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ASX and Media Release

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COOPER ENERGY/ZETA FARM-IN TERMS UNACCEPTABLE TO KEY

Key Petroleum Limited (ASX:KEY) refers to an ASX announcement made by Cooper Energy Limited (ASX:COE) (released 26 August 2011) relating to the Romanian Bobocu Gas Field staged farm-in agreement between Cooper Energy's wholly owned subsidiary, CE Bobocu Pty Ltd (CE Bobocu) and Zeta Petroleum Limited's wholly owned subsidiary, Zeta Petroleum (Romania) SRL (Zeta)

In the context of Key's proposed acquisition of Zeta Petroleum Ltd, **Key advises that the terms announced by Cooper are unacceptable to Key.** Key was not part of the negotiations which resulted in the announcement by Cooper. Key will commence discussions with Zeta executives over the coming week to amend the proposed terms to improve the position for Key and its shareholders. Key will not, and is under no obligation to, proceed with the Zeta transaction unless the arrangements with Cooper are amended to Key's satisfaction.

One of the conditions precedent to the agreement with Zeta is the approval by Key of the terms of the Farm in Agreement between Zeta and Cooper. This condition precedent is for the benefit of Key and Key retains absolute discretion on this aspect of the transaction.

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For further Company background information please see the website at www.keypetroleum.com