KINA PETROLEUM LIMITED
HALF YEAR REPORT

COMPANY NO. 1-63551 ARN 151 201 704

FOR THE HALF YEAR ENDED 30 JUNE 2017

The Directors present their half year report on the Company and its controlled entities for the half year ended 30 June 2017.

DIRECTORS

The names of Directors in office at any time during or since the end of the half year are:

Mr David Vance, Non-Executive Chairman appointed 6 November 2014 (appointed Chairman 11 September 2017)

Dr Ila Temu, Non-Executive Director appointed 31 May 2011

Mr Richard Schroder, Managing Director appointed 31 May 2011

Mr Barry Tan, Non-Executive Director appointed 1 March 2009

Mr Alain Vinson, Non-Executive Director appointed 11 September 2017

Mr Richard Robinson retired from the Board and resigned as Chairman on 24 May 2017.

Half year report to the Australian Stock Exchange

Kina Petroleum Limited (ASX: "KPL") currently maintains working interests in Petroleum Retention Licences (PRLs) 21 & 38 and 10 exploration licences in PNG. Operations during the half year involved exploration and appraisal activities on these licenses.

Operational Highlights and Updates

During the first half of 2017, Kina's focus was on securing extensions for two of its key legacy licences, PPLs 338 & 340, and confirming the award of 4 new licences which covered part of the PPL 338 licence area that was required to be relinquished. These 4 new licences were PPLs 581, 596, 597 & 598. The award of these 4 new licences and the extension of PPL 338 means that the company retains all of the PPL 338 acreage originally awarded to it in 2009.

With tenure secure, the company has a platform on which to build a farmout program which it will be actively pursuing over the next 6 – 12 months. The key feature of this program will be the location of these licences, being less than 50 kilometres from the Elk/Antelope discoveries in PRL 15 which are being developed by Total as part of the Papua LNG project.

In PNG more broadly, the company was pleased to see the continued evaluation of the Muruk discovery in the Western Highlands (operated by Oil Search; Kina has no interest) as the size of the hydrocarbon resource will be a factor in how other Western Province hydrocarbons will be commercialised. Elections were held in the June – August period and it is hoped that the continuity provided by re-election of the incumbent government will facilitate positive development decisions in the upstream sector of the oil and gas industry now that oil price appears to have settled around the $50/barrel mark.

Highlights for the half year ended 30 June 2017:

- **PRL 21 – In July 2017, Kina increased its interest to 16.75% following ministerial approval of the transfer of the licence interest formerly held by Mitsubishi Corporation, who withdrew in 2016. The first half of the year also saw the PRL 21/PDL 10 Joint Working Team focus its effort on a plan for an aggregated Western Province LNG development.**

- **PRL 38 – Kina completed its review of the Pandora 3D seismic and is encouraged by the results, identifying several prospects for either further seismic or drilling.**

- **PPL 338 (and 581, 596, 597 & 598) – The PPL 338 licence was renewed for a further 5 years commencing 31 January 2017, and the PPL 581, 596, 597 & 598 licences were awarded with 6 year terms commencing 31 January 2017 (for PPL 581) and 31 March 2017 for the other licences. Kina is now actively planning farmout programs.**

