Kina Petroleum Limited ARBN 151 201 704
address Suite 3, level 6
9 - 13 Young St
Sydney NSW 2000
phone 02 8247 2500
web www.kinapetroleum.com

NOTICE OF ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

3 May 2018

Dear Shareholder,

On behalf of the Directors of Kina Petroleum Limited, I am pleased to present our Annual Report for the 2017 financial year and invite you to the 2018 Annual General Meeting of the Company, which is to be held on Wednesday 23 May 2018 at 11 am in Port Moresby.

Report on 2017 Activity

At the beginning of 2017 oil prices were still languishing at around US$50/bbl and dropped below US$45/bbl mid year, but since then have risen steadily and at the end of the year closed at around US$70/bbl. Despite this recent rebound, the last 3 years of low prices has caused Kina and our industry to cut exploration activities and costs and to revisit strategies in the very difficult and uncertain conditions that prevail.

Over the last 3 years Kina has cut its costs by reducing manpower, freezing salaries and most importantly restructured our exploration obligations. But even more importantly, Kina has focused on our discovered assets, addressed their resource size, their cost of development and their viability of development in a US$50/bbl oil price environment.

In eastern PNG where Kina is the operator and 100% equity holder of its licences, the company has had its work commitments restructured via extension of PPLs 338 and 340 and the issue of 4 new licences - PPLs 581, 596, 597 and 598. This has been achieved by close and open dialogue with the Department of Petroleum and Energy in Port Moresby, with Kina keeping the Department abreast of the company's strategy and goals.

Only in our non-operated licences are we yet to have our work programs restructured, although we expect confirmation of the extension of PPL 339 during 2018.

A highlight of 2017 was the farmout of part of the company's interest PPL 339 to Santos. The farmout will reduce Kina's exposure to the higher risk early exploration phase of the licence's existence.

In western PNG Kina has built a large exposure to the Fly Platform oil and gas clastic play. PRL 21 is very much central to Kina's strategy for commercialization of the play. PRL 21 was awarded in 2011 with 6 successful intersections of the wet gas reservoir within the licence, 4 of which were drilled by the current joint venture. The success of the PRL 21 drilling campaign from 2011 – 2013 highlighted the potential of the play but rapid commercialisation of the play has been hampered by the recent period of low oil prices. This situation is being addressed by the joint venture.

PRL 21 is not only the lynch-pin of the Fly Platform play - it is fundamental to Kina's future and therefore the company has been actively considering commercialisation options for the licence. The Board and Management continue to work on value maximisation strategies.

As with eastern PNG, the existing work programs for the company's Western Province exploration licences - PPLs 435, 436 and 437 - have work programs which are legacies of the US$100/bbl oil price environment. We continue to work with the PNG Department of Petroleum to re-calibrate these to the current and near term industry environment.

Kina's integrated technical work for these Western Province PPLs has highlighted a number of very large oil targets in Western Province which lead us to apply for APPL 611 to secure tenure over the whole play trend. In advance of future seismic programs Kina undertook scouting of the proposed work areas in late 2017. Because the prospects cover a large area, the proposed seismic survey will be of a similar scale. Kina's screening studies suggest a program of about 420km over the top ranked prospects in PPLs 435,436 and 437 would cost US$26.5million at an average cost of around US$52,000/km if technology currently on offer in PNG was used. The company views this as unacceptably high based on management's experience of surveys carried out previously in the Aramia area of Western Provence, where per kilometre cost of less than US$20,000/km were achieved. Part of Kina's restructuring of its work program will address current nodal seismic technology and its applicability to the Fly Platform Play.

Existing Projects

The Company's exploration and development projects as at the date of this Notice are set out below.

License	Prospect	Ownership	Operator
PPL 338, 581, 596, 597 & 598	Triceratops Extension / Iviri South	Kina 100%.	Kina
PPL 339	Kalangar	Kina 30%*	Oil Search
PPL 340	Port Moresby and Lizard	Kina 100%	Kina
PPL 435	In progress	Kina 100%	Kina
PPL 436	In progress	Kina 100%	Kina
PPL 437	Malisa South	Kina 57.5% and Heritage 42.5%	Kina
PRL 21	Elevala/Ketu/ Tingu Fields	Kina 16.75%	Horizon Oil Ltd
PRL 38	Pandora Fields	Kina 25%	Repsol

* Subject to farmout with Santos

The resolutions to be considered at the Annual General Meeting relate to:

i. The adoption of the Directors' remuneration report;
ii. Election and re-election by rotation of existing Directors;

Lastly, I would like to thank all of the Kina shareholders for their support over the past 12 to 18 months and we look forward to continued success over the coming period.

