stock exchange listings

Key Petroleum Limited shares (Code: KEY) are listed on the Australian Securities Exchange

Key Petroleum Limited

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Key Petroleum Limited

Chairman's Report

For the year ended 30 June 2026

Dear Shareholders

As we conclude another financial year at Key Petroleum Ltd. I am pleased to report on a year of continued progress for the Company. During FY25-26, we strengthened our leadership team, broadened our shareholder base and continued advancing our key strategic priorities. These developments have strengthened the Company's strategic position and provide a solid foundation for the next stage of its development.

The Company's Potential Commercial Area (PCA) applications over ATP 920 and ATP 924 remained a key focus throughout the year. While the applications continue to be assessed by the Queensland Government, the Company has maintained regular engagement with the relevant authorities and will continue to closely monitor the approval process. The Board considers that the grant of the PCA applications would represent an important milestone by providing greater long-term tenure certainty over the Company's core assets, supporting future exploration and development activities, and enhancing the Company's strategic flexibility as it continues to pursue opportunities consistent with its long-term strategy.

The Company also welcomed two new significant shareholders during the year, whose investment further strengthened the Company's capital position. In addition to their financial support, these shareholders bring valuable commercial experience and industry networks which the Board believes may assist the Company in evaluating future business opportunities and strategic initiatives.

FY25-26 also marked an important period of renewal for the Company's leadership. A new Managing Director and Company Secretary were appointed during the year, bringing renewed energy, operational focus and a fresh perspective to the business. In early 2026, the Board was further strengthened through the appointment of an Executive Director with significant commercial experience, industry relationships and strategic resources. Together, these appointments have broadened the Company's leadership capabilities and further support the execution of its long-term strategy.

Throughout the year, the Board remained committed to disciplined capital management, sound corporate governance and identifying opportunities that may create sustainable long-term value for shareholders. The Company also continued to evaluate complementary business opportunities that may broaden its business platform and support its long-term growth strategy, while maintaining a disciplined approach to capital allocation and risk management.

Looking ahead, the Board remains focused on advancing the Company's existing assets while carefully evaluating opportunities that align with its long-term strategy. Supported by a strengthened shareholder base, an experienced leadership team and a disciplined approach to growth, the Company believes it is well positioned to respond to future opportunities as they arise.

Key Petroleum Limited

Chairman's Report

For the year ended 30 June 2026

On behalf of the Board, I would like to thank our shareholders, employees, business partners and other stakeholders for their continued confidence and support throughout the year. We remain committed to building a stronger and more resilient company and look forward to reporting further progress in the year ahead.

Yours sincerely



Wei Jin
Chairman

29.09.2026

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Directors submit their report on the consolidated entity (referred to hereafter as the Company or Group) consisting of Key Petroleum Limited and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The names and details of the Company's Directors in office during the year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Wei Jin, EMBA, PhD (Chairman and Executive Director)

Mr. Jin is a highly experienced leader in the oil and gas industry, with over 30 years of expertise across geological exploration, mining development, oilfield operations, bulk mineral logistics, and international trade. He has held senior positions in major energy and mining companies across Australia, Indonesia, Mongolia, Hong Kong, and Mainland China. Mr. Jin has spent around 10 years managing an ASX-listed oil and gas company, bringing extensive experience in project development and operational management in the global energy and mining sector.

Mr Jujun Zhang (Executive Director / CEO / Vice Chairman, appointed 06 January 2026)

Mr Jujun Zhang, a PRC national, holds a Master's degree and has over 20 years of experience in the new energy power generation sector, specialising in power generation technologies and their commercial applications. He has a strong theoretical background combined with extensive hands-on experience across multiple large-scale and practical projects.

The Board considers that Mr Zhang's experience and skills will be valuable to the Company as it continues to progress its strategic objectives. He will be focusing on strategic development and investment matters, and business development initiatives.

Louis Chien, MBA, BArch, GAICD (Managing Director, resigned 31 July 2025)

Mr Chien was born in Shanghai, China. He was raised in the United States where he was educated and has over 25 years of experience in Fortune 100 companies. He is now based in Sydney, Australia. Prior to joining the Group, Mr Chien held various leadership positions within ASF Group Limited, The Procter & Gamble Company, both in the United States and Singapore. He has extensive organisational experience across the Americas, Europe and Asia-Pacific.

Mr Chien was a Non-Executive Director of ASF Group Limited from 1 May 2015 to 27 November 2024.

Yan Zhao (Managing Director, appointed 6 August 2025)

Yan Zhao has over 20 years of management and engineering experience in coal, exploration, mining industry business development, and an extensive network in both Australia and China. Before 2017, he worked in the Australian branch of a Chinese company and held several key positions and responsibilities. Since 2017, he has held senior management and executive director positions at publicly listed companies in Australia, with extensive experience in the operation and management of mining and oil & gas exploration projects.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Ms. Yuqi Cao, BS (Applied Chemistry) (Executive Director, appointed 15 January 2025).

Ms. Cao is a senior executive with over 10 years of experience in mergers and acquisitions across industries such as public procurement, mining, logistics, electronic payments, and intellectual property. She currently serves as Vice President of HK Create Capital Investment Group Co., Limited, Director of Create Capital International Group Co., Limited, and Director of Create International Mining Group Limited. Previously, Ms. Cao served as Vice President of Guocai Technology Group Co., Ltd. and as a director of its subsidiaries. Her expertise includes equity investment, strategic planning, risk management, and operational leadership.

Prof. Bingsong Yu, BS, MS, PhD (Non-Executive Director, appointed 15 October 2024).

Professor Yu is a former Dean of the School of Earth Science and Resources at China University of Geosciences (Beijing). He is a renowned expert in petroleum geology and sedimentology, and his extensive research has made significant contributions to oil and gas exploration, particularly in key Australian basins such as the Canning, Perth, and Cooper Basins, as well as in major basins across China, South America, and Africa. Professor Yu's work has earned him multiple prestigious awards, recognising his ground-breaking research in reservoir geology and sequence stratigraphy. He has authored over 200 academic papers and published influential monographs, shaping the industry's understanding of sedimentology and petrology.

Company secretary

Celine Xia, GAICD, GradDipLP, JD, MBusAdmin, MProfAcctg (appointed 16 December 2025)

Celine is an Australian-qualified lawyer and the Founder & Principal Lawyer of Ming Dao Law. Before establishing her own practice, Celine worked at national and international law firms, including Gadens and Clyde & Co – where she advised on corporate, regulatory, litigation and cross-border matters for clients across financial services, and mining and resources companies. She has acted for ASX-listed and pre-IPO mining and resources companies and has significant experience providing company secretarial and governance support.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Key Petroleum Limited were:

	Ordinary Shares
Wei Jin	-
Yan Zhao	-
Bingsong Yu	-
Yuqi Cao	-
Jujun Zhang	2,954,682

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Principal activities

The principal activities of the Group during the year were the acquisition of petroleum permits, and the exploration of these permits with the objective of identifying economic oil and gas reserves.

