



Kina
PETROLEUM LIMITED

PNG Company Number
1-63551

**COMPANY
PRESENTATION**
ASX Spotlight Conference
London, 6 March 2014



Disclaimer

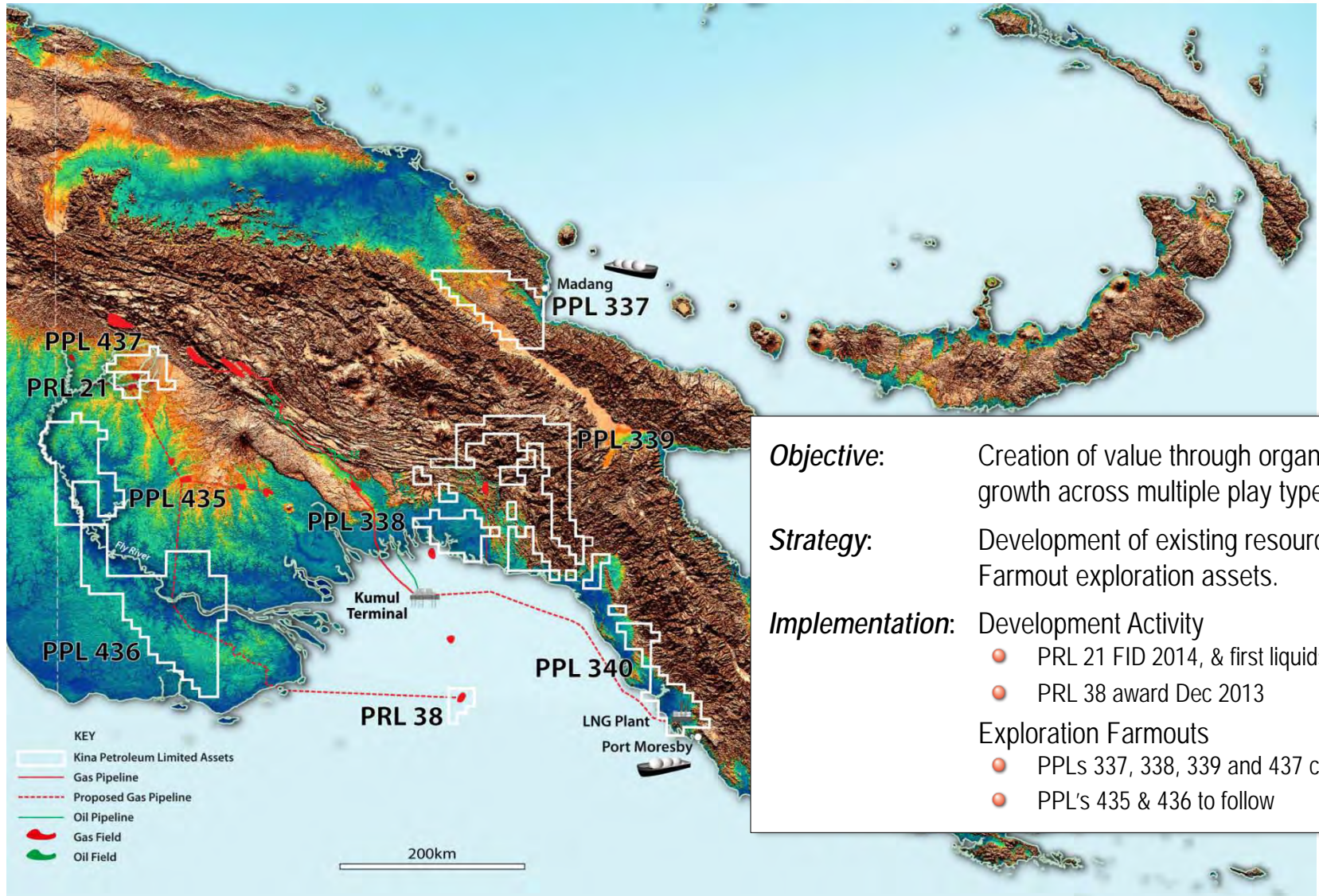
The information contained in this Company Update Presentation has been prepared in good faith by Kina Petroleum Limited, and no representation or warranty, express or implied, is made as to the accuracy, correctness, completeness or adequacy of any statements, estimates, opinions or other information contained in this Investor Presentation. To the maximum extent permitted by law, Kina Petroleum Limited, its Directors, officers, employees, consultants and agents disclaim any and all liability for any loss or damage which may be suffered by any person through the use of or reliance on anything contained in or omitted from this Investor Presentation.

This Investor Presentation does not constitute financial advice. In making an investment decision investors should rely on their own examination of the information and consult with their own legal, tax, business, financial and other professional advisers in making an investment decision.

Certain information contained in this Company Update Presentation, including any information on Kina Petroleum Limited's plans for future financial or operating performance and other statements that express management's expectations or estimates of future performance, may constitute forward-looking statements. Such statements are based on a number of estimates and assumptions that involve significant elements of subjective judgment and analysis which may or may not be correct, and while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. Kina Petroleum Limited cautions that such statements involve known or unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Kina Petroleum Limited to be materially different from Kina Petroleum Limited's estimated future results, performance or achievements expressed or implied by those statements. Resource estimates within this presentation represent the estimated quantities of hydrocarbons that may potentially be recoverable, with any recovery dependent on future development. Further evaluation is required to determine the existence of a significant quantity of moveable hydrocarbons.

Competent Person Statement

The technical information contained in this presentation is based on information compiled by Mr Richard Schroder (Managing Director). Mr Schroder has more than 30 years experience within the industry and consent to the information in the form and content in which it appears.



Objective:

Creation of value through organic growth across multiple play types.

Strategy:

Development of existing resources. Farmout exploration assets.

Implementation:

Development Activity

- PRL 21 FID 2014, & first liquids 2017
- PRL 38 award Dec 2013

Exploration Farmouts

- PPLs 337, 338, 339 and 437 completed
- PPL's 435 & 436 to follow

Commercial Quantity of Resources

- **PRL 21** has 2C contingent resources (Elevala and Ketu) of 173 mmboe of which 26* mmboe is net to KPL:
 - 6 mmbbls of condensate
 - 120 bcf of gas
 - Tingu discovery yet to be included in resource base pre-drill estimates: 92mmboe* (13-14 mmboe net to KPL)
- **PRL 38** estimated gross 2C contingent resource of 792 bcf¹

Large Acreage Footprint: >41,000km²

- Dominant position in Western Province wet gas play
- Development acreage: **PRL 21 progressing** to development licence application in Q1 14, and **PRL 38 recently acquired**.
- Exploration acreage: 7 licences with proximity to recent discoveries

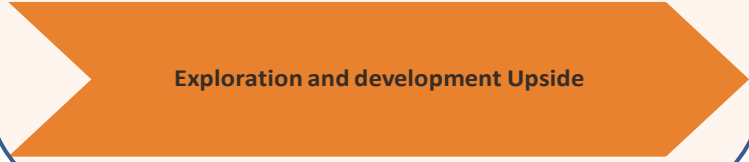
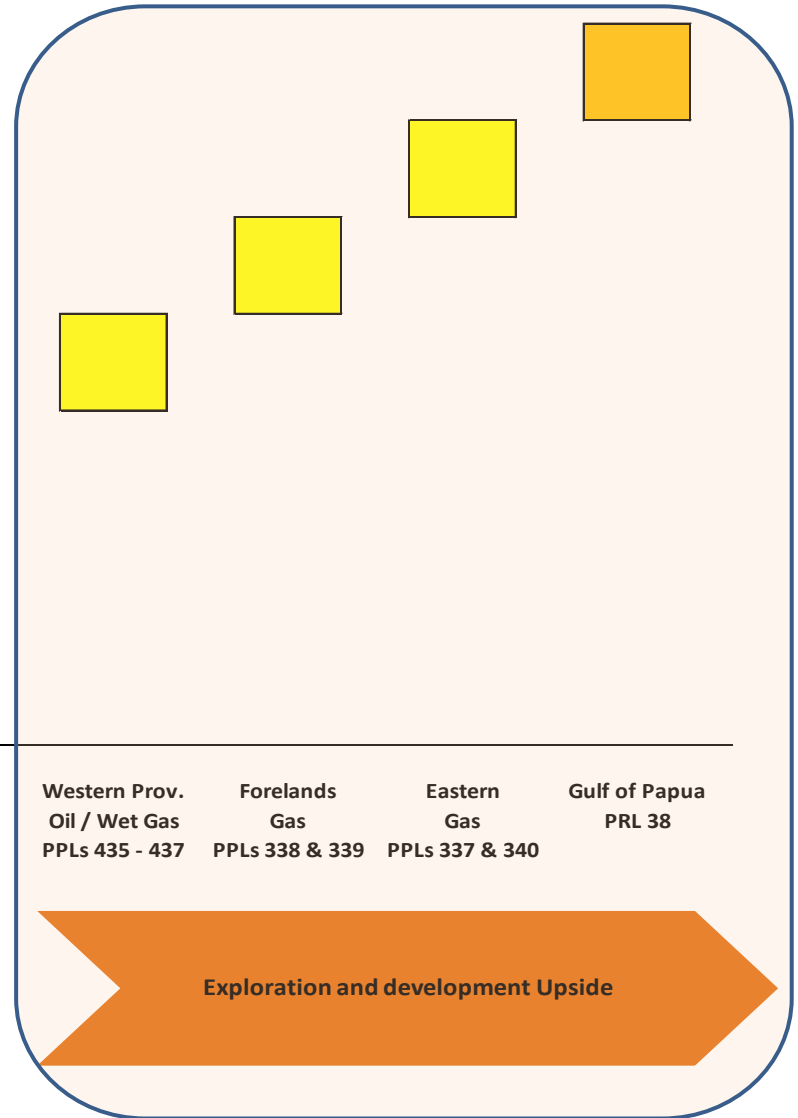
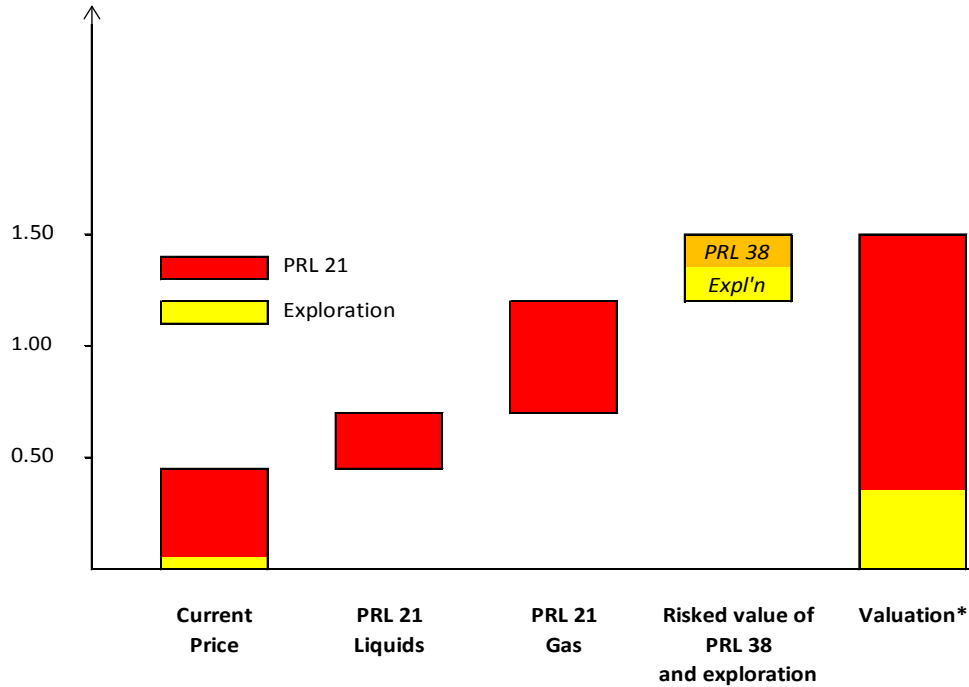
Capital Structure and Financial Strength

- Market cap. of \$A 103m (at 28 February, 2013)
- 245m shares on issue
- \$6.7m cash on hand at end of December.
- No debt

Per Horizon Oil Ltd and Kina Petroleum Ltd ASX releases of 12 October 2012 and 16 October 2012 respectively. *Subject also to government back-in

¹ Based on most recently publicly available information which is the Oil Search Limited 2012 annual report which shows a 2C contingent resource of 191.1 bcf for their then 24.0909% Interest in PRL 1.

