



12 February 2013

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

Dear Sir

**RE: DAILY DRILLING REPORT FOR CYRENE-1 IN EP 438, CANNING BASIN, WESTERN AUSTRALIA
FOR THE PERIOD 0600 HOURS 11 FEBRUARY 2013 TO 0600 HOURS 12 FEBRUARY 2013**

Please find details of the drilling activities of Cyrene-1 attached.

Buru Energy Limited	37.5%
Mitsubishi Corporation (Diamond Resources (Canning) Pty Ltd)	37.5%
Key Petroleum Ltd (Gulliver Productions Pty Ltd)	20.0%
Indigo Oil Pty Ltd	5.0%

Regards

A handwritten signature in blue ink, appearing to read "K. Marshall".

KANE MARSHALL
Managing Director
KEY PETROLEUM LIMITED

ASX AND MEDIA ANNOUNCEMENT

12 February 2013

DAILY DRILLING REPORT FOR CYRENE-1 IN EP 438, CANNING BASIN, WESTERN AUSTRALIA FOR THE PERIOD 0600 HOURS 11 FEBRUARY 2013 TO 0600 HOURS 12 FEBRUARY 2013

At 0600 hrs 12 February 2013 DCA Rig 7 was coring the Goldwyer Formation at 1018m RT (rotary table). After coring is completed at 1023m RT, wireline logging will be conducted as part of the Goldwyer Formation evaluation programme.

After logging, the 8 ½" hole section will be cased and cemented with 7" casing, prior to BOP testing then 6" hole will be drilled ahead to the conventional Willara Formation objective.

The next ASX release will be made when the Willara Objective has been penetrated and evaluated or if there is a material event to report.

The oil shows that have been observed to date are as follows:

Interval MDRT(m)		Lithology	UV Light	
From	To		Cut Fluorescence	Residue
915m	925m	Goldwyer Claystone	Slow blooming, slight to moderate blue white cut fluorescence	Slight to moderate bright white to cream fluorescence
925m	950m	Goldwyer Claystone	Slow blooming moderate bright blue white cut fluorescence	Moderate bright white to cream fluorescence
950m	958m	Goldwyer Claystone	Slow blooming, moderate bright blue white cut fluorescence	Moderate bright white to cream fluorescence
958m	967m	Goldwyer Claystone cuttings	Slow blooming, moderate bright blue white cut fluorescence	Moderate bright white to cream fluorescence
968m	986m	Goldwyer Claystone cuttings	Slow blooming, moderate bright blue white cut fluorescence	Moderate bright white to cream fluorescence
986m	995m	Goldwyer Claystone cuttings	Slight to moderate. Bright blue white cut fluorescence.	Slight to moderate bright blue white, cream white with time
995m	1014m	Claystone	Slight to moderate. Bright slow blooming blue white fluorescence.	Slight to moderate bright blue white, cream white with time

Key Petroleum Ltd

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ABN 50 120 580 618

The descriptions of gas shows encountered to date are as follows:

Depth m RT	Total Gas (units)	C1	C2	C3	iC4	nC4	iC5	nC5
		(ppm)	(ppm)	(ppm)	(ppm)	(ppm)	(ppm)	(ppm)
915m	0.5	7						
924m	1.065	46	17	18	2	8	2	3
952m	2.92	89	33	32	5	19	7	9
957m	1.036	43	14	16	3	12	5	7
958m	3.16	86	31	31	6	20	7	10
959m	2.1	122	37	30	5	16	5	6
967m	5.6	274	89	79	14	49	18	22
985m	14.5	618	197	181	41	130	59	70
986- 995m	Av 2.6	22	23	23	7	17	10	12
1005m- 1014m	Av 2.9	89	19	21	7	13	11	15

For media and shareholder enquiries please contact commrelations@keypetroleum.com.au

Kane Marshall

BSc (Geology), BCom (Inv & Corp Fin), Masters PetEng, SPE, AAPG, PESGB, SPWLA

Managing Director

Key Petroleum Ltd

Telephone: +61 8 6389 0322

Competent Persons Statement

Information in this ASX Release relates to information compiled by Mr Kane Marshall. Kane Marshall is a Practising Petroleum Engineer and holds a BSc (Geology), a BCom (Inv & Corp Fin) and a Masters in Petroleum Engineering. He is a member of the Society of Petroleum Engineers (SPE) and the American Association of Petroleum Geologists (AAPG).

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ASX AND MEDIA ANNOUNCEMENT

12 February 2013

CYRENE-1 PETROLEUM EXPLORATION WELL EP 438 - WESTERN AUSTRALIA

1.	Well Name/Permit:	Cyrene-1 EP438 - Western Australia			
2.	The Report is for the Period:	0600 – 11 February2013 to 0600 - 12 February 2013			
3.	This ASX Release Time and Date:	1100 – 12 February 2013			
4.	Report No:	Fifteen			
5.	Spud Date/DCA Rig #7:	21 January 2013			
6.	Days since Spud:	Twenty Two			
7.	Locations of the Well:	Latitude: 18° 16' 34.5"S		Longitude: 122° 24' 05.1"E	
8.	Elevation:	GL		47m	
		RT from GL (MSL)		3.1m	
		RT to GL		50.1m	
9.	Proposed Total Depth:	1060 metres TVD			
10.	Targets:	Primary: Goldwyer Formation			
		Secondary: Willara Formation			
11.	Present Depth:	Coring at 1018mRT at 0600 hours 12 February 2013			
12.	Geological Summary:		Formation Tops (m RT):		
			Prognosed	Actual	Difference
		Wallal Sandstone	295m	295m	-
		Grant Formation	490m	490m	-
		Goldwyer Formation	915m	918 m	-3
		Willara Formation	1035m		