Dividends

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

Operating and financial review

Operations review

For the financial year ended 30 June 2026, Key Petroleum Ltd ("Company") navigated a complex landscape marked by regulatory developments and strategic initiatives aimed at strengthening and adding to our exploration portfolio in the Cooper Eromanga Basin.

Tenure Renewals and Regulatory Environment

During the year ended 30 June 2026, Key Petroleum made tangible progress on its core assets in the Cooper Eromanga Basin while strengthening both its shareholder base and corporate governance.

The Company's tenure strategy remained a key focus throughout FY25-26, with continued progress on the Potential Commercial Area (PCA) applications for ATP 920 and ATP 924. While the applications remain under assessment by the Queensland Government, the Company has maintained regular engagement with the relevant authorities. The Board considers that the grant of the PCA applications would provide greater long-term tenure certainty and support the future exploration and development of the Company's core assets.

The shareholder register continued to strengthen during the year with the introduction of two additional significant shareholders. Their investment enhanced the Company's capital position and, together with their commercial experience and industry networks, provides broader strategic opportunities for the Company to evaluate future business initiatives.

The Company also experienced significant renewal at both Board and management level. During the year, a new Managing Director and Company Secretary were appointed, and in early 2026 an Executive Director with extensive commercial experience and strong industry relationships joined the Board. These appointments have strengthened the Company's leadership capabilities and governance framework.

These developments have further strengthened the Company's strategic platform and position it to pursue opportunities aligned with its long-term objectives.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Operations review (continued)

Exploration and Development Activities

With multiple prospective exploration targets across ATP 920 and ATP 924, the Company's primary focus continues to be on the Alfajor Prospect and other subblocks that remain unaffected by the Lake Eyre Basin exclusion zone changes. Key has completed a substantial amount of preparatory work, including securing the necessary environmental authorities and maintaining agreements with landholders and Native Title parties. These activities place the Company in a strong position to progress future exploration programs when the relevant tenure approvals are obtained.

While the extended assessment process for the PCA applications has influenced the timing of planned exploration activities, the Company remains committed to advancing its exploration strategy and continues to work closely with the relevant authorities as the approval process progresses.

Portfolio Expansion and Strategic Initiatives

The Company will continue to engage proactively with the relevant government authorities in support of the PCA applications for ATP 920 and ATP 924 and remains focused on progressing the approval process. Subject to the necessary approvals being obtained, the Company intends to advance exploration and development activities across its core acreage as the next stage of its operational strategy. In addition, the Company plans to evaluate and apply for suitable new oil and gas tenements during the second half of 2026, where appropriate, to further strengthen its project portfolio and support its long-term growth strategy

Outlook

Looking ahead, the Company remains focused on progressing its PCA applications and engaging constructively with the relevant government authorities. Subject to the necessary approvals, Key intends to advance exploration and development activities across its Cooper Eromanga Basin assets under longer-term tenure arrangements. The Company also plans to evaluate suitable new petroleum acreage during the second half of 2026, where appropriate, to broaden its project portfolio and support its long-term strategy.

While regulatory changes and extended administrative processes have affected the timing of certain activities, Key Petroleum remains committed to advancing its existing assets, maintaining a disciplined approach to regulatory compliance and capital allocation, and evaluating opportunities that may strengthen its asset portfolio and create long-term value for stakeholders.

Finance Review

The Group has recorded an operating loss after income tax for the year ended 30 June 2026 of \$380,253 (2025: \$484,245). At 30 June 2026 the cash balance is \$239,299 (2025: \$94,066).

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Operating results for the year

Summarised operating results are as follows

	2026	
	Other Income	Results
	\$	\$
Consolidated revenues and other income and loss	1,708	(380,253)

Shareholder returns

	2026	2025
Basic (loss)/earnings per share (cents)	(1.10)	(2.00)

Risk management

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all Board members to be a part of this process. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk; and
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

Group specific business risks that could interfere with the achievement of the Group's future operational and financial success are listed below.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Risk management (continued)

Exploration risks

Oil and gas exploration involves significant risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that oil and/or gas will be discovered or, even if they are, that commercial quantities of oil and/or gas can be recovered from the Group's exploration permits. No assurances can be given that if commercial reserves are discovered the Group will be able to realise such reserves as intended.

Exploitation of successful discoveries

It may not always be possible for the Group to participate in the exploitation of any successful discoveries which may be made in any areas in which the Group has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Group. As described above, such further work may require the Group to meet or commit to financing obligations for which it may not have planned.

New projects and acquisitions

The Group has to date and will continue to pursue and assess other new business opportunities. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation. The Directors of the Group will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders.

The acquisition of projects or other assets (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Group.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects or assets, which may result in the Group reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Risk management (continued)

New projects and acquisitions (continued)

Going concern and funding risk

The Group's ability to continue as a going concern is dependent on maintaining sufficient funding to meet its ongoing corporate, exploration and other expenditure requirements. The Group incurred a loss of \$380,253 for the year ended 30 June 2026 and continues to rely primarily on equity raisings to fund its activities.

As at 30 June 2026, the Group held cash and cash equivalents of \$239,299. The Group may require additional funding to meet its future operating and exploration requirements. There is no certainty that additional funding will be available when required or on terms acceptable to the Group.

The Directors continue to monitor the Group's cash position and expenditure commitments and may seek additional equity funding, reduce or defer expenditure, or pursue other funding arrangements as required. Failure to obtain sufficient funding may result in the Group being required to reduce or defer its planned activities and could affect its ability to continue as a going concern.

Furthermore, if a new investment or acquisition by the Group is completed, ASX may require the Group to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the ASX Listing Rules as if the Group were a new listing. There would be costs associated in re-complying with the admission requirements. The Group may be required to incur these costs in any event, were it to proceed to seek to acquire a new project which is considered to result in a significant change to the nature or scale of its existing operations.

If a new investment or acquisition is not completed, then the Group may not be in a position to comply with the ongoing ASX Listing Rules, which includes but is not limited to, maintaining a sufficient level of operations and financial position. Given the nature of oil and gas exploration, this may also occur if the Group abandons and/or relinquishes a project which is no longer considered viable.

Any new project or business acquisition may change the risk profile of the Group, particularly if the new project is located in another jurisdiction, involving a new commodity and/or changes to the Group's capital/funding requirements. Should the Group propose or complete the acquisition of a new project or business activity, investors may re-assess their investment in the Group in light of the new project/business activity.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Risk management (continued)

Regulatory risks

The Group's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including, without limitation, licence and permit requirements and risks, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Group requires environmental licences from regulatory authorities to authorise the Group's operations. These licences relate to development, production and rehabilitation activities (although no such activities are currently in progress).