KPL Share Price



Development Licences – PRL 21 & PRL 38

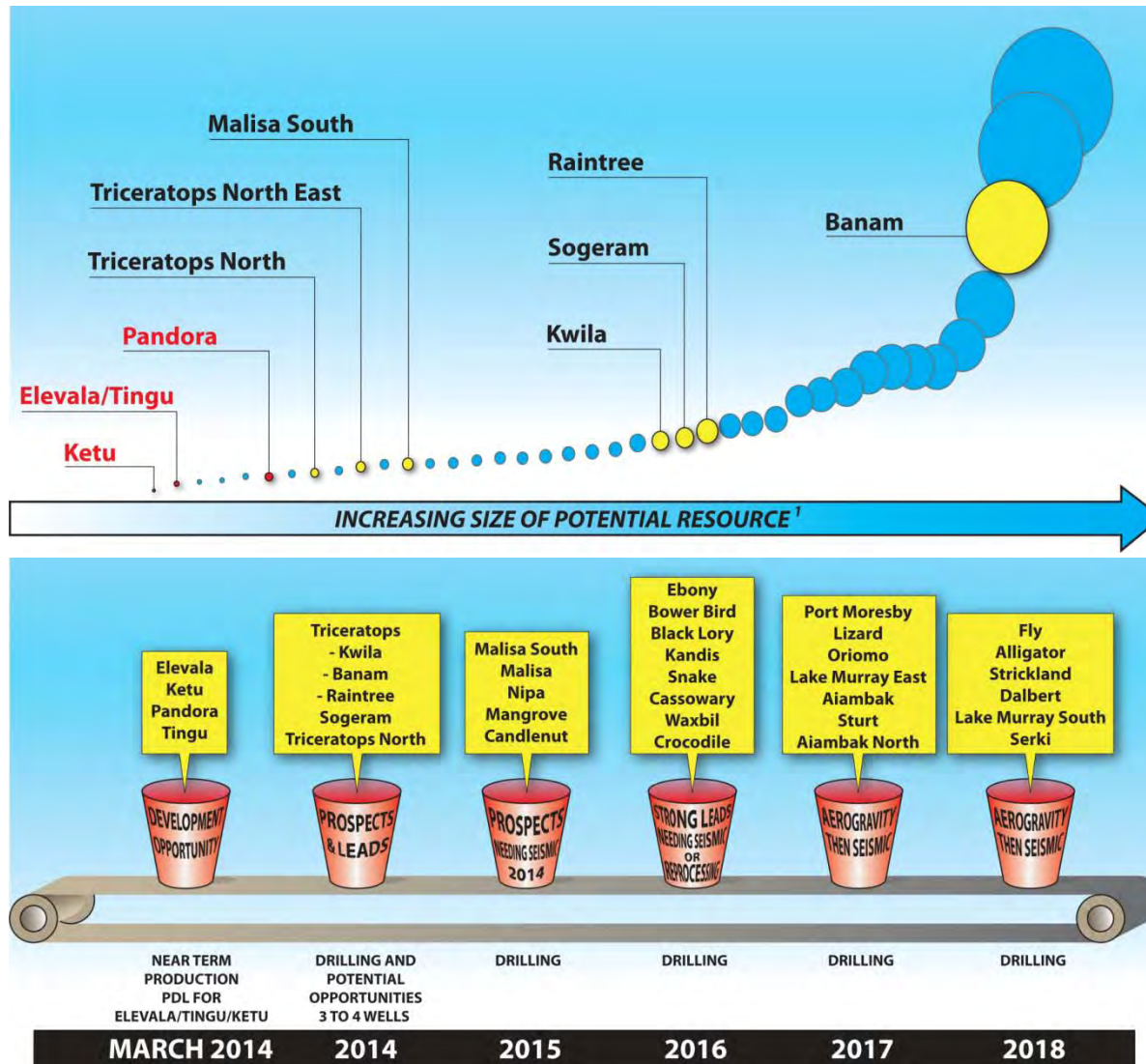
- PRL 21 activity:
 - Tingu well discovery announced on 2 October 2013
 - Tingu and Ketu 2 production tested. Liquid to gas ratios of 65 and 50-60 bbls/mmcft respectively.
 - Development planning for **PRL 21 liquids** in progress → PDL application in Q1 14 and FID during the year.

- PRL 38 activity:
 - Licence awarded in Q4 13.
 - Potential cornerstone of gas aggregation strategy in either Western Province or Gulf Province.
 - Joint Venture now accessing data and progressing with marketing technical studies.
 - Confirmation of firm resource size to be undertaken.

Exploration Licences

- Farmout deals announced for **PPLs 337 and 437**. KPL carried through seismic and wells.
 - PPL 337 focused on local and international energy markets – expressions of interest received from local power users.
 - PPL 437 is adjacent to PRL 21 discoveries – clear path to commercialisation of any discovery.
- Seismic over potential Triceratops extension in **PPL 338** is complete. Triceratops up-dip extends into PPL 338.
- Prospects and Leads inventory has been refined. Key targets are:
 - Kwila and Raintree - **PPL 337** (to be drilled 2014)
 - Malisa South - **PPL 437** (seismic to commence mid 2014)
 - Triceratops and Triceratops North - **PPL 338**
- **PPL 340** Aerogravity and aeromagnetic surveys complete
- **PPL's 435 & 436** Aerogravity and aeromagnetic surveys underway

* Subject to government back-in



¹ Further evaluation is required to determine the existence of hydrocarbons with recovery dependent on future development.

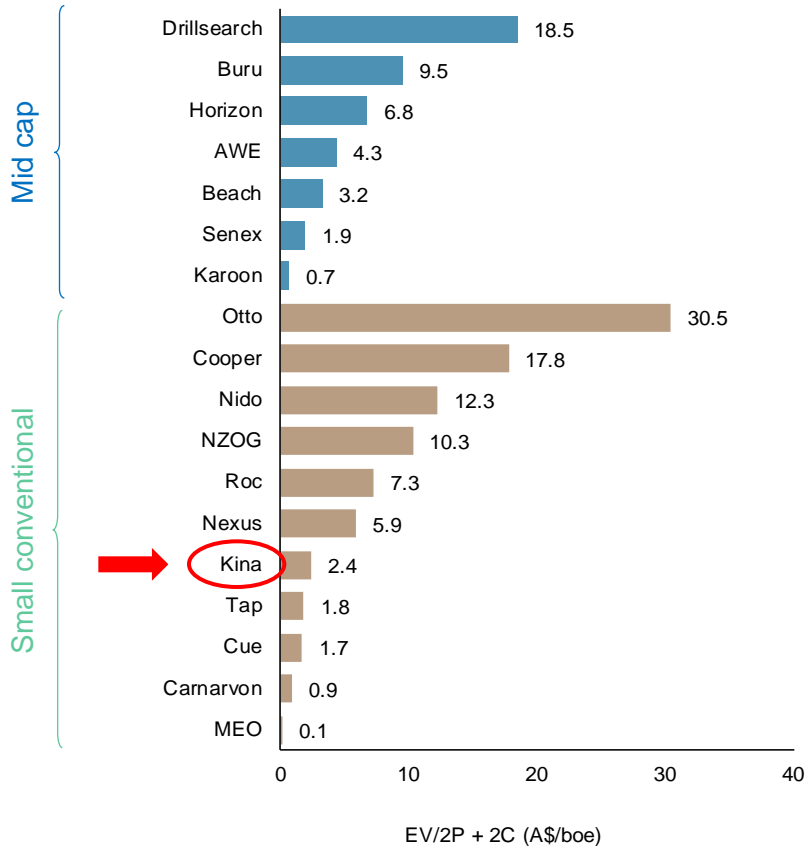
KPL has outperformed all key ASX indices



- Share price increase since float represents an 107% return.
- Brent, and other sector returns range from c. 0 – c. 27%.

