



ASX ANNOUNCEMENT (ASX: KPL) 13 June 2018

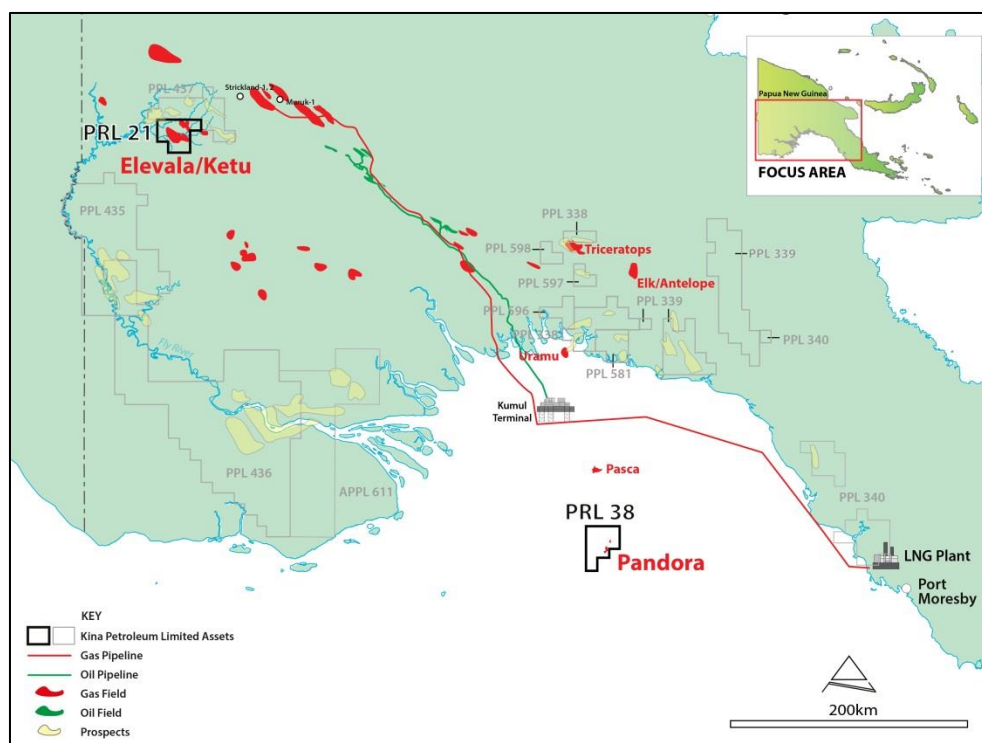
Contingent Resource Statement

Kina Petroleum Limited (“Kina”) hereby provides an update in respect of the resources contained within the two Petroleum Retention Licences in which it has an interest, PRL 21 and PRL 38.

Kina has undertaken a resource certification/estimation process for these licences which has confirmed the following 2C Contingent resource quantities, net to Kina:

- **In PRL 21:** 186 bcf of gas and 8.1 mmbbls of condensate
- **In PRL 38:** 225 bcf of gas

The locations of PRLs 21 & 38, in Western Province and offshore Gulf of Papua respectively, are shown below.



The resources in PRL 21 form the basis of much of the work undertaken by the PRL 21/PDL 10 joint working team that is directed towards commercialization of the resources in the central and southern areas of Western Province.

PRL 38 contains the Pandora fields which may form a part of an offshore Gulf of Papua development scenario, potentially incorporating resources that were confirmed by recent drilling of the nearby Pasca fields (Kina has no participating interest in the Pasca fields).

2C Contingent Resource Summary (Kina Net)^{1,2}

Licence	Gas (bcf)	Condensate (mmbbls)	Combined (mmboe) ³
PRL 21	186	8.1	39
PRL 38	225	-	38
Total	411	8.1	77

1 The above 2C contingent resources estimates have been deterministically calculated as of 31 March 2018 by Mr Nick Papalia of Global Capital Resources Pty Limited, both of whom have consented to the disclosure of these data. The estimates have been calculated in accordance with the Society of Petroleum Engineers' Petroleum Resource Management System (SPE – PRMS). Mr Papalia is a member of the Canadian Society of Petroleum Geologists and the Petroleum Exploration Society of Australia.

2 Net interests reflect Kina's existing participating interest share in each licence (16.75% in PRL 21 and 25% in PRL 38) and is calculated prior to the back-in right of the PNG government and landowners.

3 "mmboe" refers to millions of barrels of oil equivalent. This calculated as:

- the actual quantity of condensate, in millions of barrels (mmbbls);
plus
- the nominal quantity of gas, in billions of cubic feet (bcf), divided by 6.

Reconciliation of 2C Contingent Resources from previous statement

	PRL 21		PRL 38
	liquids mmbbls	gas bcf	gas bcf
November 2013	6	120	198
Increase in interest upon Mitsubishi withdrawal	0.7	14	-
Inclusion of results of Tingu-1 well	1.4	52	-
Evaluation of 3D seismic data	-	-	27
May 2018	8.1	186	225

The revisions to the previously reported quantities reflect completion of the analysis of 2D and 3D seismic data in PRLs 21 and 38 (respectively) and the integration of this with the most recently available drilling information.

In PRL 21, drilling information comprises data from 4 wells on the Elevela field (including the Tingu-1 well) and 2 wells on Ketu. The hydrocarbon columns are more than 50 metres in each field with seismic and well control data outlining features covering between 60km² and 100 km². Assessment and evaluation of the results of the Tingu-1 well have allowed the hydrocarbon resource it intersected, previously reported as a pre-drill estimate, to now be included in the estimates of 2C contingent resources.

In PRL 38, a combination of 2D and 3D data, the latter having only been recently accessible to Kina, was used to assess the Pandora fields. The improved quality and more comprehensive nature of this data has allowed Kina to conclude on the size of the 2C contingent resource.

Kina's Managing Director, Richard Schroder, commented:

"The resource quantities in each of our retention licences demonstrate the potential of Kina's resource portfolio. The independent evaluation of these resources provides us with confidence to investigate and pursue development opportunities and this is our key priority.

Rising commodity prices reinforce the potential of early monetization and importantly for Kina, cashflow from PRL 21 will lay a foundation for arguing the merit of drilling nearby prospects like Malisa in PPL 437, where we view that licence as having liquids potential similar to PRL 21. In PRL 38, we see further potential in the licence on the basis of prospects that we have been only recently able to identify because of access to seismic data.

The monetization of these resources will fulfil the commercial needs of the licence, our company and the State of PNG."

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