Obtaining necessary licences can be a time-consuming process and there is a risk that the Group will not obtain these licences on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary licences and complying with these licences and applicable laws and regulations could materially delay or restrict the Group from proceeding with the development of a project. Any failure to comply with applicable laws and regulations or licences, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Group's activities or forfeiture of one or more of the projects in which the Group currently holds an interest.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Risk management (continued)

Payment obligations

Under the Group's exploration permits and other contractual arrangements, the Group may be subject to payment and work-program obligations. The Group's outstanding exploration commitments are disclosed in Note 14. The timing and nature of future work programs for ATP 920 and ATP 924 may change depending on the outcome of the current renewal and Potential Commercial Area applications. The Group is also subject to annual tenement rent, regulatory fees and other statutory charges associated with maintaining its exploration interests. Failure to comply with applicable payment, work-program or other regulatory obligations when they become due may result in the relevant authorities being subject to cancellation or other regulatory action. In addition, failure to comply with contractual obligations may give rise to remedies available to other parties, including potential dilution of the Group's interests.

Additional requirements for capital

The Group's capital requirements depend on numerous factors. Depending on the Group's ability to generate income from its operations, the Group may require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes. There is however no guarantee that the Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Group.

Key personnel and employee's risk

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance that there will be no detrimental impact on the Group if one or more of these key personnel ceases their involvement with the Group.

Operating risks

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Group's control. The Group's operations may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with governmental requirements. Drilling may involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells which, though yielding some petroleum, are not sufficiently productive to justify commercial development or cover operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Hazards incidental to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures, oceanographic conditions or other factors are inherent in drilling and operating wells and may be encountered by the Group.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Risk management (continued)

Operating risks (continued)

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gasses, the occurrence of any of which could result in substantial losses to the Group due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against the Group. Although the Group believes that it or the operator will carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Group's or the operator's insurance may not cover or be adequate to cover the consequences of such events. In addition, the Group may be subject to liability for pollution, blow-outs or other hazards against which the Group or the operator does not insure or against which it may elect not to insure because of high premium costs or other reasons. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Group. Moreover, there can be no assurance that the Group will be able to maintain adequate insurance in the future at rates that it considers reasonable.

Oil and gas price volatility and exchange rate risks

The demand for, and price of, oil and gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices and, in particular, a material decline in the price of oil or gas may have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, international prices of oil and gas are denominated in United States dollars, whereas the income and expenditure of the Group are and will be taken into account in Australian currency, exposing the Group to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Environmental risks

The Group's operations are subject to the environmental risks inherent in the oil and gas industry. The Group is subject to environmental laws and regulations in connection with all its operations. Although the Group believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent in its activities, such as accidental spills, leakages or other unforeseen circumstances that could subject the Group to extensive liability. Further, the Group may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Group from undertaking its desired activities.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Risk management (continued)

Environmental risks (continued)

The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. The Group believes that it is in material compliance with all applicable laws relating to the protection of the environment, including laws regulating the discharge of materials. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Group's business, financial condition and results of operations.

Conflicts of interest

The Company's Directors are also directors and officers of other companies engaged in oil and gas exploration and development and oil and gas property acquisitions. Accordingly, oil and gas exploration opportunities or prospects of which such persons become aware will not necessarily be made available to the Group. The Directors intend, however, to allocate these to such companies on the basis of prudent business and judgement and the relative financial abilities and needs of the companies to participate. Although such persons have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Group.

Significant changes in the state of affairs

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Group occurred during the financial year.

Significant events after the balance date

Subsequent to 30 June 2026, the Company entered into agreements to issue 3,384,286 new ordinary shares at \$0.073 per share, raising approximately \$247,053 before costs under its Listing Rule 7.1 placement capacity.

Other than the above, no matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Likely developments and expected results

The Group intends to progress its PCA applications for ATP 920 and ATP 924 and, subject to the necessary approvals, advance exploration and development activities across its Cooper Eromanga Basin assets. The Group also plans to evaluate suitable new petroleum acreage during the second half of 2026. The timing and outcome of these activities remain subject to regulatory approvals and other relevant factors.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Environmental regulation and performance

The Group is subject to significant environmental regulation in respect of its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

The Group is in compliance with the various environmental legislation and regulations that govern its activities in the jurisdictions in which it operates.

Remuneration report

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The Remuneration Committee Charter of Key Petroleum Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's strategic goals. The Board of Key Petroleum Limited believes the Remuneration Policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The Remuneration Policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary or an agreed fee (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Principles used to determine the nature and amount of remuneration (continued)

Remuneration policy (continued)

Executives are also eligible to participate in the employee share and option arrangements.

The executives receive a superannuation guarantee contribution required by the government, which was 12% for the 2026 (2025: 11.5%) financial year, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation

All remuneration paid to directors and executives is valued at the cost to the Group. Based on each individual's timesheet, costs are allocated to exploration projects and treated in accordance with the accounting policy described at Note 1(j) or expensed where the time is not allocated directly to a project. Options are valued using the Black-Scholes Option Pricing methodology

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$500,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are eligible to participate in the employee share option plan.

Performance based remuneration

The Group currently has no performance-based remuneration component built into key management personnel remuneration packages.

Group performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. The Group plans to facilitate this process by directors and executives participating in future option issues to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2026.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Voting and comments made at the Company's 2025 Annual General Meeting

The Company received 99.37% of "yes" votes on its remuneration report for the 2025 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

The key management personnel of the Group include the directors as per pages 3-4 above.

Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Key management personnel of the Group						
		Short Term Benefits		Post-Employment Benefits		
		Salary & Fees	Adjustment	Pension & Super - annuation	Options/Rights	Total
	Year	\$	\$	\$	\$	\$
Directors						
Wei Jin ⁽¹⁾	2026	48,000	(12,667)	2,880	-	38,213
<i>(Appointed 15/01/2025)</i>	2025	36,667	-	-	-	36,667
Yan Zhao ⁽²⁾	2026	42,333	-	3,960	-	46,293
<i>(Appointed 06/08/2025)</i>	2025	-	-	-	-	-
Yuqi Cao ⁽³⁾	2026	16,000	(19,500)	-	-	(3,500)
<i>(Appointed 15/01/2025)</i>	2025	27,500	-	-	-	27,500
Bingsong Yu	2026	16,000	-	-	-	16,000
<i>(Appointed 15/10/2024)</i>	2025	11,333	-	-	-	11,333
Jujun Zhang⁽⁴⁾	2026	18,000	-	-	-	18,000
<i>(Appointed 6/01/2026)</i>	2025	-	-	-	-	-
Quan Fang	2026	-	-	-	-	-
<i>(Resigned 15/01/2025)</i>	2025	7,500	-	-	-	7,500
Geoff Baker	2026	-	-	-	-	-
<i>(Resigned 15/10/2024)</i>	2025	8,750	-	-	-	8,750
Min Yang	2026	-	-	-	-	-
<i>(Resigned 15/10/2024)</i>	2025	4,667	-	-	-	4,667
Dennis Wilkins	2026	-	-	-	-	-
<i>(Resigned 15/10/2024)</i>	2025	4,428	-	-	-	4,428
Louis Chien	2026	-	-	-	-	-
<i>(Resigned 31/07/2025)</i>	2025	93,858	-	-	-	93,858
Total key management personnel	2026	140,333	(32,167)	6,840	-	115,006
	2025	194,703	-	-	-	194,703