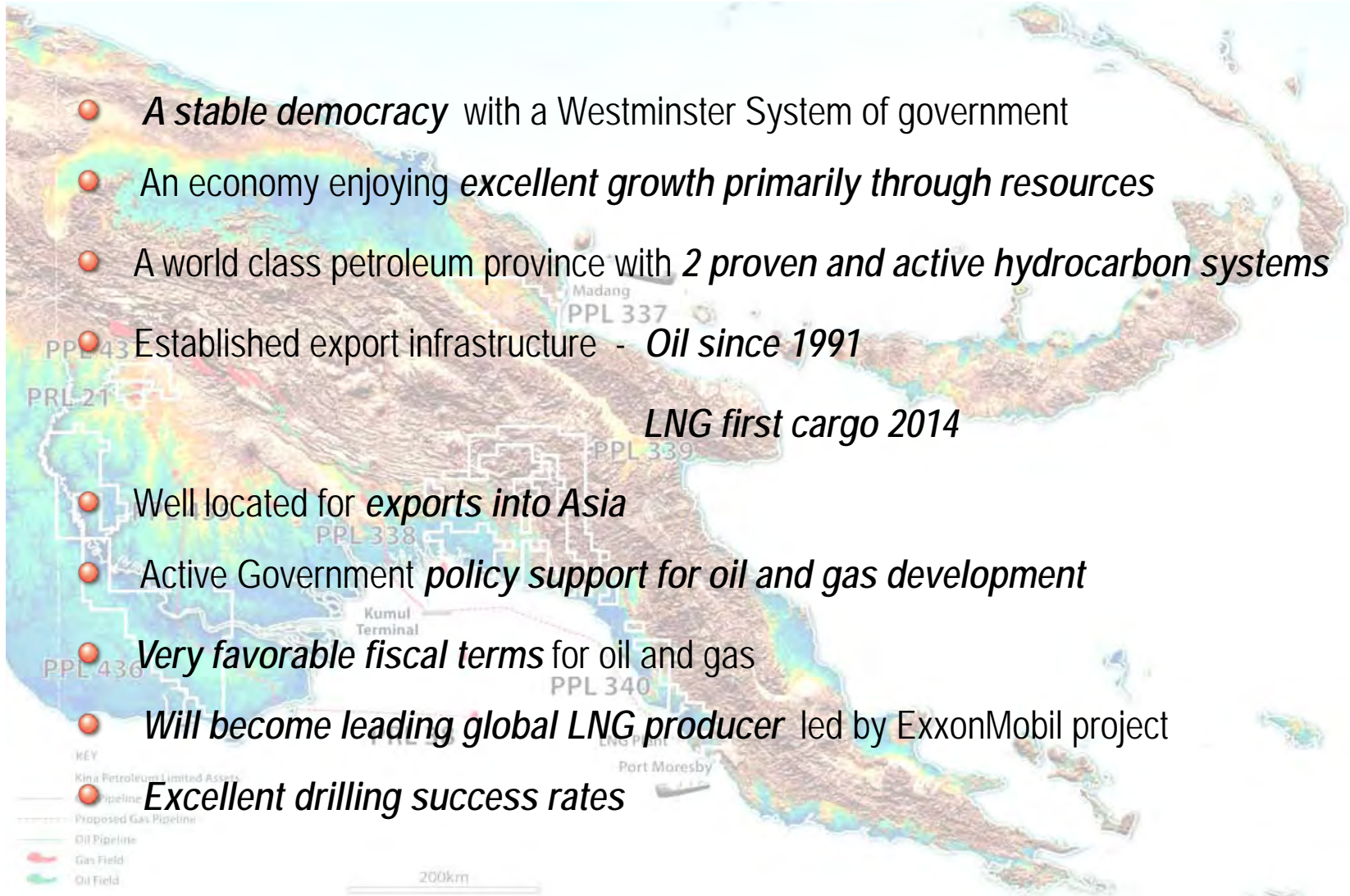
Source: UBS

KPL is undervalued relative to ASX listed peers

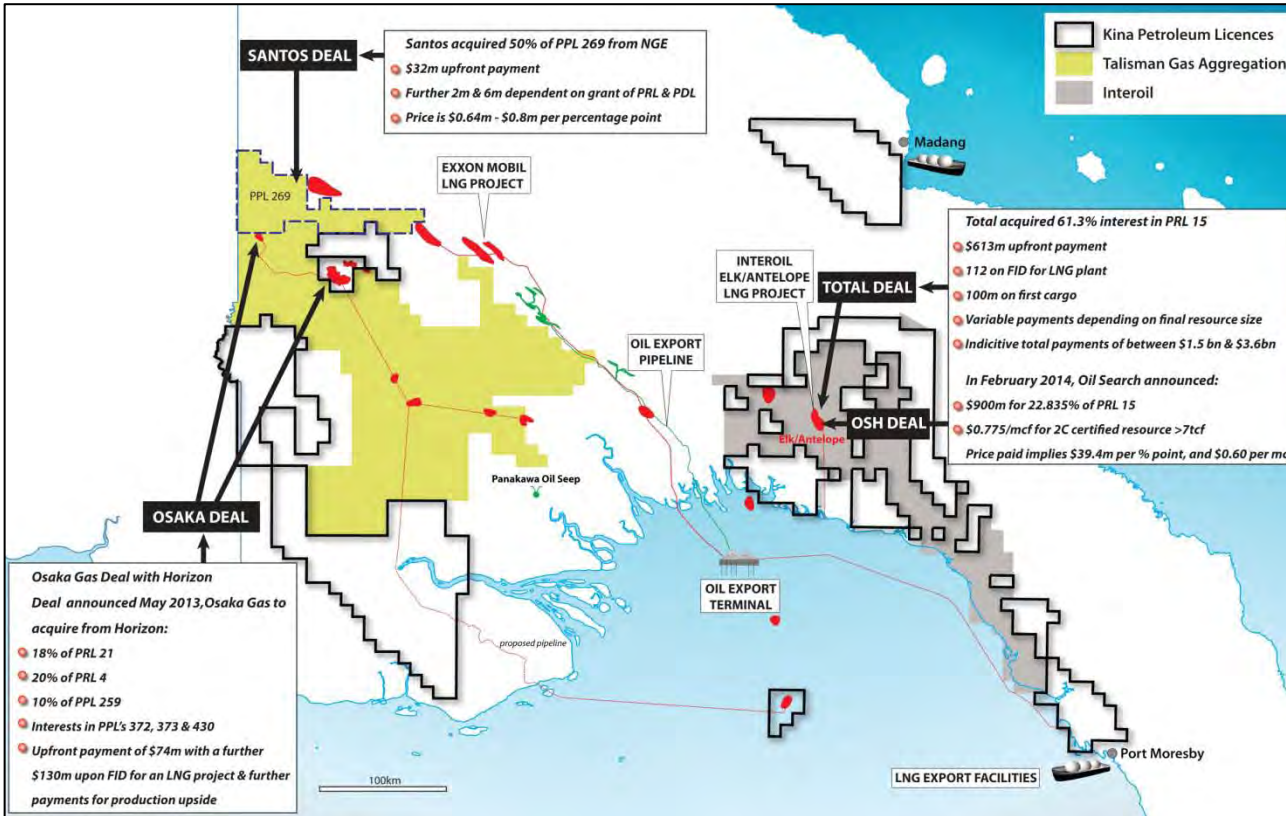


- Valuation is based on inclusion of pre-drill estimates from Tingu discovery in PRL 21.
- Value does not include resources from Pandora fields in PRL 38.
- If Pandora included with estimated gross 2C Contingent Resource of 792 bcf¹, KPL value is 1.3 (EV / 2P + 2C)

1. Based on most recently publicly available information which is the Oil Search Limited 2012 annual report which shows a 2C contingent resource of 191.1 bcf for their then 24.0909% interest in PRL 1.



- ***A stable democracy*** with a Westminster System of government
- An economy enjoying ***excellent growth primarily through resources***
- A world class petroleum province with ***2 proven and active hydrocarbon systems***
- Established export infrastructure - ***Oil since 1991***
LNG first cargo 2014
- Well located for ***exports into Asia***
- Active Government ***policy support for oil and gas development***
- ***Very favorable fiscal terms*** for oil and gas
- ***Will become leading global LNG producer*** led by ExxonMobil project
- ***Excellent drilling success rates***



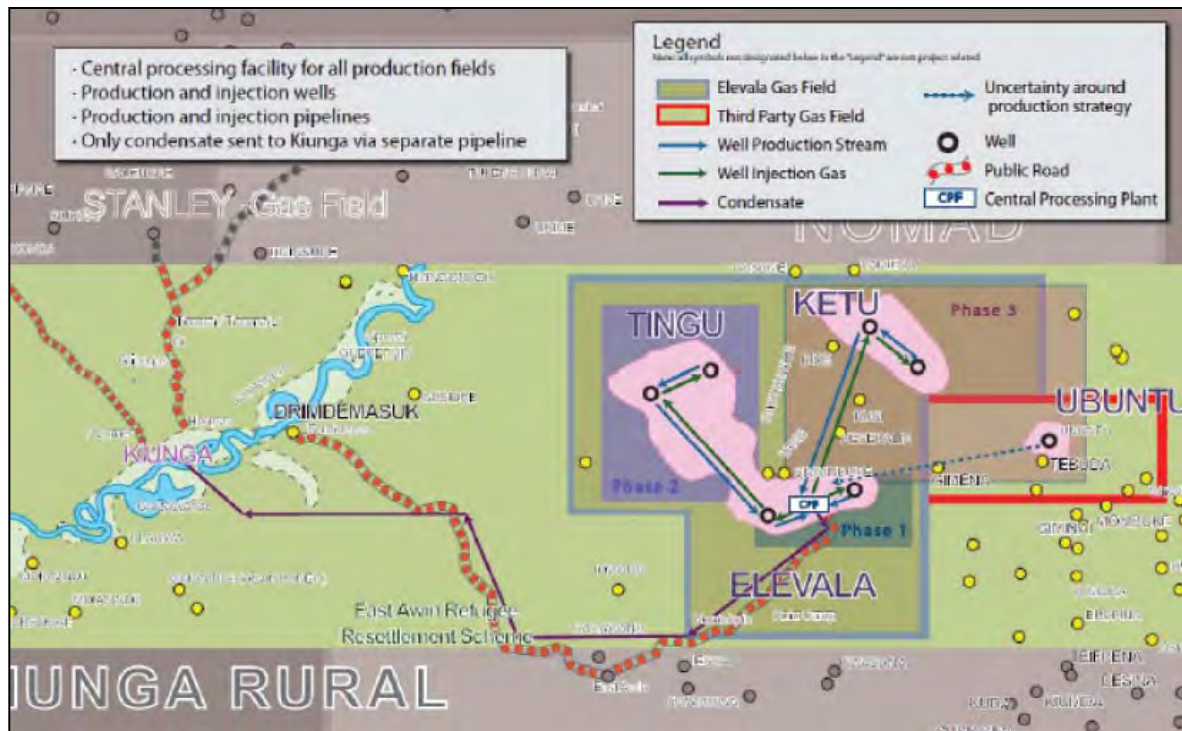
- Exxon Mobil PNG LNG project is on time – first production in 2014
- Total entry into Antelope
- Elk/Antelope and Triceratops opening up new plays in East Papuan basin.
- Santos farm in PPLs 261 and 426.
- Osaka Gas buys in to PRL 21, PRL 4 and PPL 259.
- Santos pays up to \$40m for 50% of PPL 269.
- Heritage Oil plc farms into Kina's PPLs 337 & 437.
- Tingu-1, Elevala-2 & Ketu-2 confirm large gas reserves in PRL 21



PNG LNG Production Facility



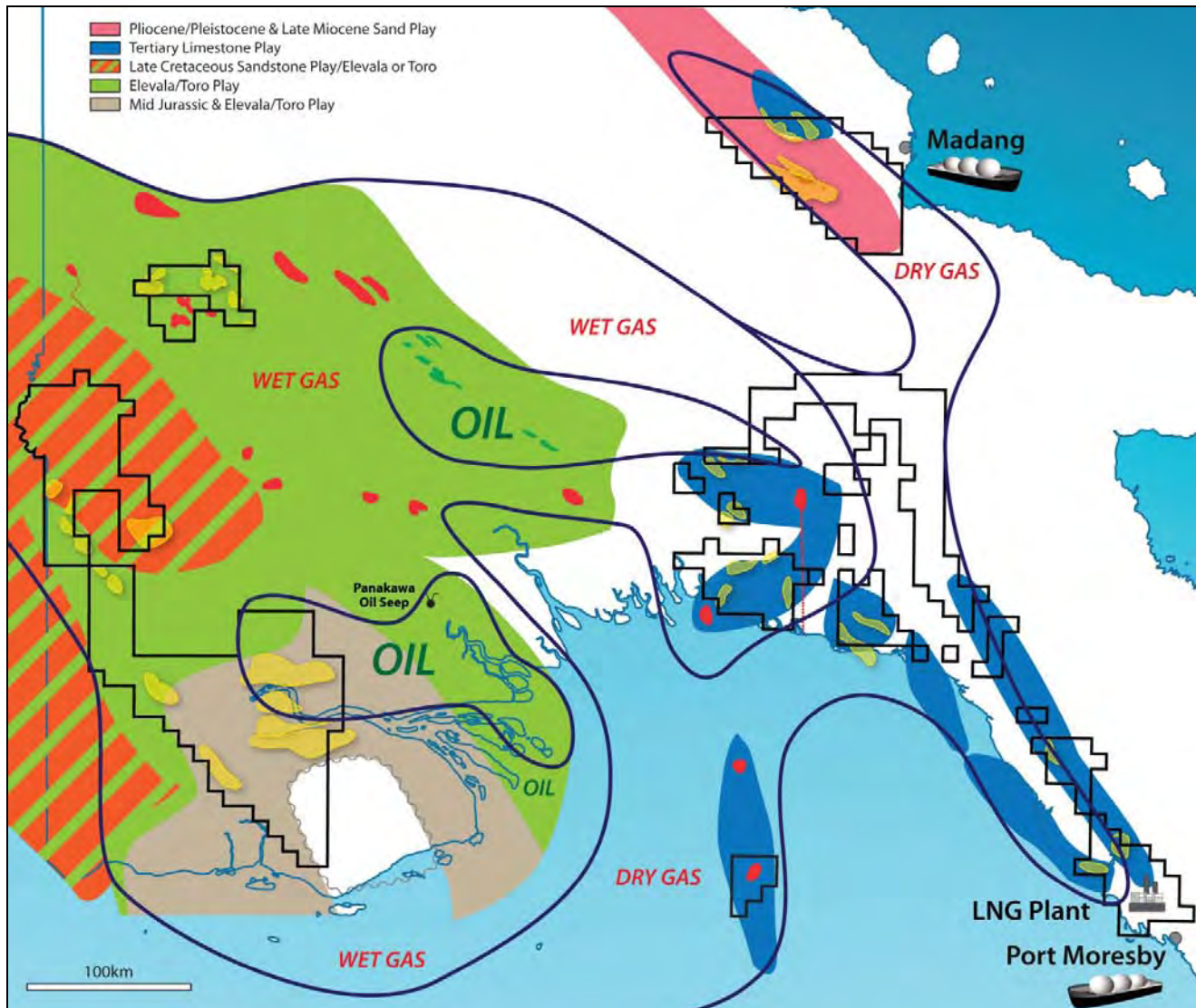
- Liquids stripping to commence 2017 with barge export of liquids from Kiunga down Fly River
- Liquids stripping infrastructure is a pre-investment in potential future Mid scale LNG Project (2-4 mtpa)
- With LNG plant at coastal location, such as Daru, to supply:
- City and mining project power demand as substitute for diesel or fuel oil
- Singapore LNG and products hub
- North Asian LNG markets