Key Petroleum Ltd

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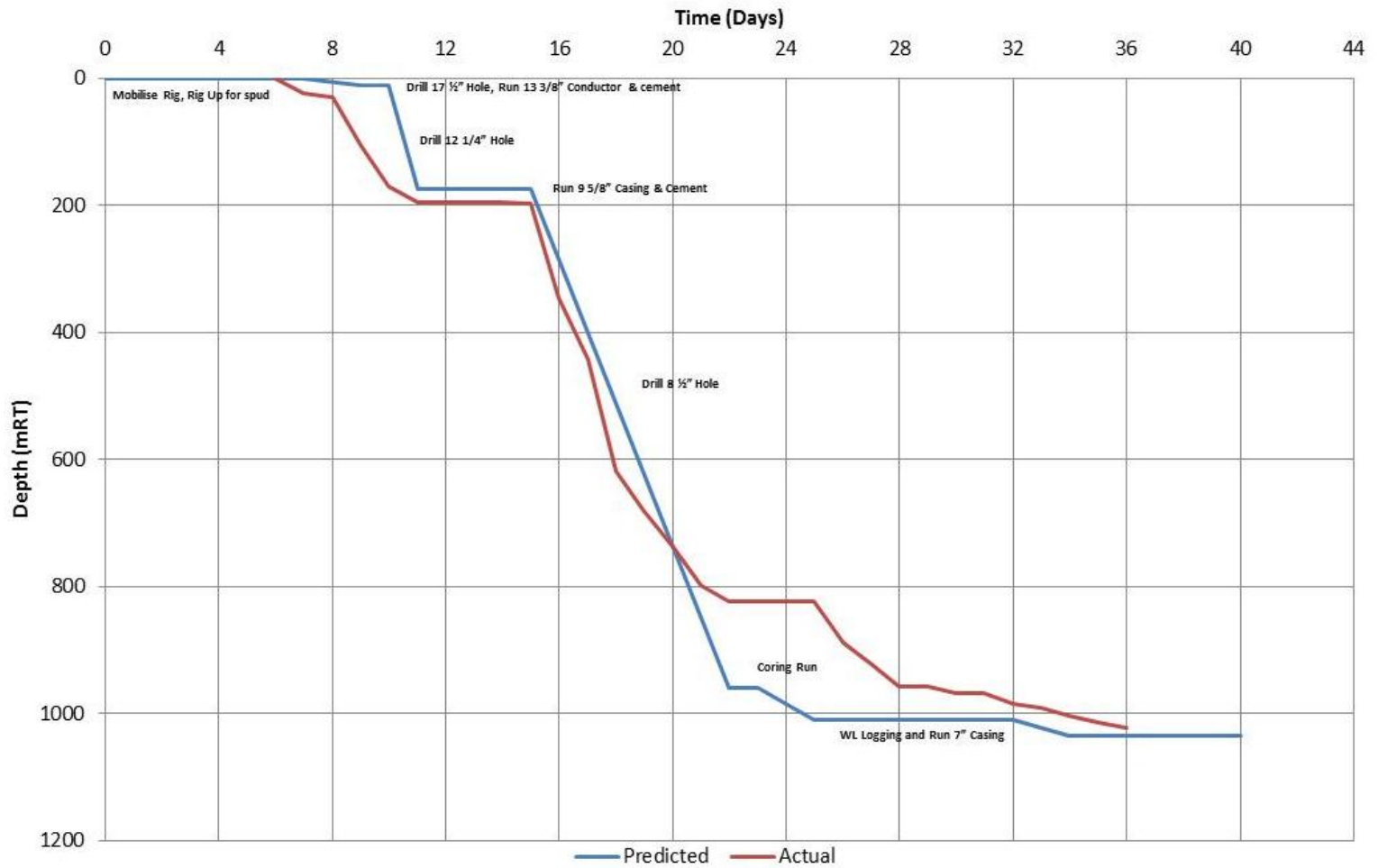
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13.	Hydrocarbon Indications:	Oil Shows:																																																																																																								
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14.	Operations since last Report:	Cored additional 4m of Goldwyer Formation to 1018m RT.																																																																																																								
15.	Current Operations:	Coring Goldwyer Formation at 1018m to 1023m RT.																																																																																																								
16.	Future Operations:	Complete coring, run wireline logging programme over Goldwyer Formation.																																																																																																								

17.	Prospect Description:	The first reservoir target of the Cyrene 1 well is the Goldwyer unit, an argillaceous unit of some 135m thickness. This is regarded as an 'unconventional' reservoir with potential to establish prospectivity over a very large area of the Broome Platform and beyond. The qualities of the Goldwyer which support this concept, apart from thickness and broad distribution, include organic contents frequently averaging 1.5-2% but ranging up to 4% or more, and a high calcareous content which implies favourable fracture characteristics. The second reservoir target of the well, the 'cavernous' limestones of the Willara Formation, was confirmed by the substantial lost circulation zones encountered in Hedonia-1.	
18.	Participants in the Well:	Key Petroleum Ltd (Gulliver Productions Pty Ltd) (Operator)	20.0%
		Buru Energy Limited	37.5%
		Mitsubishi Corporation (Diamond Resources (Canning) Pty Ltd)	37.5%
		Indigo Oil Pty Ltd	5.0%

Cyrene-1 Time v Depth (Budget) Well Spud to Rig Release



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DCA rig personnel completing the coring programme of the Goldwyer Formation



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DCA personnel and Baker Hughes (in orange) moving the Goldwyer core to be cut



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