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

1. Wei Jin's remuneration for the year ended 30 June 2026 comprised consulting fees of \$24,000 payable to Asia Machinery International Trade Group Limited, an entity controlled by Mr Jin, for services provided from 1 July 2025 to 31 December 2025, and salary of \$24,000 paid through payroll for the period from 1 January 2026 to 30 June 2026. Superannuation of \$2,880 was paid in addition to the salary. During financial year 2026, the directors agreed to reduce consulting fees previously accrued in financial year 2025. As the financial year 2025 accrual was valid under the fee arrangements in place at that time, the subsequent reduction of \$12,667 has been recognised in financial year 2026 as a reversal of consulting fees expense and reflected against the remuneration of the relevant directors.
2. Yan Zhao's remuneration for the year ended 30 June 2026 comprised consulting fees of \$9,333 payable to Southern Heart Pty Ltd, an entity controlled by Mr Zhao, for consulting services provided from April to July 2025, and salary of \$33,000 paid through payroll for the period from 6 August 2025 to 30 June 2026. Superannuation of \$3,960 was paid in addition to the salary.
3. Yuqi Cao's directors' fees of \$16,000 remained unpaid at 30 June 2026. During financial year 2026, the directors agreed to reduce consulting fees previously accrued in financial year 2025. As the financial year 2025 accrual was valid under the fee arrangements in place at that time, the subsequent reduction of \$19,500 has been recognised in financial year 2026 as a reversal of consulting fees expense and reflected against the remuneration of the relevant directors.
4. Jujun Zhang's remuneration for the year ended 30 June 2026 comprised consulting fees of \$18,000 paid to Changing Tech Pte Ltd, an entity in which Mr Zhang held a directorship. Changing Tech Pte Ltd provided strategic advice and consulting support in relation to the Company's development, long-term strategic planning and capital structure arrangements.
5. Directors' remuneration totalling \$85,933 remained outstanding on 30 June 2026.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Service agreements

The details of service agreements of the key management personnel of Key Petroleum Limited are as follows:

Wei Jin, Chairman and Executive Director

- Annual remuneration of \$48,000;
- For the year ended 30 June 2026, total remuneration was \$48,000, comprising \$24,000 consulting fees were payable to Asia Machinery International Trade Group Limited, an entity controlled by Mr Jin, for the period from 1 July 2025 to 31 December 2025 and \$24,000 in salary paid through payroll for the period from 1 January 2026 to 30 June 2026;
- The remuneration arrangement effective from 1 January 2026 was approved by the Board.
- The agreement may be terminated without cause by either party by providing two months' written notice.

Jujun Zhang, Executive Director, Chief Executive Officer and Vice Chairman (appointed 06 January 2026)

- Remuneration of \$3,000 per month, equivalent to \$36,000 per annum; and
- The remuneration arrangement became effective on 6 January 2026 and was approved by the Board.
- The agreement may be terminated without cause by either party by providing two months' written notice.

Yan Zhao, Managing Director (appointed 6th August 2025)

- Annual salary of \$36,000, with the agreement commencing on 6 August 2025;
- Consulting fees of \$9,333, exclusive of GST, were payable to Southern Heart Pty Ltd, an entity controlled by Mr Zhao, for consulting services provided from April to July 2025; and
- The agreement may be terminated without cause by either party by providing two months' written notice.

Yuqi Cao, Executive Director

- Annual directors' remuneration of \$16,000;
- Total remuneration of \$16,000 was recognised for the year ended 30 June 2026 and remained unpaid at year end; and
- The remuneration arrangement effective from 1 January 2026 was approved by the Board on 2 March 2026.

Prof. Bingsong Yu, Non-Executive Director

- Annual remuneration of \$16,000 (Agreement commenced on 15th October 2024).
- The agreement may be terminated without cause, by the director at any time and by the Company's shareholders majority vote.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Share-based compensation

Options

Options may be issued at no cost to key management personnel as part of their remuneration. The options are not issued based on performance criteria but are issued to key management personnel of Key Petroleum Limited to increase goal congruence between key management personnel and shareholders. There were no options granted to or vesting with key management personnel during the year.

Ordinary shares

No ordinary shares in the Company have been provided as a result of the exercise of remuneration options to each director of Key Petroleum Limited and other key management personnel of the Group during the year.

Equity instruments held by key management personnel

Shareholdings

The numbers of shares in the Company held during the financial year by each director of Key Petroleum Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

2026	Balance on appointment	Received during the year	Consolidation of shares	Acquired during the year	Other changes during the year	Balance at end of the year
<i>Directors of Key Petroleum Limited</i>						
Ordinary shares						
Jujun Zhang	2,954,682	-	-	-	-	2,954,682

Loans to key management personnel

There were no loans to key management personnel during the year.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Other transactions with key management personnel

Total of \$18,000 was charged by Changing Tech Pte. Ltd where Mr Jujun Zhang has held directorship positions. Changing Tech Pte Ltd provides strategic advice and consulting support in relation to the Company's overall development, long-term strategic planning, and capital structure arrangement

Total of \$24,000 was charged by Asia Machinery International Trade Group Limited where Mr Wei Jin has held directorship positions. Asia Machinery International Trade Group Limited provides consultancy services to Key Petroleum Limited

Total of \$9,333 was charged by Southern Heart Pty Ltd where Mr Yan Zhao has held directorship positions. Southern Heart Pty Ltd provided qualified business management consultant services.

Directors' meetings

During the year the Company held six meetings of directors. The attendance of directors at meetings of the board were:

	Directors Meetings	
	A	B
Wei Jin (appointed 15/01/2025)	6	6
Louis Chien	1	1
Jujun Zhang (appointed 6/01/2026)	3	3
Yan Zhao (appointed 6/08/2025)	5	5
Yuqi Cao (appointed 15/01/2025)	6	6
Bingsong Yu (appointed 15/10/2024)	6	6

Notes

A - Number of meetings attended.

B - Number of meetings held during the time the director held office during the year.

The functions of the Audit and Risk Committee and Remuneration Committee are undertaken by the full Board. When the Board is considering matters within the ambit of the Audit and Risk Committee Charter and Remuneration Committee Charter, it is guided by and, to the extent practicable, act in accordance with the Charters. At such a time when the Group is of sufficient size, consideration will be given to reforming these Committees.

Key Petroleum Limited

Directors' Report

For the year ended 30 June 2026

Shares under option

There are no unissued ordinary shares of Key Petroleum Limited under option at the date of this report.

Insurance of directors and officers

Key Petroleum Limited did not pay a premium to insure the directors or secretary of the Company during the reporting period.