PRL 21 potential Field development schematic

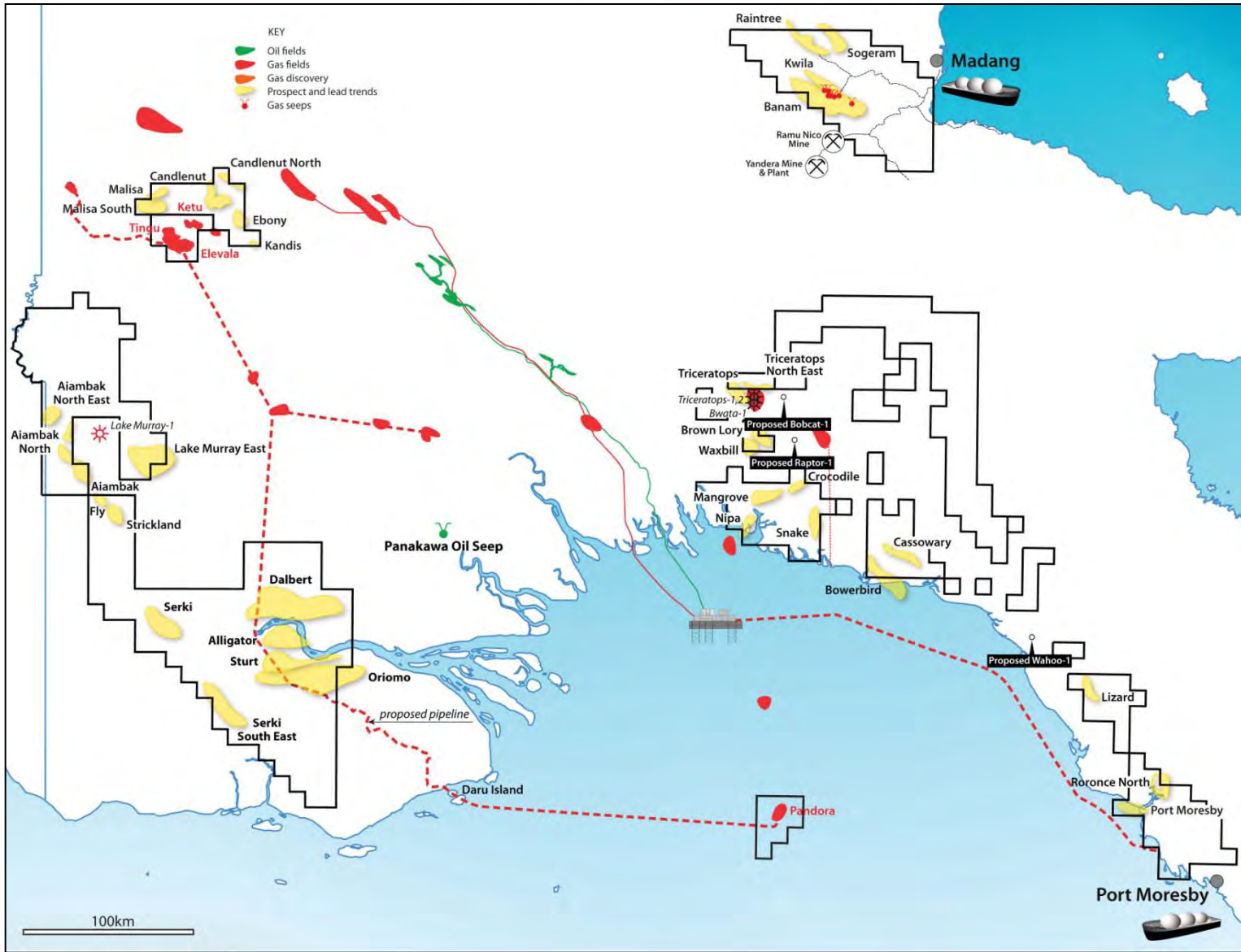
ASSET REVIEW AND FURTHER GROWTH

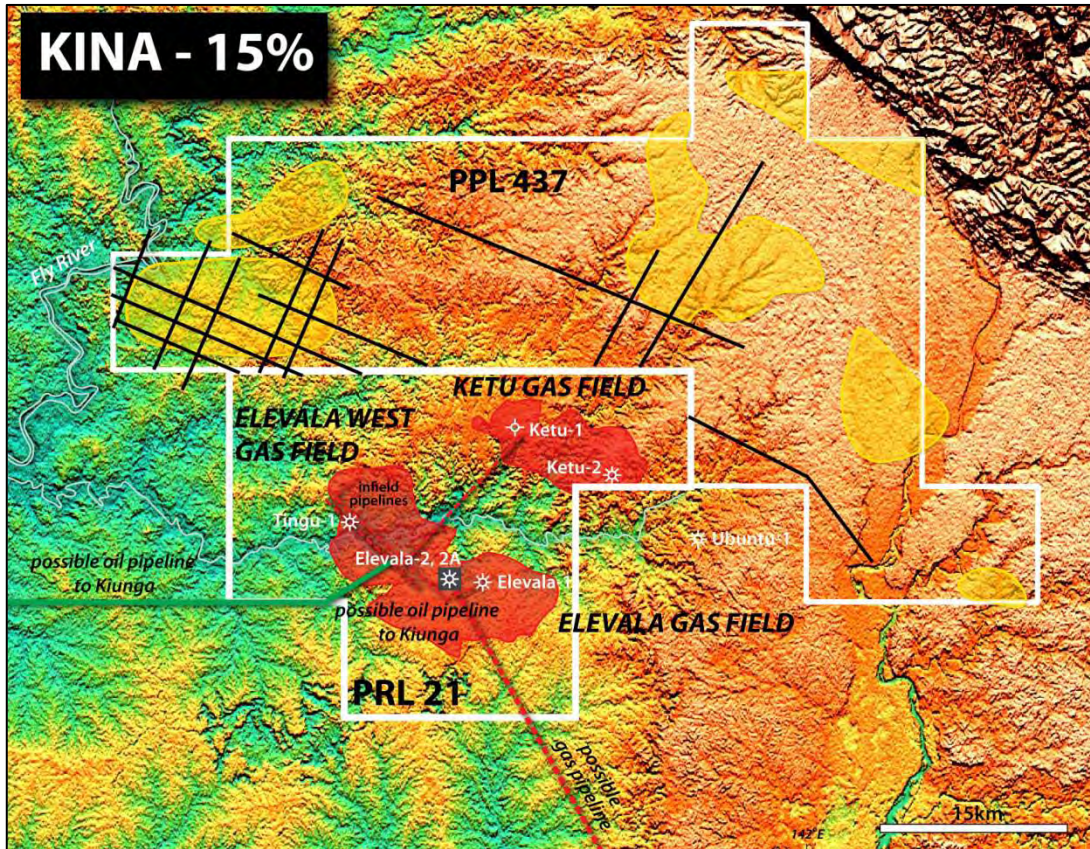
Kina has material upside through presence in multiple play types



KPL Acreage covers:

- Multiple geological play types
- PNG hydrocarbon spectrum
- Wet gas upside in PPL 437, adjacent to PRL 21 discoveries.
- Very large gas upside, close to market PPL 337
- Oil and wet gas upside in southern part of Western Papuan Basin.
- Wet gas potential adjacent to Interoil acreage – Triceratops & Elk/Antelope.





- Contains the commercial wet gas discoveries of Elevation, Ketu and Tingu at depth of ~ 3000m.

- 2C liquids of 43.9 mbbls.

- 2C gas of 866 bcf.

- Tingu discovery drilled Sept/Oct 2013.

Tested through a separator at multiple rates up to 46 mmscfd with 50-60 bbl/mmscf of condensate.

Ketu 2 flowed gas at rates of 35 – 40 mmscfd & 50-60 bbl/mmscf condensate.

- Proceeding to PDL application and FID 2014 for liquids project.

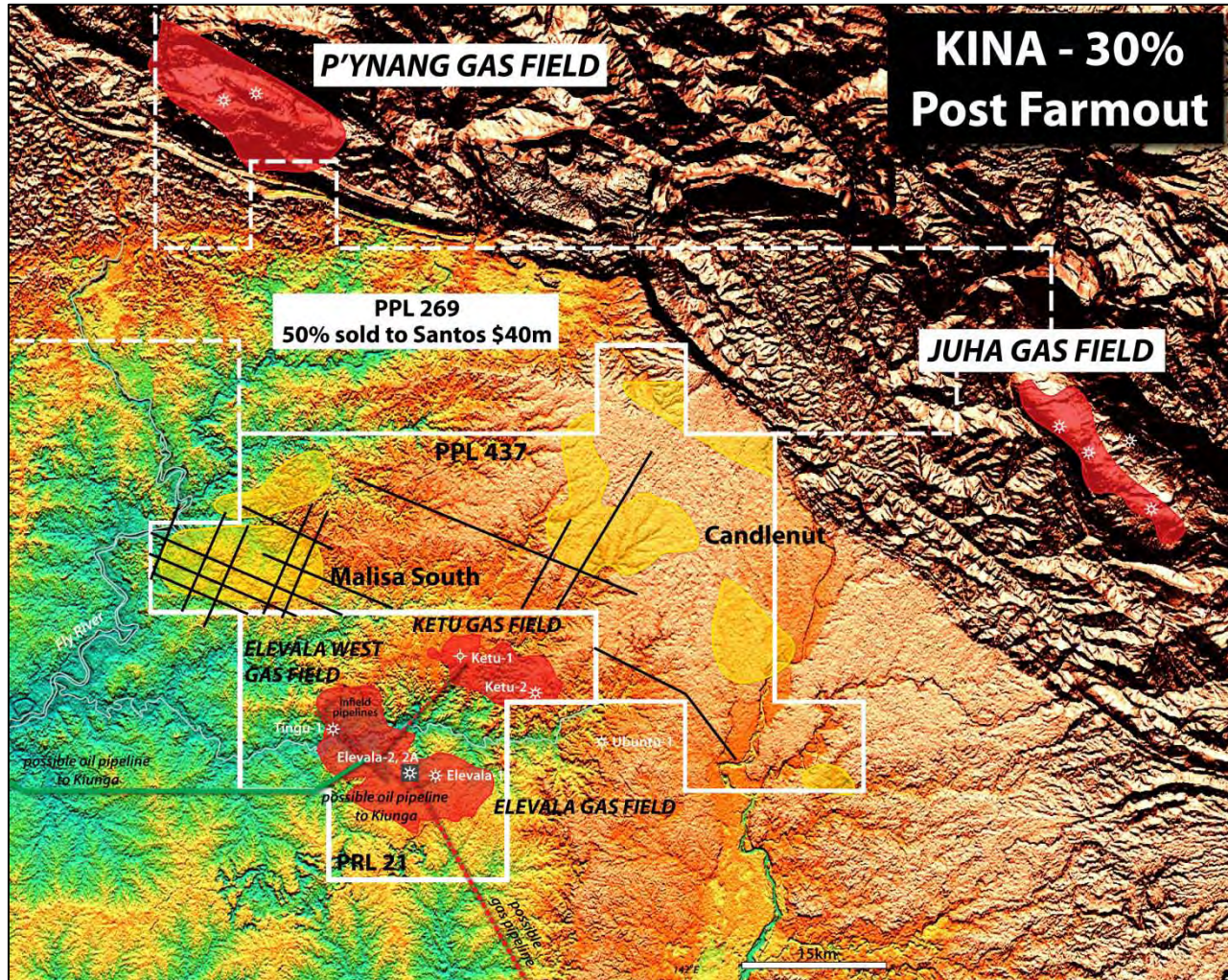
- Liquids project represents a pre-investment of a future mid-stream LNG Project.



