



## **ASX ANNOUNCEMENT (ASX: KPL) 20 December 2017**

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### **Placement of Shares to Strategic Investors**

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The Board of Kina Petroleum Limited ("Kina") is pleased to provide an update in relation to the company's funding activities.

Kina has agreed to the placement of 75 million fully paid ordinary shares (the "Placement Shares") to strategic and sophisticated investors at a subscription price of 7.178c per share, raising approximately \$A 5.4m (the "Placement"). The investors include Mr Phil Mulacek who, together with his affiliated company PIE Holdings LP, will maintain the percentage holding established in November 2014.

Funds raised from this placement will be applied to the company's ongoing working capital requirements, particularly in relation to its two key retention licences PRLs 21 and 38, where pre-development work is ongoing, and will also allow the company to capitalize on selected exploration opportunities, including potential near term activities in respect of its PPL 338 and PPL 339 licences in the Forelands.

The Placement Shares will be issued pursuant to the 15% placement capacity that exists pursuant to ASX Listing Rule 7.1 (covering 46,111,800 Placement Shares) and the 10% placement capacity that exists pursuant to Listing Rule 7.1A (covering 28,888,200 Placement Shares). The Placement will therefore not require shareholder approval.

The company has agreed to issue shares by way of the Placement to existing strategic and sophisticated investors as this is considered to be the most certain and expedient means of raising the funds in a timely manner. This has also allowed the Placement to be managed by the company directly without incurring brokerage or other commissions, resulting insignificant savings to the company.

The Placement will result in the following dilution to existing holders of ordinary securities:

- on completion of the placement of securities under Listing Rule 7.1, the number of fully paid ordinary shares on issue before completion of the placement of securities under Listing Rule 7.1A will be 353,864,588;
- the number of fully paid ordinary shares on issue following completion of the placement of securities under Listing Rule 7.1A will be 382,752,788; and

- the percentage of voting dilution due to the portion of Placement Shares that are to be issued under Listing Rules 7.1A will be 7.55%, with the total dilution due to the Placement being 19.59%.

The placement provides Kina with certainty of funding through the next phases of licence activity and in advance of developing the hydrocarbon discoveries in PRLs 21 and 38.

Managing Director and CEO, Richard Schroder, commented:

*“Funds provided by this placement will ensure the company’s continued financial strength through the near term and provide us with the confidence and ability to commit to a range of activities that will further our understanding of both our pre-development and exploration acreage.”*

*The fact that Phil Mulacek has seen fit to increase his cornerstone investment together with PIE Holdings is a tremendous vote of confidence in the work that the company is undertaking and the significant inherent value yet to be unlocked in both Western Province and the Forelands.*

*That the placement has been able to be executed without transaction costs only adds to the value provided.”*

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