Non-audit services

There were no non-audit services provided by the entity's auditor, Hall Chadwick WA Audit Pty Ltd or associated entities during the year ended 30 June 2026.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Corporate governance statement

The Company's 2026 Corporate Governance Statement has been released as a separate document and is located on the Company's website at <http://www.keypetroleum.com.au/corporate-governance>.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 23.

Signed in accordance with a resolution of the directors of Key Petroleum Limited.



Yan Zhao

Managing Director

29 September 2026

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Key Petroleum Limited and its controlled entities for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 29th day of September 2026
Perth, Western Australia

Key Petroleum Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Interest income	2	1,708	1,677
Salaries and employee benefits expenses	3	(115,006)	(194,703)
Corporate expenses		(83,214)	(185,248)
Administration costs		(158,511)	(105,971)
Interest expenses		(25,230)	-
Loss before income tax expense		(380,253)	(484,245)
Income tax expenses	4	-	-
Loss for the year after income tax expense		(380,253)	(484,245)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to members of Key Petroleum Limited		(380,253)	(484,245)
Earnings per share for loss attributable to members of Key Petroleum Limited			
Basic loss per share	18	(1.10)	(2.00)
Diluted loss per share	18	(1.10)	(2.00)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements

Key Petroleum Limited

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	5	239,299	94,066
Trade and other receivables	6	1,495	4,476
Total current assets		<u>240,794</u>	<u>98,542</u>
Non-current assets			
Other receivables	7	72,785	69,450
Capitalised exploration costs	8	1,464,318	1,418,214
Total non-current assets		<u>1,537,103</u>	<u>1,487,664</u>
Total assets		<u>1,777,897</u>	<u>1,586,206</u>
Liabilities			
Current liabilities			
Trade and other payables	9	491,110	514,383
Total current liabilities		<u>491,110</u>	<u>514,383</u>
Non-current liabilities		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>491,110</u>	<u>514,383</u>
Net assets		<u>1,286,787</u>	<u>1,071,823</u>
Equity			
Issued capital	10	43,742,573	43,147,356
Accumulated losses		(42,455,786)	(42,075,533)
Total equity		<u>1,286,787</u>	<u>1,071,823</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements

Key Petroleum Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2026

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024		42,807,616	(41,591,288)	1,216,328
Loss after income tax expense for the year		-	(484,245)	(484,245)
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive loss for the year		-	(484,245)	(484,245)
Transactions with owners in their capacity as owners:				
Contributions to equity, net of transaction costs	10	339,740	-	339,740
Dividends paid		-	-	-
Balance at 30 June 2025		43,147,356	(42,075,533)	1,071,823

	Note	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025		43,147,356	(42,075,533)	1,071,823
Loss after income tax expense for the year		-	(380,253)	(380,253)
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive loss for the year		-	(380,253)	(380,253)
Transactions with owners in their capacity as owners:				
Contributions to equity, net of transaction costs	10	595,217	-	595,217
Dividends paid		-	-	-
Balance at 30 June 2026		43,742,573	(42,455,786)	1,286,787

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements

Key Petroleum Limited

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 \$	2025 \$
Cash flows from operating activities:			
Payments to suppliers and employees		(444,807)	(306,577)
Interest received		1,708	2,917
Interest paid		(780)	-
Net cash used in operating activities	5	<u>(443,879)</u>	<u>(303,660)</u>
Cash flows from investing activities:			
Expenditure on petroleum interests		(6,105)	(114,087)
Cash used in investing activities		<u>(6,105)</u>	<u>(114,087)</u>
Cash flows from financing activities:			
Proceeds from issue of shares		629,984	384,025
Payments for share issue transaction costs		(34,767)	(44,286)
Net cash provided by financing activities		<u>595,217</u>	<u>339,739</u>
Net increase/(decrease) in cash and cash equivalents		<u>145,233</u>	<u>(78,008)</u>
Cash and cash equivalents at the beginning of the financial year		94,066	172,074
Cash and cash equivalents at the end of the financial year	5	<u><u>239,299</u></u>	<u><u>94,066</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy

The material accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the consolidated entity consisting of Key Petroleum Limited and its subsidiaries ("the Group"). The consolidated financial statements are presented in Australian currency. Key Petroleum Limited is a company limited by shares, domiciled and incorporated in Australia. The consolidated financial statements were authorised for issue by the directors on 30 September 2026. The directors have the power to amend and reissue the financial statements

a. Basis of preparation

These general-purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Key Petroleum Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Key Petroleum Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(iii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(iv) Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, as modified by the amount of share-based payments expense, which have been measured at fair value.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

a. Basis of preparation (continued)

(v) Going concern

The consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$380,253 (2025: \$484,245) and net cash outflows from operating activities of \$443,879 (2025: \$303,660).

The directors have prepared an estimated cash flow forecast for the period to September 2027 to determine if the Group will require additional funding during the next 15-month period. Where this cash flow forecast includes the likelihood that additional amounts will be needed and these funds have not yet been secured, it creates material uncertainty as to whether the Group will continue to operate in the manner it has planned over the next 15 months.

Where the cash flow forecast includes these uncertainties, the directors are required to make an assessment of whether it is reasonable to assume that the Group will be able to continue its normal operations. The directors are satisfied that the going concern basis of preparation is appropriate based on the following factors and judgements:

- The Group has access to cash reserves of \$239,299 as at 30 June 2026 (2025: \$94,066);
- The Group has the ability to raise funds from equity sources; Subsequent to year end, the Group raised approximately \$247,053 before costs through the placement of 3,384,286 new ordinary shares at \$0.073 per share to sophisticated investors. The proceeds are intended to be used for working capital and to support the Group's corporate development strategy.
- The Group has significantly reduced its corporate and administrative expenses. The Group considers settling the outstanding directors' fees at the end of the year of \$85,933 through issuance of shares in the Company.
- The Group has the ability to adjust its exploration expenditure subject to results of its exploration activities and has a history of attracting farm-in partners to assist in funding exploration commitments;
- The Company has received a letter of support from China Create Capital Holding Group Co Limited, a major shareholder of the Group. China Create has confirmed that it will continue to support the Company, if required, for at least 12 months from the date of signing the 30 June 2026 financial report, to enable the Company to continue as a going concern and pay its debts as they fall due

Should the Directors not achieve the matters as set out above, there is a material uncertainty whether the Group will continue as a going concern and it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the annual report. The annual report does not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

b. Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Key Petroleum Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

d. Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

e. Income tax

The Company formed a tax consolidated Group on 1 July 2016. The effect of the transition from single taxable entities to a tax consolidated group is the re-setting of the tax bases for assets within the group and an adjustment to the available carry forward losses under the available fraction calculation.

The head entity, Key Petroleum Limited, and the controlled entities in the tax consolidated group account for their own current and deferred taxes and are measured on a stand-alone taxpayer basis. The Group currently does not have a tax sharing or tax funding arrangement.