Tingu testing, October 2013



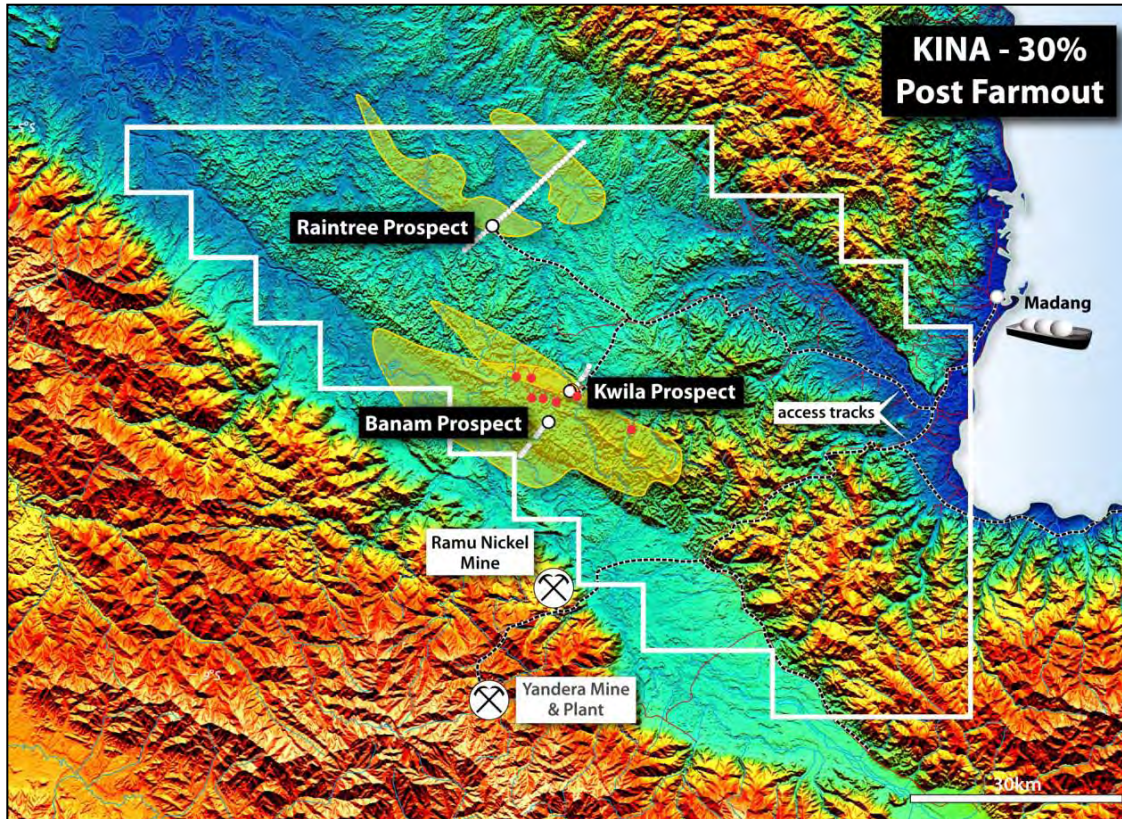
Potential Resource Addition Next to PRL 21 Papuan Basin - PPL 437



- Next to PRL 21.
- Licence area is twice that of PRL 21.
- South of PPL 269 50% of which recently sold for up to \$40m.
- Commercially attractive proximity to PRL 21 facilities
- Farmout to Heritage Oil Plc which has a right to move to 50% by drilling a well.
- Seismic program to begin mid 2014.
- Malisa South possible extension to Tingu 1 discovery



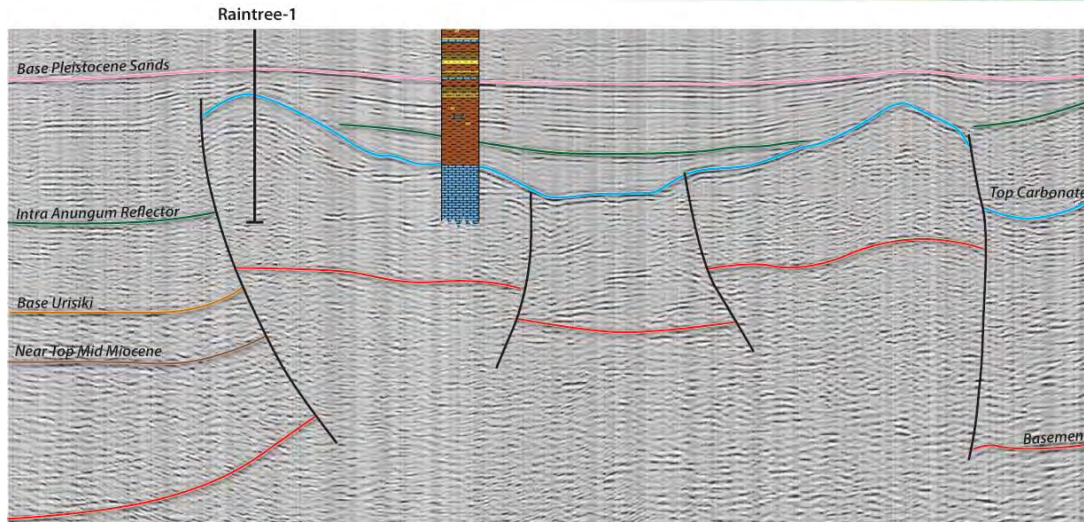
- Joint Venture Cott (40%), Talisman (25%), Kina (25%) & Santos (10%)
- 2 gas discoveries at 1,500m TVD in 110m water offshore Gulf of Papua
- Estimated gross 2C Contingent Resource of 792 bcf¹
- Suitability for mid-scale FLNG project to be reviewed by Joint Venture
- Gas could be liquefied on location or piped to near shore barge



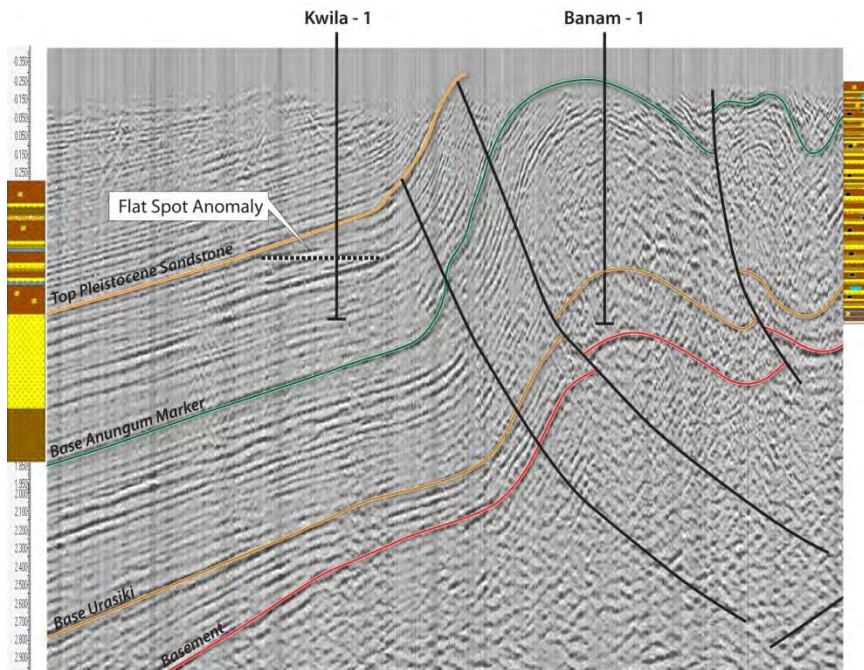
- Located in northern PNG targeting dry gas.
- Reef and clastic targets
- 2 wells during 2014
- 3 possible well locations
- Banam, Kwila or Raintree locations identified for drilling.
- Access by road, and close to Madang
- Expressions of interest of gas from nearby mines demand about 20mmcf/d.
- Multi TCF* target sizes
- Deep water ports suitable for LNG within 90km of prospects

* Across multiple targets in the licence. Further evaluation is required to determine the existence of hydrocarbons, with recovery dependent on potential future development.





Raintree Location



Road transportable rig
being considered
for drilling PPL 337



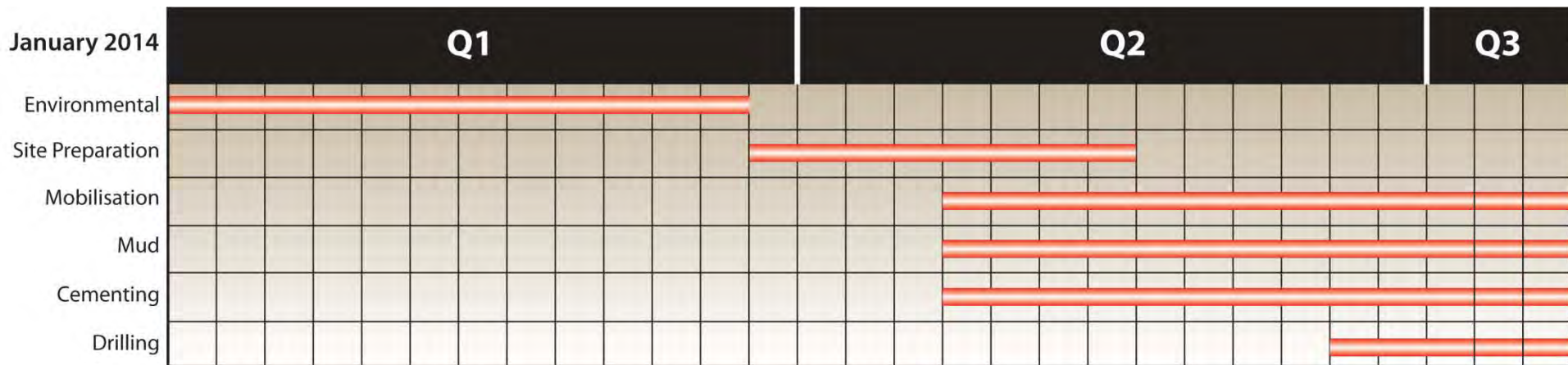
Front end well design underway and with preparations for formal tendering process for rig and services started

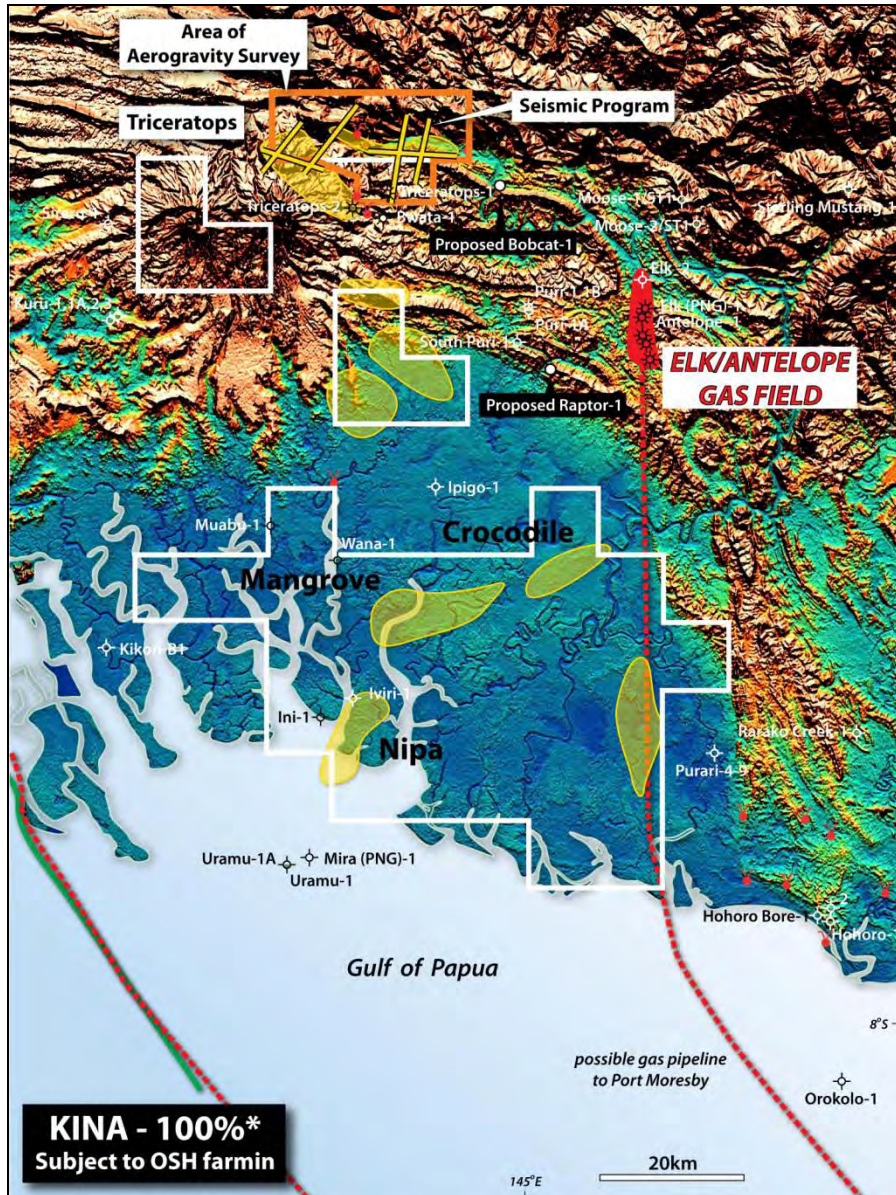
Raintree:

- A suitable well location providing rig access has been identified and initial well planning is proceeding
- Formal proposal for well location agreed

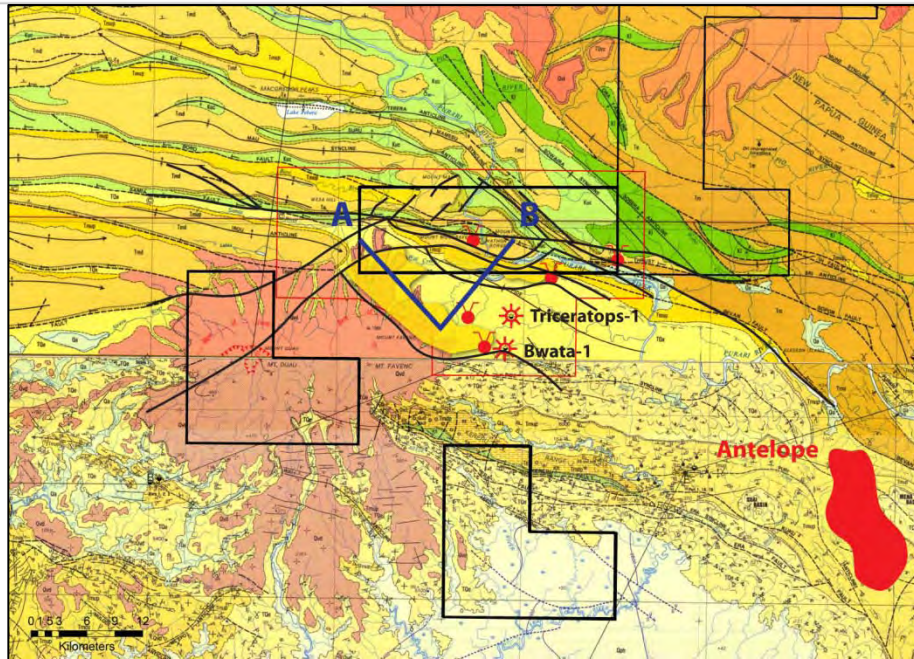
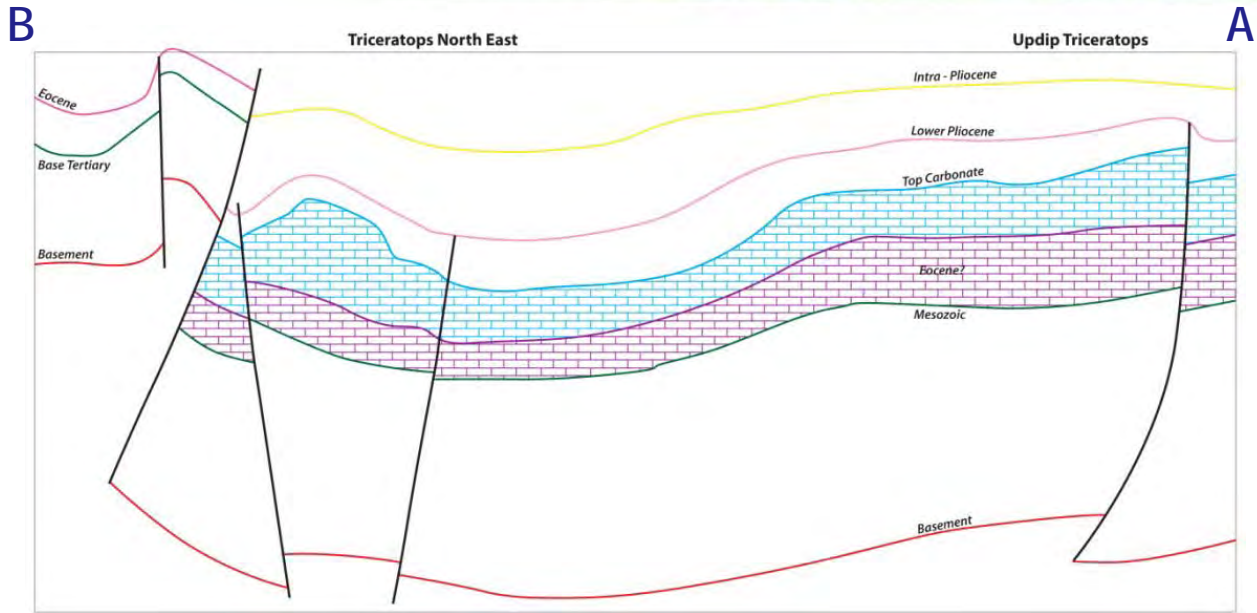
Kwila / Banam:

- Three potential locations, 2 hangingwall and 1 footwall, have been identified
- The final well location pending reprocessing of seismic

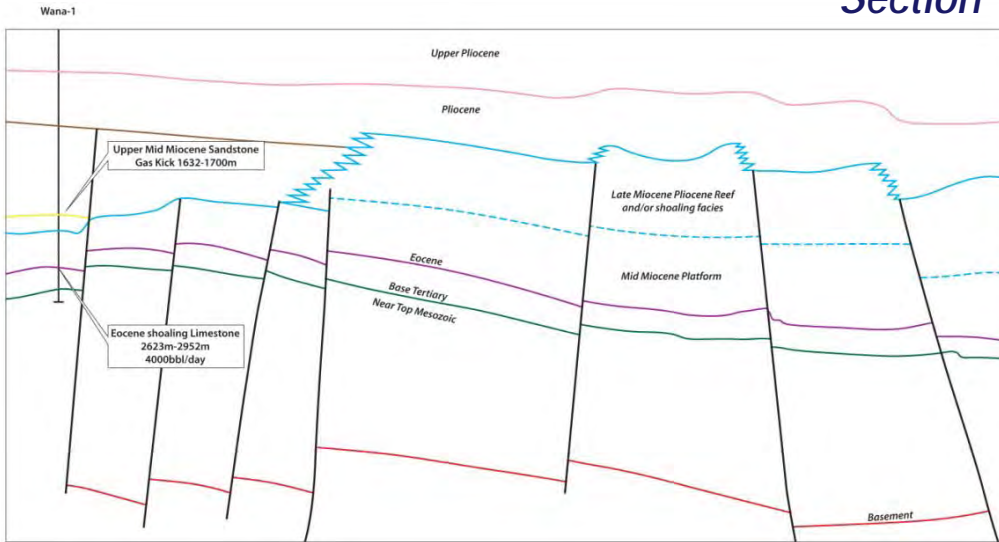




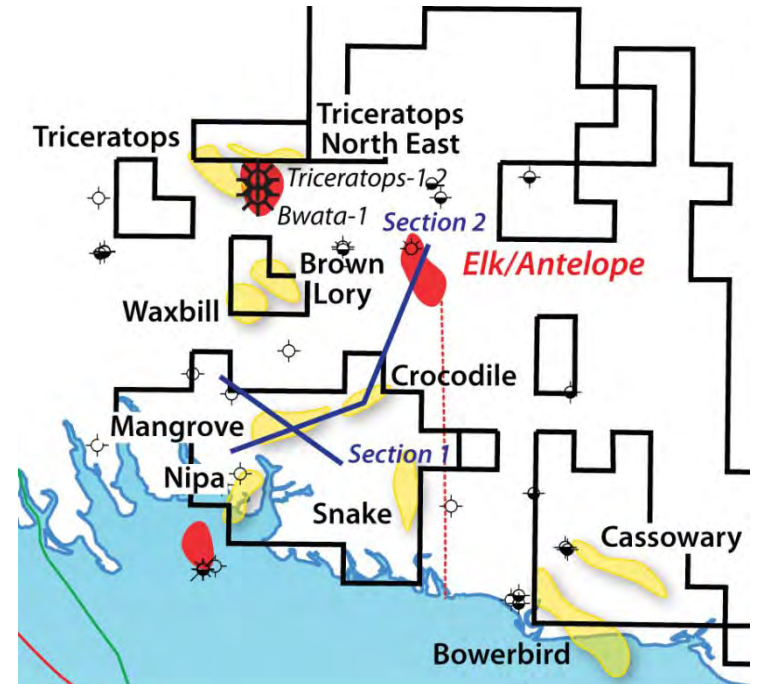
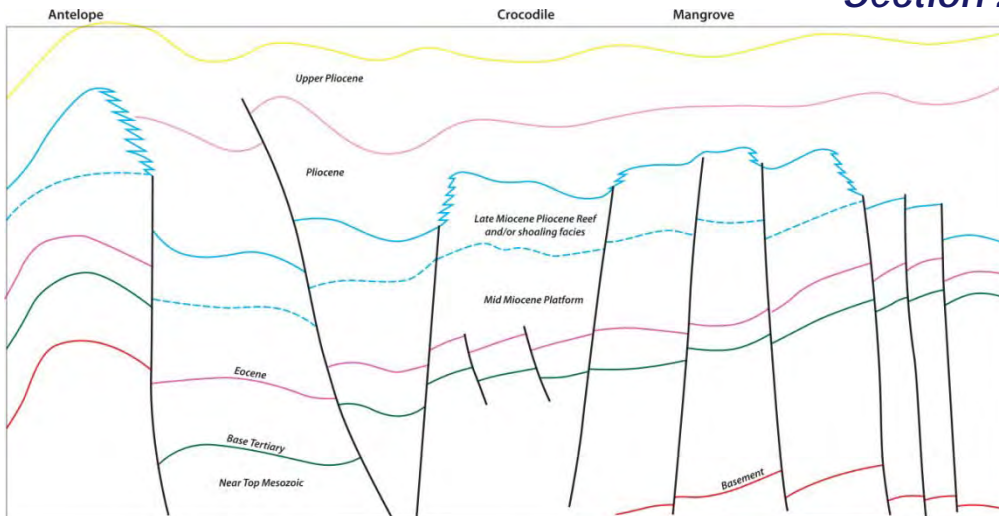
- Located at basin margin with wet gas potential.
- Adjacent to Elk/Antelope and Triceratops discoveries
- Extension of proven reef play.
- Existing farmout with Oil Search.
- Gradiometry and seismic program over extension of Triceratops completed.
- Triceratops updip extends into PPL 338
- Possible younger reef at Triceratops Northeast
- Nipa and Mangrove can be elevated to drillable with seismic reprocessing.