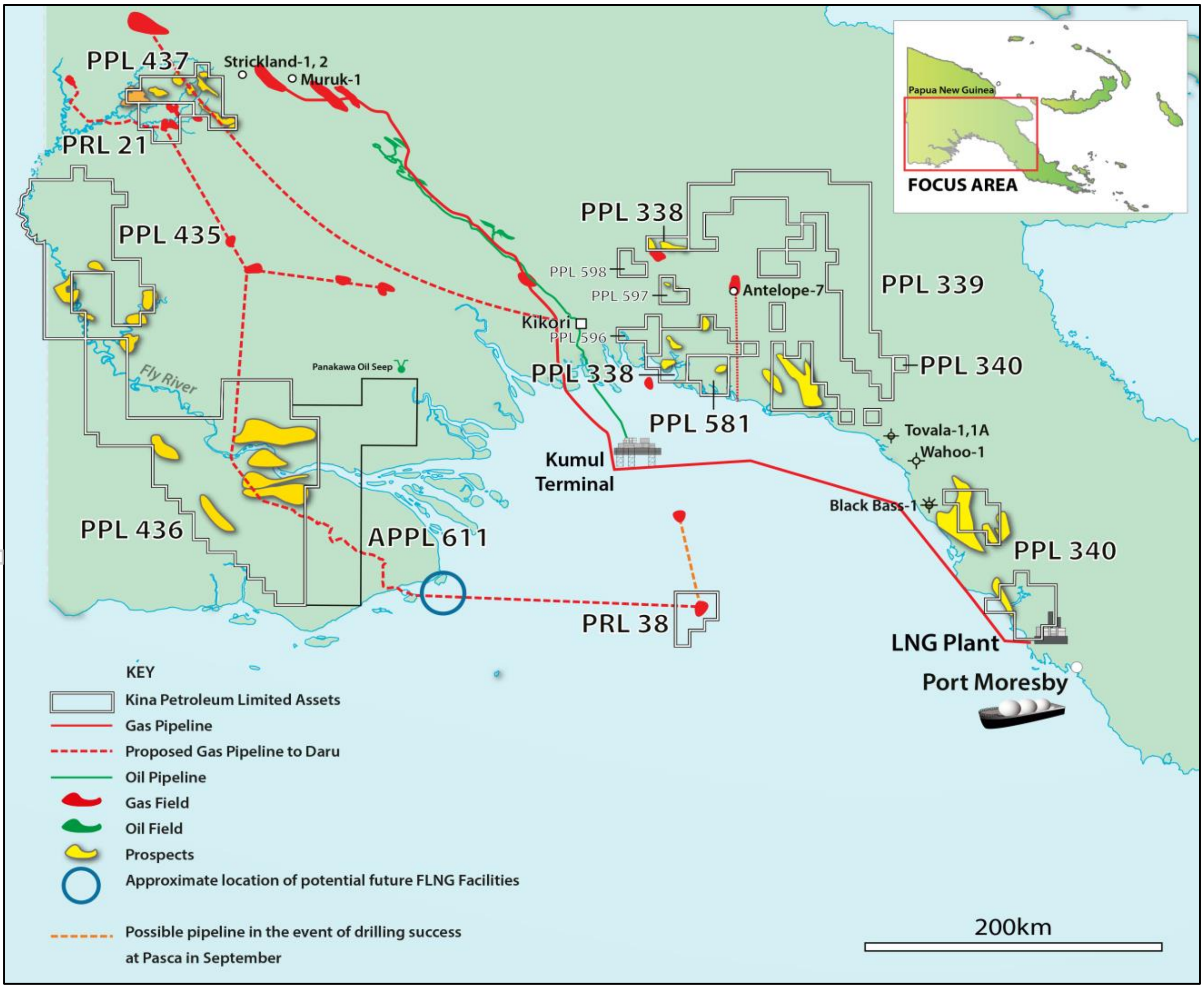
- **PPL 339 – Oil Search (PNG) Limited, as licence operator of PPL 339, continues to manage the licence extension process. Once extended, the joint venture will proceed to further evaluate the Kalangar prospect prior to drilling, likely in late 2018/early 2019. Kina is presently carried for approximately half of its share of the first well, and will seek to farmout part of its interest.**

- **PPL 340 – The licence was extended for 5 years with effect from 31 March 2017. Kina is now actively planning a farmout.**

- **PPL 435 & 436 – evaluation of re-processed seismic was completed and this has identified the Alligator, Aiambak and Aiambak South leads as key targets for seismic acquisition in the next 18 months, ahead of drilling in the second term of the licences.**

- **PPL 437 – Gravity and aeromagnetic coverage over PPL 437 is being integrated with PPLs 435 and 436 and costs to determine optimal seismic acquisition targets in the next 18 months.**

Map of Kina Petroleum's licence interests



Petroleum Retention Leases (PRLs) 21 & 38 – Resource monetization focus

KPL has a 16.75% working interest in PRL 21 and a 25% working interest in PRL 38.

In July of 2017, the PRL 21 joint venture received confirmation of ministerial approval of the withdrawal of Mitsubishi Corporation. The re-distribution of Mitsubishi's equity saw Kina's participating interest increase from 15% to 16.75%. Kina was pleased to receive this additional equity at no cost and with very manageable incremental expenditure commitments.

The increase in equity is an important additional component of the asset portfolio that Kina has available to contribute to the discovered resource base in Western Province – it is this resource base that is the focus of the development efforts of the PRL 21/PDL 10 joint working team ("JWT").

The JWT continues to focus on the development of a gas and liquids project and in the meantime, Kumul Petroleum Holdings, the State's Oil & Gas investment vehicle, continues its own pre-FEED and FEED work relating to a pipeline heading east out of Western Province towards Kopi. At the same time, Kina continues to evaluate the feasibility of a project that is spearheaded by early liquids production. Such a project may take the form of production testing given the potentially favourable fiscal arrangements associated with such testing, and particularly the value obtained from information regarding the reservoir.