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

e. Income tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired businesses;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity,

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

f. Business combinations (continued)

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

g. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Exploration and Evaluation Expenditure is assessed for impairment indicators under AASB 6 paragraph 20 and where there are indicators of impairment the Company will test for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

h. Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

i. Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- Those to be measured at amortised cost.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

i. Investments and other financial assets (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or expenses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

i. Investments and other financial assets (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income or expenses and impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other income or expenses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised in other income or expenses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses, on a forward-looking basis, the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology depends on whether there has been a significant increase in credit risk.

j. Exploration and evaluation costs

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

j. Exploration and evaluation costs (continued)

- (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- (b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, salaries of exploration personnel, exploratory drilling and sampling and associated activities and depreciation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The policy on impairment can be found at Note 1(g). The recoverable amount of the exploration and evaluation asset is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial year the decision is made.

k. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting date. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are paid on normal commercial terms.

l. Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

I. Employee benefits (continued)

(ii) Other long-term employee benefit obligations

The Group also has liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) *Share-based payments*

The Group may provide benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes Option Pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

l. Employee benefits (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

m. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

1. Basis of Preparation and Material Accounting Policy (continued)

o. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. Critical accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Exploration and evaluation costs

Exploration and evaluation costs are accumulated in respect of each identifiable area of interest. The write-off or carrying forward of exploration expenditure is based on a periodic assessment of the viability of an area of interest and/or the existence of economically recoverable reserves. This assessment is based on pre-determined impairment indicators, taking into account the requirements of the accounting standard, and with the information available at the time of preparing this report. Information may come to light in subsequent periods which requires the asset to be impaired or written down for which the directors are unable to predict the outcome. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial year the decision is made.

Environmental Issues

Balances disclosed in the consolidated financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

Taxation

Deferred tax assets are recognised for deductible temporary differences and taxation losses when the directors and management consider that it is probable that sufficient future tax profits will be available to utilise those temporary differences and losses. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the future period together with future tax planning strategies and the impact of the current income taxation legislation. Where there are significant variables relating to generating taxable profits in the future and there is limited operating history, the Group will disclose the unrecognised deferred taxes.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

2. Interest income

	2026 \$	2025 \$
Interest from financial institutions	1,708	1,677
	<u>1,708</u>	<u>1,677</u>

3. Expenses

	2026 \$	2025 \$
Loss before income tax includes the following specific expenses:		
Directors' fees	115,006	194,703
	<u>115,006</u>	<u>194,703</u>

4. Income tax

	2026 \$	2025 \$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss before income tax expense	(380,253)	(484,245)
Prima facie tax expense at the statutory tax rate of 30% (2025: 30%)	(114,076)	(145,274)
Tax effect of amounts which are not deductible (taxable):		
	<u>(114,076)</u>	<u>(145,274)</u>
Movements in unrecognised temporary differences	3,234	84,619
Tax effect of current year tax losses for which no deferred tax asset has been recognised	110,842	60,655
Income tax expense	<u>-</u>	<u>-</u>

(c) Deferred tax assets not brought to account at 30% (2025: 30%)

Capital raising costs	17,126	17,714
Provisions and accruals	10,734	8,003
Tax losses	3,638,443	3,585,407
Total	<u>3,666,303</u>	<u>3,611,124</u>

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

4. Income tax (continued)

	2026 \$	2025 \$
(d) Deferred tax liabilities at 30% (2025: 30%)		
Capitalised exploration and evaluation costs	439,295	425,464
(e) Offset provisions		
Deferred tax liabilities	(439,295)	(425,464)
Deferred tax assets (portion off-set deferred tax liabilities)	439,295	425,464
Unused tax losses for which no deferred tax asset has been recognised	-	-

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2026 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- (i) the Group derives future assessable income of nature and of an amount sufficient to enable the benefits to be utilised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in income tax legislation adversely affect the Group in utilising the benefits.

5. Current assets - Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and in hand	239,299	94,066
	239,299	94,066
Credit risk		
A-1+	239,299	94,066

The equivalent S&P rating of the financial assets represent that rating of the counterpart with whom the financial asset is held rather than the rating of the financial asset itself.

(a) Reconciliation of net loss after income tax expense to net cash outflow from operating activities

	2026 \$	2025 \$
Net loss for the year	(380,253)	(484,245)
Change in operating assets and liabilities, net of effects from sale of subsidiaries		
Decrease/(Increase) in trade and other receivables	(353)	930
Increase/(Decrease) in trade and other payables	(63,273)	179,655
Net cash outflow from operating activities	(443,879)	(303,660)

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

6. Current assets - Trade and other receivables

	2026 \$	2025 \$
Other receivables	1,495	4,476
	1,495	4,476

Credit Risk - Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counterparties other than those receivables specifically provided for and mentioned within Note 20. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered to be 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high quality. The table below outlines the amounts due, past due and not impaired.

	Past due but not impaired (days overdue)						
	Gross amount \$	Past due and impaired \$	< 30 \$	31 - 60 \$	61 - 90 \$	> 90 \$	Within initial trade terms \$
2026							
Other receivables	1,495	-	-	-	-	-	1,495
Total	1,495	-	-	-	-	-	1,495
2025							
Other receivables	4,476	-	-	-	-	-	4,476
Total	4,476	-	-	-	-	-	4,476

7. NON- Current assets - Other receivables

	2026 \$	2025 \$
Bank guarantees	72,785	69,450
	72,785	69,450

The guarantee is held by the Group's financial institution in cash. The credit rating has been disclosed below in Note 20.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

8. Non-current assets - Capitalised explorations costs

Exploration and evaluation costs carried forward in respect of all areas of interest:

	2026 \$	2025 \$
Exploration and evaluation expenditure in respect of areas of interest	1,464,318	1,418,214
Opening balance	1,418,214	1,264,127
Additions to capitalised expenditure	46,104	154,087
Impairment	-	-
Closing balance	1,464,318	1,418,214

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective petroleum interests.

Capitalised exploration and evaluation costs relate to the Cooper Eromanga Basin Project located in Queensland, which is considered the area of interest for accounting classification purposes. The holder of an ATP with a project-related status may apply for a special amendment to reallocate relinquishment and work program commitments across the ATPs within the project.

The Group has rights to tenure with ATPs 920 and 924 and submitted 8 PCA applications (4 for each ATP) to renew for a period of 2 years to end of February 2027. On 24 February 2025 the Company submitted Potential Commercial Area (PCA) applications to the Department of Resources in Queensland and will now await confirmation of the granting of the applications. The Queensland Government recently introduced changes aimed at strengthening protections for the rivers and floodplains of the Queensland Lake Eyre Basin (LEB) which has caused a delay with the extension of ATP 920 and ATP 924.

Management has assessed and concluded that there were no impairment indicators that would trigger a further impairment assessment, hence the capitalised exploration expenditure is rolled over to the next reporting period.