Yours sincerely,

David Vance
Non-Executive Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kina Petroleum Limited ("**Kina**" or the "**Company**") for the 2017 calendar year will be held on **Wednesday 23 May 2018 at 11.00 a.m.** (PNG time) at the Laguna Hotel Banquet 1, Section 136 Allotment 8, Waigani Drive, National Capital District, Port Moresby, Papua New Guinea. The Explanatory Memorandum accompanying this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and Proxy Form are included in this Notice. The Directors have determined that, pursuant to section 106 of the *Companies Act* 1997 (PNG), the persons entitled to receive notice of the Annual General Meeting are those who are registered shareholders of the Company as at close of business on **Thursday 3 May 2018, and that, in accordance with the *Companies Act 1997* and the Company's Constitution, a person's entitlement to vote at the Annual General Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the register of members) at 7 p.m. on Monday 21 May 2018 (PNG time)**.

BUSINESS

FINANCIAL STATEMENTS

To receive and consider the financial statements of the Company and its controlled entities for the year ended 31st December 2017 and the related Directors' Report, Directors' Declaration and Auditors' Report.

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

To adopt the Directors' Remuneration Report for the year ended 31st December 2017.

Voting Exclusion

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the key management personnel of the Company (including Directors) (**"KMP"),** or their closely related parties, as well as any undirected votes given to a KMP as proxyholder. However the Company need not disregard a vote cast by a KMP or closely related party of the KMP if:

- it is cast by a person as proxy for a person who is permitted to vote, in accordance with the directions on the Proxy Form; or
- it is cast by a person chairing the meeting as proxy for a person who is permitted to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2: RE ELECTION OF DIRECTOR (Mr Barry Tan)

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

"That Mr Barry Tan who retires in accordance with clause 15.3 of the Company's Constitution and, being eligible, offers himself for re-election, is hereby re-elected a director of the Company".

DATED: 3 May 2018

By order of the Board.

Richard Schroder
Managing Director

NOTES:

Explanatory Memorandum

The Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Memorandum.

Eligibility to vote

In accordance with the *Companies Act 1997* and the Company's Constitution, a person's entitlement to vote at the Annual General Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the register of members) at **7.00 p.m. on Monday 21 May 2018 (PNG time).**

Proxy votes

A shareholder entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in their place.

Where more than one (1) proxy is appointed, the appointment may specify the proportion or number of votes that the proxy may exercise, otherwise each may exercise half of the votes.

A proxy need not be a shareholder.

A form of proxy must be signed by the shareholder or the shareholder's attorney.

Proxies must reach the Company at least forty eight (48) hours before the meeting at which the person named in the proxy form proposes to vote.

The address for lodgement of proxies is:

Australian Shareholders:

Delivery Address:	**Postal Address:**	**Fax Number:**
Kina Petroleum Limited C/- Link Market Services Limited Level 12, 680 George Street Sydney South NSW 1235 **(do not use this address for mailing purposes)**	Kina Petroleum Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235	+612 9287 0309

Papua New Guinea Shareholders:

Delivery Address:	**Postal Address:**	**Fax Number:**
Kina Petroleum Limited	Kina Petroleum Limited	+675 321 6379
C/o PNG Registries Limited Level 2, AON Haus McGregor Street Port Moresby, NCD, Papua New Guinea **(do not use this address for mailing purposes)**	C/o PNG Registries Limited PO Box 1265 Port Moresby, NCD, Papua New Guinea	

Key Management Personnel as proxy

If a shareholder appoints a member of the key management personnel (**KMP**) (which includes each of the Directors) or a closely related party of any KMP as proxy, such KMP or closely related party is not able to vote a proxy on Resolution 1 unless the shareholder directs them how to vote by marking the box on the Proxy Form (Step 2) for Resolution 1.

If a shareholder appoints the Chairman of the Meeting as proxy, the shareholder can direct the Chairman how to vote by either marking the boxes on the Proxy Form for Resolution 1 (Step 2), or by marking the Chairman voting direction box on the Proxy Form (Step 1) in which case this will be considered to be an express direction to the Chairman of the Meeting to vote in favour of the proposed resolution in Resolution 1. If the voting direction boxes are not completed in either Step 1 or Step 2, then the Chairman will not cast any votes on your behalf on Resolution 1.

