



A company registered in British Virgin Islands

31 January 2021

**QUARTERLY ACTIVITIES REPORT FOR THE PERIOD:
1st October 2020 to 31st December 2020**

Kina Petroleum Corporation (ASX: KPE) (the **Company**) submitted on 3 December 2020 a formal application for the removal of the Company from the Australian Securities Exchange (**ASX**) official list (**ASX Official List**) pursuant to ASX Listing Rule 17.11 (**ASX Delisting**). The Company also submitted on 7 December 2020 a formal application for the removal of the Company from PNG's National Stock Exchange (**PNGX**) at the same time as it delists from ASX (**PNGX Delisting** and, together with the ASX Delisting, the **Delistings**).

The Company announced the proposed Delistings, an off-market share buy-back facility (**Share Buy-Back**) and return of capital by way of an equal capital reduction (**Capital Return**) to the ASX and PNGX on 4 December 2020.

The Shareholders approved the Delistings, the Share Buy-Back and the Capital Return in a General Meeting held on 31 December 2020.

In consultation with ASX and PNGX, the proposed timetable for the suspension of trading in KPE shares and the date of removal from the Official Lists of ASX and PNGX has been updated as set out below:

Event	Date
Announcement of Delistings and Buy-Back	Friday, 4 December 2020
General Meeting	10.00 am on Thursday, 31 December 2020
Confirmation and release of results of General Meeting on ASX and PNGX	Thursday, 31 December 2020
Initial record date for determining participation in the Share Buy-Back	7.00 pm on Thursday, 7 January 2021
Commencement of Share Buy-Back	Commencement of trade on Friday, 8 January 2021
Final record date for determining participation in the Share Buy-Back	7.00 pm on Monday, 1 February 2021
Close of the Share Buy-Back facility	5.00 pm on Tuesday, 2 February 2021
Payments to be made in respect of the Share Buy-Back	As soon as practicable after the close of the Share Buy-Back facility, anticipated to be Wednesday, 3 February 2021
Suspensions from ASX Official List and PNGX Official List	Wednesday, 3 February 2021

Removal from ASX Official List and PNGX Official List	7.00 pm on Friday, 5 February 2021
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*Dates and times subject to change by the Company or ASX and PNGX. All dates and times above are Sydney, Australia time.

The removal date of Friday, 5 February 2021 is not earlier than one month after the date Shareholder approval was given.

Kina has suspended all licence work commitments from September 2020. Due to the lack of activity and the difficulty in travelling to PNG at the present time Kina has taken significant steps to minimise forward expenditure, preserve its cash and cut overheads until the investment environment improves.

With the significant drop in oil price and the Covid-19 overhang there have been a number of significant changes to the PNG corporate landscape particularly in Western Province, including the withdrawal of Repsol, Horizon and Osaka Gas from license in which Kina has an interest and others in the region. Hundreds of millions of dollars' worth of investment have been made evaluating discoveries in the foreland of Western Province and with these changes the Company sees new opportunities materialising, and we continue to evaluate opportunities (including corporate transactions) to enhance value to our shareholders. There is no certainty that any of these opportunities will come to fruition or, if any of them does come to fruition, that it will generate the anticipated returns for shareholders. Shareholders should therefore exercise caution when deciding whether or not to participate in the Share Buy Back (if it is approved by shareholders at the general meeting of members of the Company).

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kina Petroleum Corporation

ABN

30 151 201 704

Quarter ended ("current quarter")

31December 2020

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	(18)	(86)
(b) development	-	-
(c) production	-	-
(d) staff costs	(84)	(374)
(e) administration and corporate costs	(95)	(345)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(197)	(805)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
(d) exploration & evaluation (if capitalised)		-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	825
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	825

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,000	1,783
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(197)	(805)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	825
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,803	1,803

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	1,803	2,000
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,803	2,000

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$US'000
-
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Non-Executive Directors Fees

<p>7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>	<p>Total facility amount at quarter end \$US'000</p>	<p>Amount drawn at quarter end \$US'000</p>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
<p>7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p>		

<p>8. Estimated cash available for future operating activities</p>	<p>\$US'000</p>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(197)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(197)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,803
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,803
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	9.15

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29th December 2020



Authorised by:

Richard Schroder
CEO and Managing Director

Authorised for release by the board.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.