9. Current liabilities - Trade and other payables

	2026 \$	2025 \$
Trade payables	104,479	126,728
Other payables and accruals	386,631	387,655
	491,110	514,383

Other payables and accruals include \$24,450 of interest accrued in relation to ATP 920 and ATP 924 at 30 June 2026. This amount is included in interest expenses for the year and remained unpaid at year end.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

10. Equity - Issued capital

(a) Share capital

	2026		2025	
	Number	\$	Number	\$
Ordinary Shares - fully paid	38,919,295	46,728,999	27,260,547	46,099,014
Share issue costs	-	(2,986,426)		(2,951,659)
Total issued capital	38,919,295	43,742,573	27,260,547	43,147,356

(b) Movements in ordinary share capital

	2026		2025	
	Number	\$	Number	\$
Opening balance	27,260,547	43,147,356	2,262,928,126	42,807,616
Shares issued at \$0.001^1	-	-	255,000,000	255,000
Consolidation of ordinary shares (every 100 to 1 share)^2	-	-	(2,492,748,624)	-
Shares issued at \$0.062 per share	-	-	2,081,045	129,025
Placement of shares at \$0.042 per share Dec 25	3,627,636	152,361	-	-
Entitlement & Shortfall Placement Dec 25	2,954,682	183,190	-	-
Placement of shares at \$0.058 per share	1,015,286	58,887	-	-
Placement of shares at \$0.058 per share	3,045,858	176,660	-	-
Placement of shares at \$0.058 per share	1,015,286	58,886	-	-
Share issue transaction costs	-	(34,767)	-	(44,285)
End of the financial year	38,919,295	43,742,573	27,260,547	43,147,356

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

10. Equity - Issued capital (continued)

(d) Capital risk management (continued)

Due to the nature of the Group's activities, being petroleum exploration, the Group does not have the access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. Refer to Note 1 for management plans to remain a going concern. The working capital position of the Group are as follows:

	2026	2025
	\$	\$
Cash and cash equivalents	239,299	94,066
Trade and other receivables	1,495	4,476
Trade and other payables	(491,110)	(514,384)
Working capital position	(250,316)	(415,842)

11. Dividends

There were no dividends declared or paid during the year (30 June 2025: Nil).

12. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and nonrelated audit firms:

	2026	2025
	\$	\$
Audit services		
Hall Chadwick - audit and review of financial reports	37,500	36,500
Total remuneration for audit services	37,500	36,500

13. Contingencies

There are no contingencies of the Group at the reporting date (30 June 2025: Nil).

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

14. Commitments

Exploration and tenure commitments

The company has certain commitments to meet minimum expenditure requirements in relation to the petroleum exploration assets in which it holds an interest.

Outstanding exploration commitments are as follows:

	2026 \$	2025 \$
Within one year	360,062	236,083
Later than one year but not later than five years	4,104,500	4,104,500
	<u>4,464,562</u>	<u>4,340,583</u>

15. Related party transactions

(a) Parent entity

The ultimate parent entity within the Group is Key Petroleum Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 16.

(c) Key management personnel compensation

	2026 \$	2025 \$
Short-term benefits	115,006	194,703
	<u>115,006</u>	<u>194,703</u>

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

15. Related party transactions (continued)

(d) Transactions and balances with other related parties

Transactions with key management personnel are disclosed below:

- Total of \$18,000 was paid to Changing Tech Pte.Ltd, where Mr Jujun Zhang held directorship positions. Changing Tech Pte Ltd provides strategic advice and consulting support in relation to the Company's overall development, long-term strategic planning, and capital structure arrangement.
- Total of \$24,000 was charged by Asia Machinery International Trade Group Limited where Mr Wei Jin has held directorship positions. Asia Machinery International Trade Group Limited provides consultancy services to Key Petroleum Limited
- Total of \$9,333 was charged by Southern Heart Pty Ltd where Mr Yan Zhao has held directorship positions. Southern Heart Pty Ltd provided qualified business management consultant services.

16. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding 2026 %	
			2026	2025
Key Cooper Basin Pty Ltd	Australia	Ordinary	100	100
Key Petroleum Services Pty Ltd	Australia	Ordinary	100	100
Key Perth Basin Investments Pty Ltd	Australia	Ordinary	100	100
Key Energy International Group Limited	HK, China	Ordinary	100	100
Beijing Key Century Energy Co Ltd	Beijing, China	Ordinary	100	100
Key New Energy Pte. Ltd	Singapore	Ordinary	100	100

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

17. Events occurring after reporting period

Subsequent to 30 June 2026, the Company entered into agreements to issue 3,384,286 new ordinary shares at \$0.073 per share, raising approximately \$247,053 before costs under its Listing Rule 7.1 placement capacity.

Other than the above, no matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

18. Loss per share

	2026 \$	2025 \$
(a) Reconciliation of earnings used in calculating (loss)/earnings per share		
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(380,253)	(484,245)
	<u>(380,253)</u>	<u>(484,245)</u>
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted (loss)/earnings per share	34,486,785	24,379,853
	<u>34,486,785</u>	<u>24,379,853</u>

19. Parent entity information

The following information relates to the parent entity, Key Petroleum Limited, at 30 June 2026. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2026 \$	2025 \$
Current assets	240,831	98,579
Non-current assets	1,208,300	1,197,628
Total assets	<u>1,449,131</u>	<u>1,296,207</u>
Current liabilities	141,078	228,801
Total liabilities	<u>141,078</u>	<u>228,801</u>
Issued capital	43,742,573	43,147,356
Accumulated losses	(42,434,520)	(42,079,949)
Total equity	<u>1,308,053</u>	<u>1,067,407</u>
Loss for the year	(354,571)	(484,245)
Total comprehensive income	<u>(354,571)</u>	<u>(484,245)</u>

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

20. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, financial assets at fair value through profit or loss, and accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	2026 \$	2025 \$
Financial assets		
Cash and cash equivalents	239,299	94,066
Loans and receivables	1,495	4,476
Total financial assets	240,794	98,542
Financial liabilities		
Trade payables	104,479	126,729
Total financial liabilities	104,479	126,729

a. Market risk

(i) Commodity price risk

Given the current level of operations, the Group is not exposed to commodity price risk.

(ii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. The Group policy is to monitor the interest rate yield curve out to six months to ensure a balance between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Group of \$239,299 (2025: \$94,066) is subject to interest rate risk. The weighted average interest rate received on cash and cash equivalents by the Group was 1.12% (2025: 1.75%).

Sensitivity analysis

At 30 June 2026, if interest rates had changed by +/- 100 (2025: +/- 100) basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Group would have been \$1,523 lower/higher (2025: \$958 lower/higher) as a result of higher/lower interest income from cash and cash equivalents.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

20. Financial risk management (continued)

b. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is minimised by investing surplus funds in financial institutions that maintain a minimum of an A credit ratings and by ensuring customers and counterparties to transactions are of sound credit worthiness.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the consolidated statement of financial position.