Undirected Proxies

Subject to the above, the Chairman of the Meeting intends to vote undirected proxies in favour of all of the resolutions. However, the Company encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution by marking the boxes on the Proxy Form (Step 2) for each item of business.

Directed Proxies

Under the Company's Constitution, the rules relating to how a proxy must vote directed proxies are as follows:

- the proxy must cast or abstain from casting a vote on the item of business as directed;
- the proxy must, on a poll, cast the votes as to which a direction is given by the instrument of proxy in accordance with that direction;
- but if the shareholder does not indicate how the proxy must cast that vote, the proxy may cast or abstain from casting the vote as the proxy determines.

Power of Attorney

If a proxy is signed by a shareholder's attorney, the shareholder's attorney confirms that he or she has received no revocation of authority under which the proxy is executed and the authorities under which the appointment was signed or a certified copy thereof must also be received at least forty eight (48) hours before the meeting.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

Questions for the Auditor

Shareholders may submit written questions for the auditor up to five business days before the date of the Annual General Meeting. Shareholders wishing to do so may send their questions to the Company c/- Suite 3, Level 6, 9 -13 Young Street, Sydney, NSW 2000, and the Company will pass them on to the auditor.

2017 Annual Report

Copies of the Company's 2017 Annual Report for the financial year ending 31st December 2017 ("**Annual Report**") comprising the Annual Financial Reports, Directors' Report and Auditor's Report of the Company and the Company's controlled entities will be distributed to those shareholders requesting a physical copy of these documents. The Company's Annual Report is able to be viewed at the Company's website at *www.kinapetroleum.com*

Enquiries

Shareholders are invited to contact the Managing Director, Mr Richard Schroder on **+61 2 8247 2500** if they have any queries in respect of the matters set out in these documents.

EXPLANATORY MEMORANDUM

KINA PETROLEUM LIMITED

INTRODUCTION

This Explanatory Memorandum has been prepared to assist shareholders in considering the Resolutions set out in the Company's Notice of Annual General Meeting. This Explanatory Memorandum forms part of, and should be read in conjunction with, the Company's Notice of Annual General Meeting, for the Company's Annual General Meeting to be held on **Wednesday 23 May 2018 at 11 am** (PNG time) at the Laguna Hotel Banquet 1, Section 136 Allotment 8, Waigani Drive, National Capital District, Port Moresby, Papua New Guinea. Terms used in this Explanatory Memorandum are defined in the Glossary at page 8 of this Explanatory Memorandum.

BUSINESS

FINANCIAL STATEMENTS

The Companies Act 1997 (PNG) requires that the Financial Report (including the Directors' Report, Financial Statements and the Audit Report) be laid before the Annual General Meeting. Although not requiring a vote of shareholders, an opportunity will be provided for shareholders to ask questions on the reports, including of the Company's auditor, who will be available to answer shareholders' questions relating to the Audit Report.

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

The Board is committed to creating value for shareholders by applying the Company's funds productively and responsibly. A portion of the funds available to the Company is applied to remunerate your Non-Executive Directors.

Your Board is aware of the sensitivities of shareholders to remuneration practices generally, and submits its remuneration report to shareholders for consideration and adoption under a non-binding resolution.

The Remuneration Report appears within the Directors' Report in the Company's Annual Report and describes the remuneration practices of the Company and the rationale underpinning those practices.

The Company has elected to follow recent amendments to the Corporations Act 2001 (Cth) so that:

(a) the Company will disregard any votes cast on this item of business by any member of "Key Management Personnel" (**KMP**) of the Company and their closely related parties, except as directed by any proxies; and

(b) a 'two-strike' process in relation to the advisory and non-binding vote on the remuneration report will be introduced. Under the two-strike process if, at two consecutive Annual General Meetings, at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these Annual General Meetings, there must be put to the vote a resolution that another meeting be held within 90 days at which all Directors (except the Managing Director) who were Directors when the second 25% 'no' vote was passed must stand for re-election.

"KMP" are people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include Directors.

"Closely related parties" includes certain family members and dependents of KMP and companies they control.

Directors' Recommendation

Noting that each Director has a personal interest in their own remuneration the subject of this resolution, the Board does not consider it appropriate to make a recommendation to shareholders in relation to voting on this resolution.