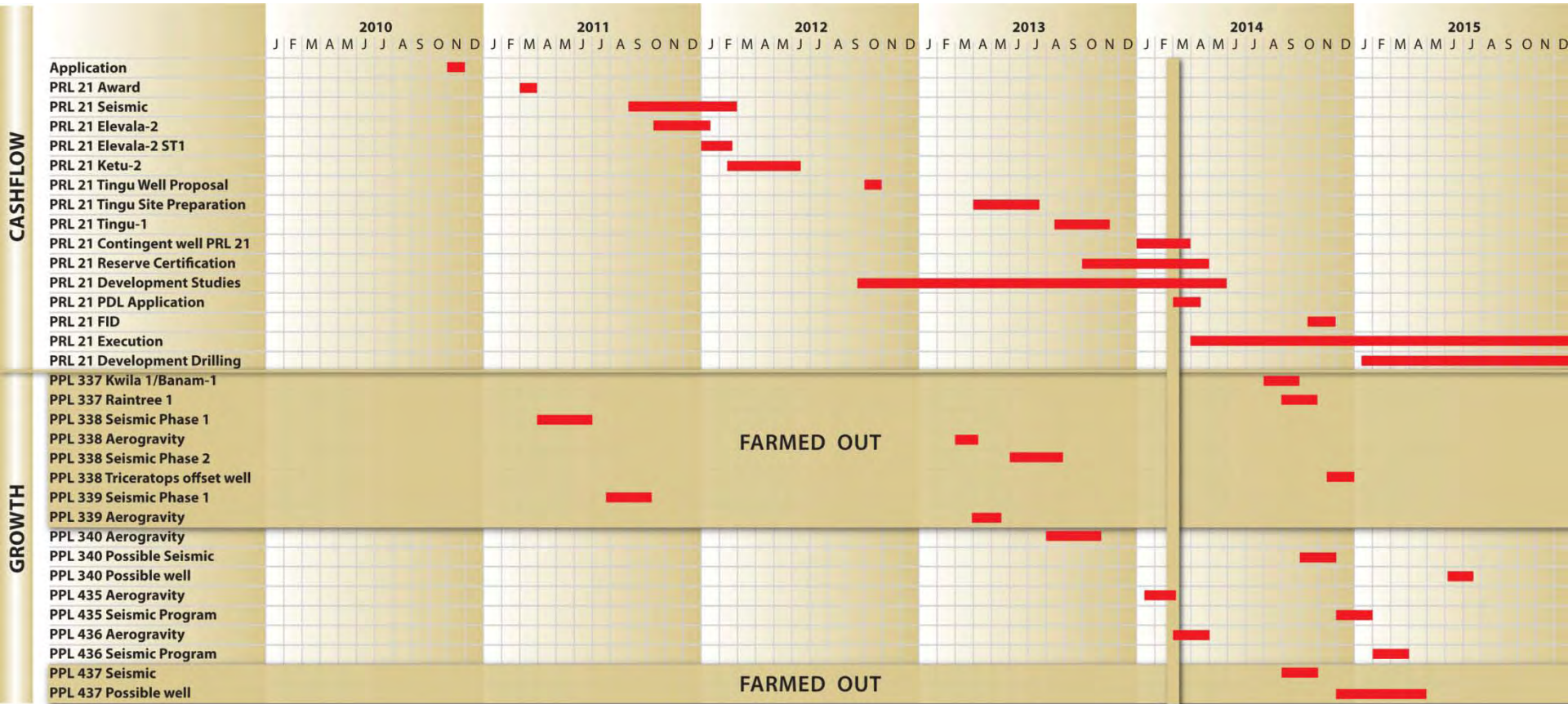


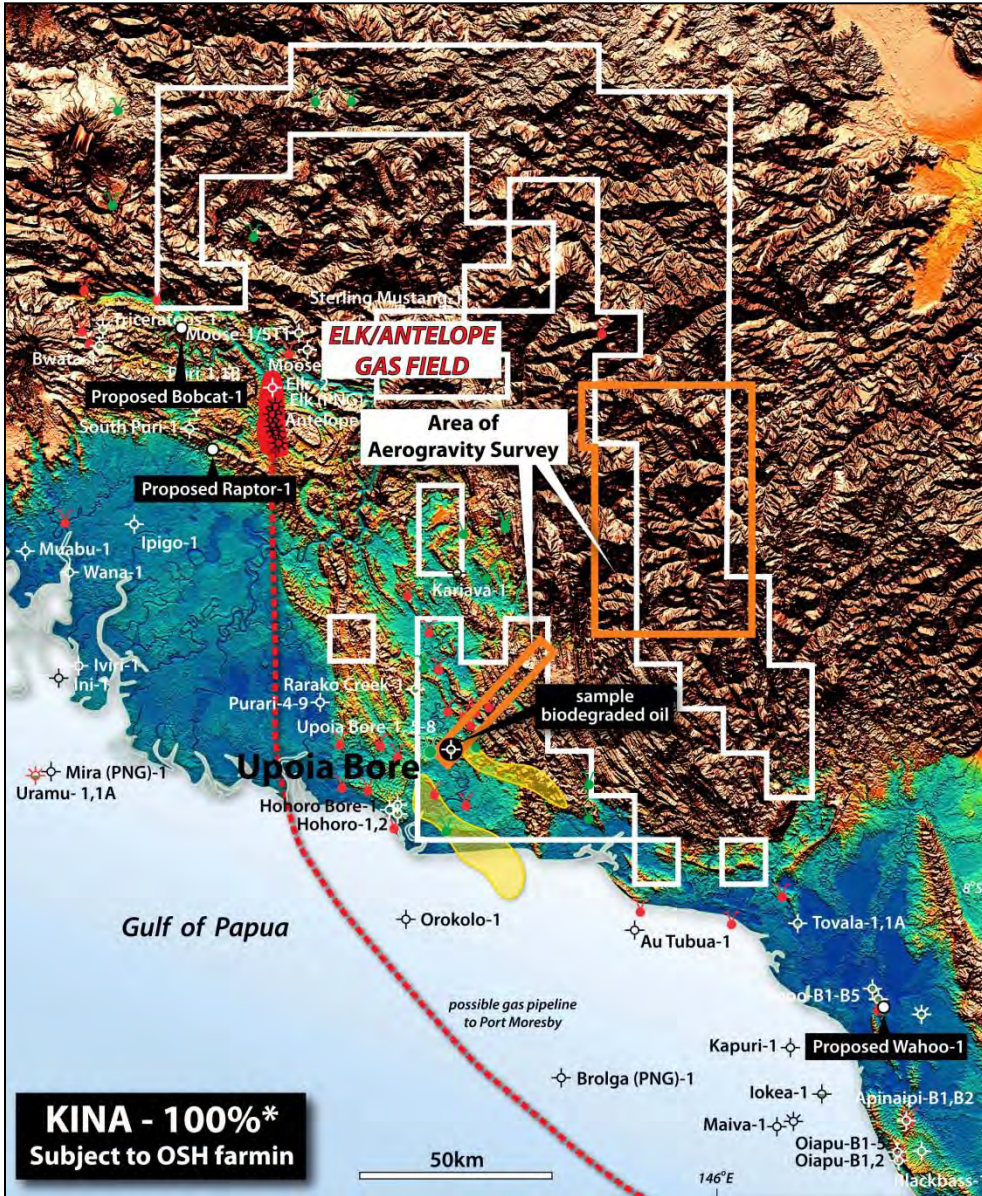
Section 1



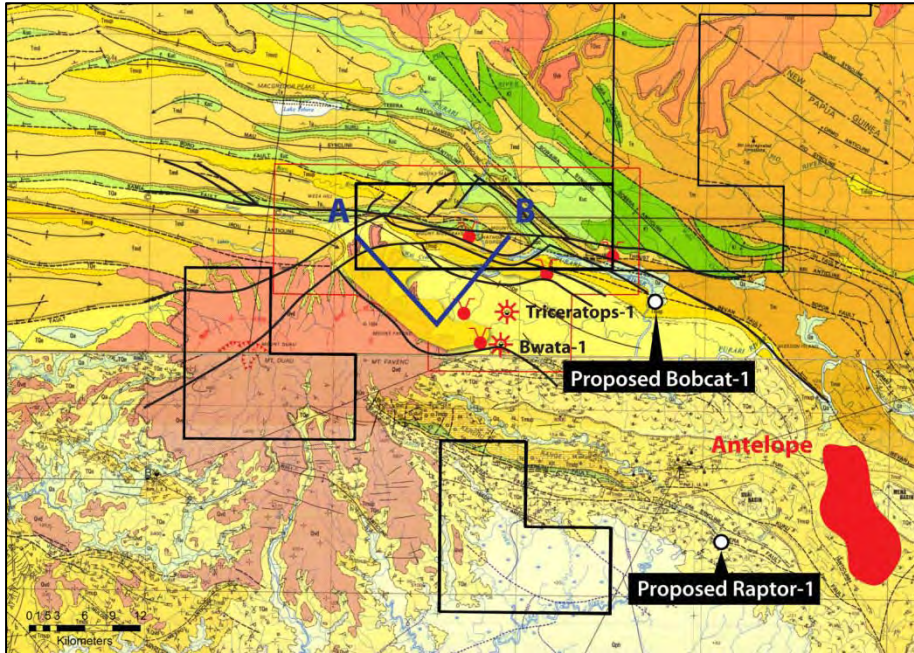
Section 2



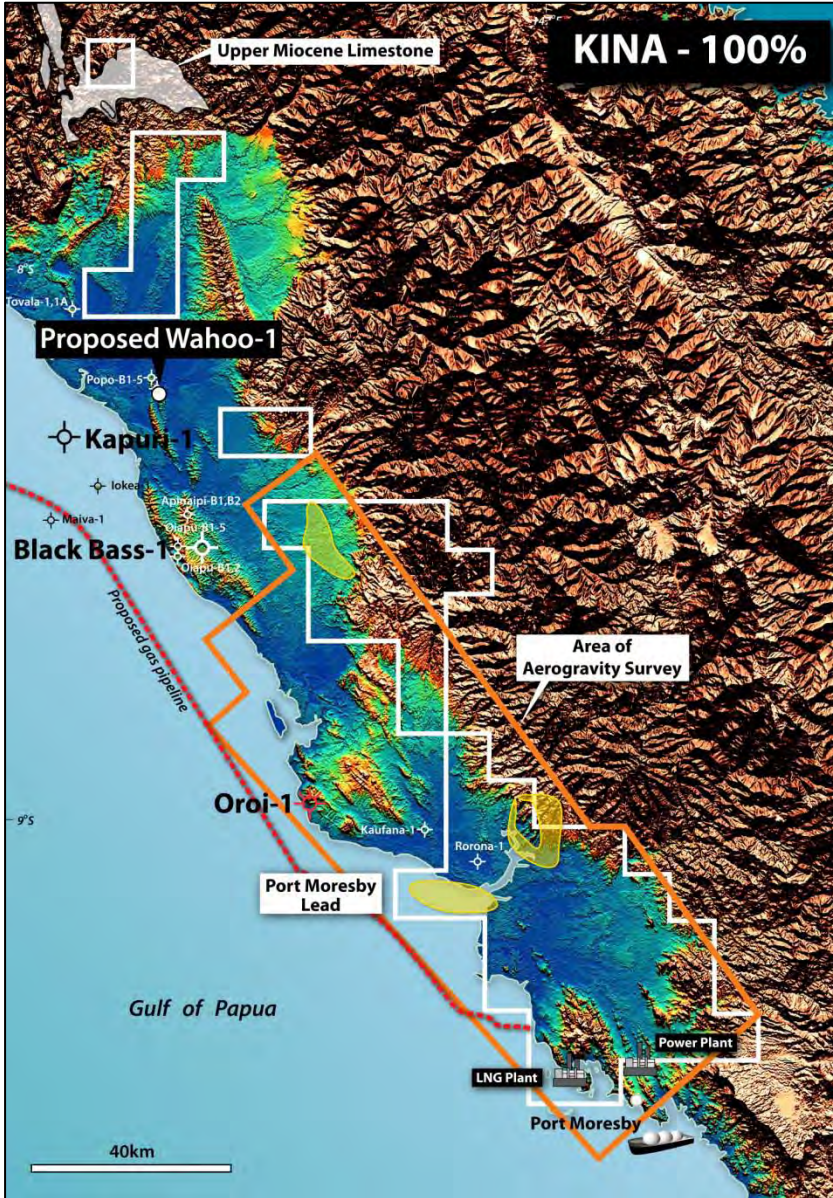




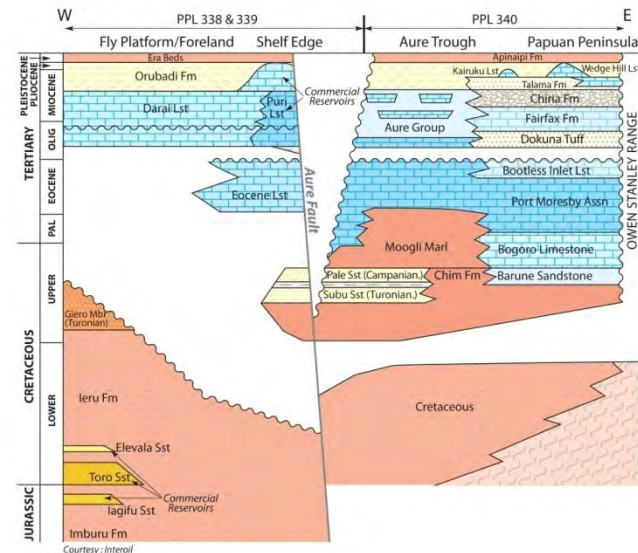
- Located at basin margin with wet gas and possibly oil potential.
- South East of Elk/Antelope discoveries
- Outcrop evidence supports extension of Miocene Pliocene reef play.
- Existing farmout arrangements with Oil Search.
- Seismic acquired 2011 but interpretation complicated by recent structure.
- Gradiometry completed.
- Oil seep analysis confirms active oil and gas kitchen at Upoia Bore.

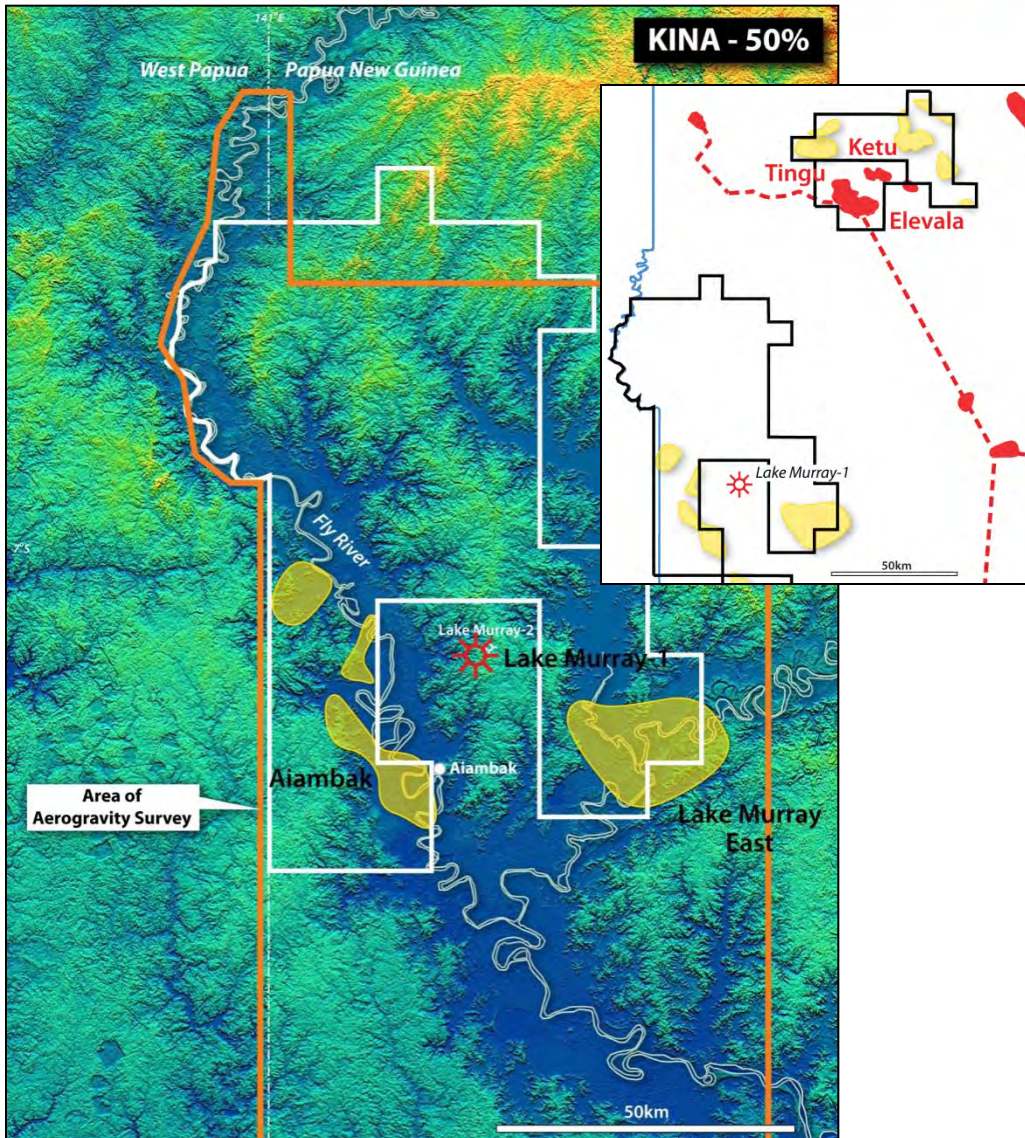


Geochemical screening analyses of two seep oils from Upoia-1 and Upoia-2 undertaken by CSIRO show biodegradation but the hopane biomarkers tentatively indicate that the Upoia-1 and Upoia-2 seep oils are similar and may have been generated from clay rich marine Jurassic or younger source rocks containing terrestrial organic matter.



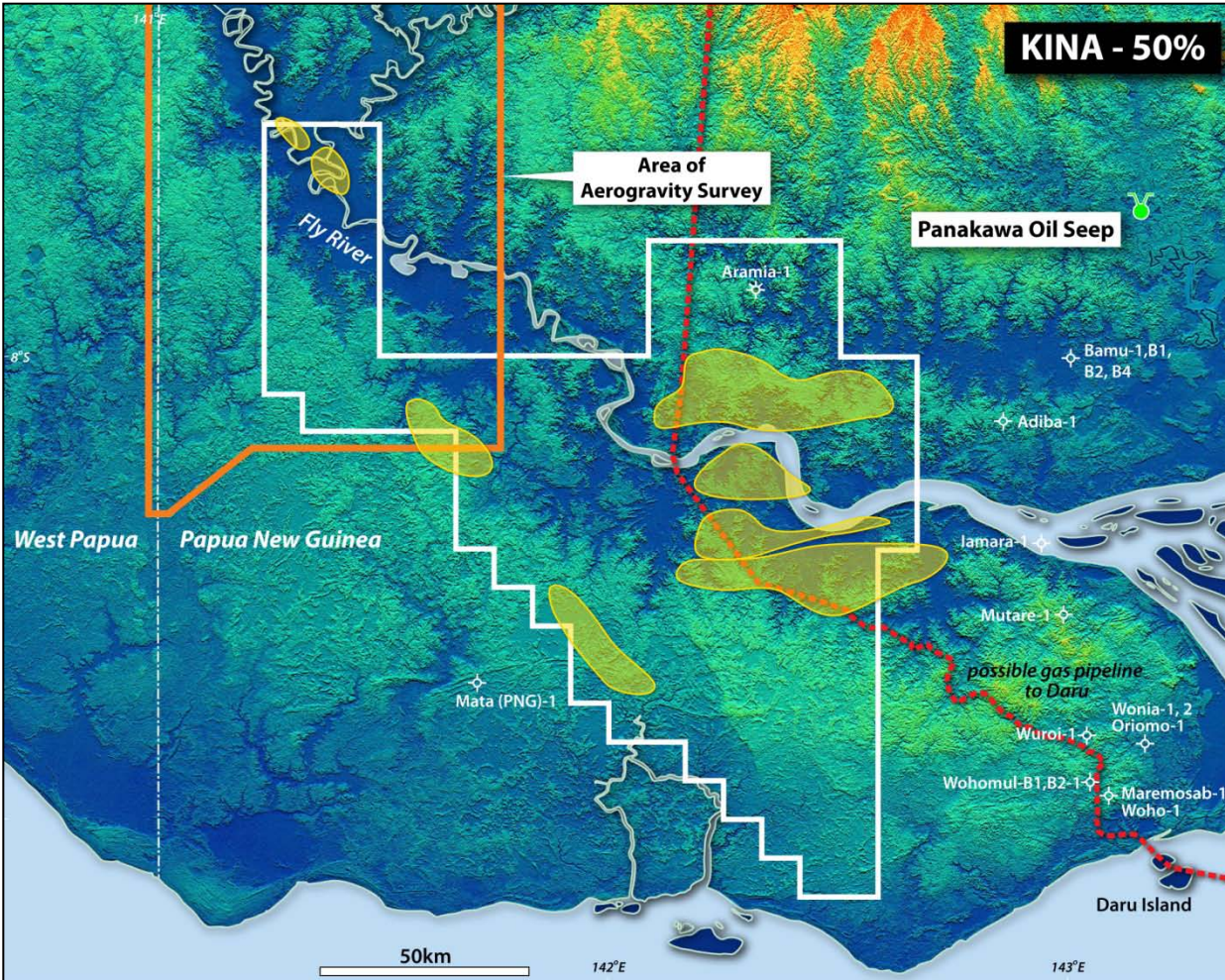
- Located in the east of PNG, close to Port Moresby.
- Mid Miocene to late Pliocene reefs evident from well and seismic data.
- 3 Leads: Port Moresby, Lizard , Rorona Updip
- Target is dry gas for power generation into Port Moresby.
- Aeromag and aerogravity completed.
- Seismic program to follow interpretation of aeromag and aerogravity and farmout





- Located in the Western Province up dip of the PRL 21 licence (approx 50kms to the north east)
- Targeting wet gas in multiple leads