All cash holdings within the Group are currently held with A-1+ rated financial institutions.

c. Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being oil and gas exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Refer to Note 1 for management's plans to remain a going concern.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

20. Financial risk management (continued)

c. Liquidity risk (continued)

	Within 1 Year		1 to 5 Years		Total	
	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade payables	104,479	126,729	-	-	104,479	126,729
Total contractual outflows	104,479	126,729	-	-	104,479	126,729
Financial assets - cash flows realisable						
Cash and cash equivalents	239,299	94,066	-	-	239,299	94,066
Trade and loan receivables	1,495	4,476	-	-	1,495	4,476
Total anticipated inflows	240,794	98,542	-	-	240,794	98,542
Net inflow on financial instruments	136,315	(28,187)	-	-	136,315	(28,187)

d. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their fair value.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their shortterm nature.

As disclosed in note 1 should the Group not continue as a going concern then the fair value of financial assets and financial liabilities may not reflect the true fair value of financial assets and financial liabilities on a liquidation basis.

21. Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. During the financial year, the Group is managed primarily based on one segment being oil and gas exploration in Australia.

Key Petroleum Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2026

22. Company details

The registered office of the company is:

Key Petroleum Limited
10C
179 North Quay
BRISBANE QLD 4000

The principal place of business is:

Key Petroleum Limited
10C
179 North Quay
BRISBANE QLD 4000

Key Petroleum Limited

Consolidated Entity Disclosure Statement

For the year ended 30 June 2026

As at 30 June 2026

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of business / country of incorporation	Australian or foreign tax resident
Key Cooper Basin Pty Ltd	Body Corporate		100	Australia	Australian
Key Petroleum Limited	Body Corporate		N/A	Australia	Australian
Key Petroleum Services Pty Ltd	Body Corporate		100	Australia	Australian
Key Perth Basin Investments Pty Ltd	Body Corporate		100	Australia	Australian
Key Energy International Group Limited	Body Corporate		100	HK, China	Australian
Beijing Key Century Energy Co Ltd	Body Corporate		100	HK, China	Australian
Key New Energy Pte. Ltd	Body Corporate		100	Singapore	Singapore

Australian tax residency – based on the current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Key Petroleum Limited

Directors' Declaration

For the year ended 30 June 2026

In the directors' opinion:

1. the financial statements and notes set out on pages 23 to 51 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
 - (c) the consolidated entity disclosure statement on page 52 is true and correct.
2. There are reasonable grounds to believe that Key Petroleum Limited will be able to pay its debts as and when they become due and payable.
3. A statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the Managing Director and Chief Financial Officer (or equivalent) required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors of Key Petroleum Limited.



Yan Zhao

Managing Director

29 September 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY PETROLEUM LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Key Petroleum Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a)(v) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$380,253 during the year ended 30 June 2026. As stated in Note 1(a)(v), these events or conditions, along with other matters as set forth in Note 1(a)(v), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Capitalised Exploration Costs (Note 8) At balance date, the Consolidated Entity's capitalised exploration costs were carried at \$1,464,318. Exploration and evaluation expenditure is a key audit matter due to: • The significance of the balance to the Consolidated Entity's financial position; and • The level of judgement required in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.	Our audit procedures included but were not limited to: • Assessed management's determination of its areas of interest for consistency with the definition in AASB 6 Exploration and Evaluation of Mineral Resources ("AASB 6"); • Assessed the Consolidated Entity's rights to tenure; • Tested the Consolidated Entity's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; • By testing the status of the Consolidated Entity's tenure and planned future activities, reading board minutes and discussions with management • We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: ○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; ○ Substantive expenditure for further exploration in the area of interest is not budgeted or planned; ○ Decision or intent by the Consolidated Entity's to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ Data indicating that, although a development in

Key Audit Matter	How our audit addressed the Key Audit Matter
	the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale. Assessed the appropriateness of the related disclosures in the financial statements

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 29th day of September 2026
Perth, Western Australia

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 10 August 2026.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares		
			Number of holders	Number of shares	% of shares
1	-	1,000	758	245,823	0.63
1,001	-	5,000	400	1,064,123	2.73
5,001	-	10,000	150	1,199,567	3.08
10,001	-	100,000	173	5,412,935	13.91
100,001 and over			25	30,996,847	79.64
			1,506.00	38,919,295.00	100
The number of equity security holders holding less than a marketable parcel of securities are (minimum \$500.00 parcel at \$0.0950 per unit – minimum parcel size 5,264):			1,163	1,335,485	3.43

(a) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

			Listed ordinary shares	
			Number of shares	Percentage of ordinary shares
1	BEIBEI CHEN		7,688,780	19.76
2	CHINA CREATE CAPITAL HOLDING GROUP CO LIMITED		5,015,622	12.89
3	JUJUN ZHANG		2,954,682	7.59
4	BNP PARIBAS NOMS PTY LTD		2,921,378	7.51
5	CITICORP NOMINEES PTY LIMITED		2,413,701	6.20
6	GREAT SCHEME INVESTMENTS LIMITED		1,781,250	4.58
7	START GRAND GLOBAL LIMITED		1,700,000	4.37
8	YAN SHIFU <YAN SHIFU PERSONAL A/C>		1,576,386	4.05
9	BNP PARIBAS NOMS PTY LTD < IB AU NOMS RETAILCLIENT>		868,764	2.23
10	MR ANDREW CHRISTOPHER MAYES		800,000	2.06
11	MS WANYAN LIU		484,379	1.24
12	MR BING HAN		430,286	1.11
13	RENOWN CAPITAL HOLDINGS LTD		325,000	0.84
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		314,153	0.81
15	GRANBOROUGH PTY LTD <AJ & J KING S/F A/C>		300,000	0.77
16	MR MOHAMMED AKBAR ASEM		214,026	0.55
17	MR SCOTT BERRY		200,000	0.51
18	MRS MARGARET ANN RYAN + MR MICHEAL RODNEY RYAN		165,000	0.42
19	MR SAU FUNG NG		151,600	0.39
20	MR CHRISTOPHER BECKETT		140,000	0.36
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)			30,445,007	78.23

(b) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are

	Number of Shares
CHINA CREATE CAPITAL HOLDING GROUP CO LIMITED	5,015,622
BEIBEI CHEN	7,688,780
JUJUN ZHANG	2,954,682
BNP PARIBAS NOMS PTY LTD	2,921,378
ASF GROUP LIMITED	1,780,566
CITICORP NOMINEES PTY LIMITED	2,413,701
GREAT SCHEME INVESTMENTS LIMITED	1,781,250
START GRAND GLOBAL LIMITED	1,700,000

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(d) Schedule of interests in petroleum blocks

Location	Block	Percentage held/earning
Australia - Onshore	ATP 920	100.00%
Australia - Onshore	ATP 924	100.00%

(e) On-Market Buy Back

There is no current on market buy back.