RESOLUTION 2: RE-ELECTION OF DIRECTOR (Mr Barry Tan)

Appointed 1st March, 2009 on the formation of Kina Petroleum Limited as the Executive Director, Barry Tan is a naturalised citizen of Papua New Guinea and has spent over 35 years in Papua New Guinea developing and operating various businesses in Papua New Guinea. Barry is currently Chairman of TST Trading, Chairman of the TST Group of Companies that span property development and running supermarket franchises in PNG and also diversified industry through Starland Freezers, Tanpac and Kokoda Tailoring.

Barry brings to the Company a wealth of knowledge in understanding the culture of PNG and the most efficient way to run the business. Barry also has a strong network of interpersonal relationships in commerce in PNG through his various associations

Directors' Recommendation

The Board (other than Mr Tan) recommends the re-election of Mr Tan.

Further information on the Company is available at: http://www.kinapetroleum.com

For inquiries please contact:
Richard Schroder, Managing Director
Telephone: +61 2 8247 2500
Email: richard.schroder@kinapetroleum.com

GLOSSARY

ASX means ASX Limited.

$ means Australian Dollars.

Board means the board of directors of the Company.

Company or **Kina** means Kina Petroleum Limited (Company Number: 1-63551, ARBN: 151 201 704).

Companies Act means the *Companies Act 1997* (PNG).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the current directors of the Company.

Equity Securities has the same meaning as in the Listing Rules

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Annual General Meeting means the meeting convened by the Notice.

Listing Rule means a Listing Rule of ASX and of POMSoX.

Notice means the Notice of Meeting accompanying this Explanatory Memorandum.

POMSoX means the stock exchange of Papua New Guinea.

Proxy Form means the proxy form for the Annual General Meeting accompanying the Notice.

Share means a fully paid ordinary share in the capital of the Company.

LODGE YOUR VOTE

By Mail:
PNG Registries Limited
Level 2, AON Haus
PO Box 1265
PORT MORESBY NCD
Papua New Guinea

By Fax: (+675) 321 6379

By Email: brenda@online.net.pg

All enquiries to Telephone: (+675) 321 6377 or 321 6378

«Reg_Line_1»
«Reg_Line_2»
«Reg_Line_3»
«Reg_Line_4»
«Reg_Line_5»
«Reg_Line_6»

SRN: «Holding_No»

SHAREHOLDER PROXY FORM

I/We, being a shareholder(s) of Kina Petroleum Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

☐ **The Chairman of the Meeting** (***mark box***)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name/s of the person/s or body/ies corporate (no more than 2 proxies can be appointed and proxies cannot include the registered shareholder) you are appointing as your proxy

OR failing the person named above, or if no person is named, the chairman of the meeting, to act generally at the Meeting as the Shareholder's proxy to vote for the Shareholder and on the Shareholder's behalf at the Annual General Meeting of Shareholders of the Company to be held at **11:00am (PNG time) on Wednesday, 23rd May, 2018 at Laguna Hotel, Banquet 1, Section 136 Allotment 8, Waigani Drive, National Capital District, Papua New Guinea** (the Meeting) and at any adjournment of the meeting.

IMPORTANT – Resolution 1: If Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).
The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2 VOTING DIRECTIONS

		For	Against	Abstain*
Resolution 1	Adoption of Directors' Remuneration Report	☐	☐	☐
Resolution 2	Re-Election of Director – Mr Barry Tan	☐	☐	☐

***** If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Security Holder 1 (Individual)	Joint Security Holder 1 (Individual)	Joint Security Holder 2 (Individual)
Sole Director & Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the Shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution (under its Common Seal)

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS
This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF A PROXY
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING
Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT
You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY
You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return then both together. To appoint a second proxy you must:

(a) on each of the first Proxy Form and the Second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
(b) return both forms together

SIGNING INSTRUCTIONS
You must sign this form as follows in the spaces provided:
Individual: where the holding is in one name, the holder must sign.
Joint Holding: where the holding is in more than one name, all of the holders should sign.
Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

CORPORATE REPRESENTATIVES
If a representative of the Company/Corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form can be obtained from the company's share registry.

LODGEMENT OF A PROXY FORM
This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 11**.00am (PNG time) on Monday, 21st May 2018**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Completed and signed Proxy Form may be lodged:

By mail: PNG Registries Limited
PO Box 1265
PORT MORESBY NCD
Papua New Guinea

By Fax: (+675) 321 6379

By Email: brenda@online.net.pg

By Hand: PNG Registries Limited
Level 2 AON Haus
McGregor Street
Port Moresby NCD

***** During business hours (Monday to Friday, 8.30 am – 4.30 pm)

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.