- Wet gas confirmed in nearby Lake Murray 1 well.
- Aerogravity and aeromagnetic program underway.
- Commercially attractive due access to Fly River and Aiambak port
- Late Cretaceous and Elevala/Toro sandstones targets with secondary targets of Darai limestone.
- Prospective resources sizes* are multi TCF gas targets and oil targets of several hundred million bbls.

* Across multiple targets in the licence. Further evaluation is required to determine the existence of hydrocarbons, with recovery dependent on potential future development.



- Located in the southern part of the Western Province.
- Targeting basin margin wet gas and oil in multiple targets
- South and updip of active Panakawa oil seep.
- Aerogravity program has commenced.
- Five reservoir targets: Elevala, Toro, Imburu, Koi lange and Magobu.
- Commercially attractive because of access to Fly River and proximity of Daru Island.
- Prospective resources sizes* are multi TCF gas targets and oil targets of several hundred million bbls.

* Across multiple targets in the licence. Further evaluation is required to determine the existence of hydrocarbons, with recovery dependent on potential future development.



Kina

PETROLEUM LIMITED

phone +61 2 8247 2500
mobile +61 407 747 657 – Richard Schroder, CEO
+61 422 444 140 – Alex Mitchell, CFO
email richard.schroder@kinapetroleum.com
alex.mitchell@kinapetroleum.com
address Suite 6.03, 9-13 Young Street, Sydney
NSW, 2000 Australia

Southern Cross Pumps Building
Ground Floor, Unit 2
Section 62, Allotment 16
Ratu Place, Gordons, NCD

website www.kinapetroleum.com