PRL 38 is located offshore Gulf of Papua and contains the Pandora A & B gas discoveries. These discovered resources have come into heightened focus in light of the work being undertaken by the PRL 21/PDL 10 JWT, and more recently the plans of Twinza Oil to drill in the Pasca fields immediately to the north of PRL 38.

Whilst it is not inconceivable that gas from the Pandora fields could head west to tie into a Western Province development, successful results from Twinza's drilling could be the catalyst for an offshore development that ties in the Pasca and Pandora fields. In any event, technological developments in the industry, and economically within PNG itself, position PRL 38 gas well for potential future development and subsequent commercialisation.

Petroleum Prospecting Licenses (PPLs) 338, 581, 596, 597 & 598

Kina Interest: 100%

The PPL 338 extension and new licence areas PPLs 581 596, 597 & 598 have now all been issued. PPLs 596, 597 and 598 were issued with 6 year terms commencing on 31 March 2017.

The licences lie in the Tertiary carbonate play fairway south of Triceratops and Elk Antelope. Early to mid-Miocene reefs are recognised as having developed between the Aure Trough and the Fly Platform in the south. Foreland loading occurred in the late Miocene to Pliocene which has important implications for generation and migration of hydrocarbons into the Nipa, Mangrove and Crocodile Prospects.

Elk Antelope and Triceratops, in the neighbouring ExxonMobil operated licences, have been uplifted with respect to the prospects in PPL 338 locating the discoveries in high relief fold belt terrain. The bulk of Kina's assets are in the tilted foreland sequence close to the coast which allows good access and low cost exploration and development options for maturing the assets recognised within the licences. Nipa Mangrove and Crocodile will remain the focus of forward activity which will commence with acquisition of gravity and magnetic data to help constrain fault control critical to the prospects.

The seismic data in PPL 338 is too sparse to map the prospects to provide the degree of confidence required for drilling. It is Kina's intent to acquire gravity-gradiometry data in advance of seismic acquisition. Kina is seeking quotes for the acquisition of gravity and magnetic data and intends scouting areas where it intends to acquire future seismic.

Kina continues to have constructive discussions with potential farminees and these will progress in earnest once seismic and gravity costs are defined.

Petroleum Prospecting License (PPL) 339

Kina Interest: 30%.

PPL 339 is located in the eastern Papuan Basin, approximately 50km south and east of Elk Antelope. The PPL 339 extension process is being managed by licence Operator Oil Search (PNG) Limited in consultation with the PNG Department of Petroleum and Energy. As completion of the extension process is expected to occur in the second half of 2017, drilling of the first well is now likely to take place either in late 2018 or early 2019.

The Kalangar prospect, as the potential first drilling location, is located in the western portion of PPL 339, approximately 80km south and along trend from Antelope. It is located along the uplifted flank of the Aure Trough in foothill/foldbelt terrain. The rugged terrain and complicated structuring of the area has impacted seismic data quality, but modern airborne gravity data supports the presence of a large prospect at Kalangar. The difficult access and rugged terrain is reflected in exploration and drilling costs. In view of the need for additional geophysical control to determine the drilling location of the first well, and given the risk profile of the prospects, Kina will farm out any forward financial obligations in the licence. Kina is currently partially carried through the drilling of the first well by Oil Search Limited and will seek to limit any residual drilling cost exposure through farm out.

As mentioned last quarter the presence of a barrier reef system can be supported on the basis of regional well control and interpretation of our reprocessed seismic data. The presence of oil and gas seeps close to the prospect and its sheer size, based on the size of the gravity anomaly, warrant Kina's continued participation in the licence albeit at a lower level than the current 30%.

Kina is engaged in farmout related discussions in respect of future work in the licence.

Petroleum Prospecting License (PPL) 340

Kina interest: 100%

PPL 340 is in the eastern Papuan Basin located northwest of Port Moresby in an area of easy access from the capital. An extension of PPL 340 was awarded for a 5 year term commencing on 31 March 2017.

Kina is currently evaluating the location of future seismic lines to delineate the Lizard Prospect. Lizard is a large but poorly constrained reef prospect located on an Eocene uplift that separates the Miocene Lakekamu Trough from the uplifted shelf area to the south east. Lizard Prospect is a potentially large multi-TCF trap with a shallow reservoir objective of early to mid Miocene aged carbonate, very close to Port Moresby. Kina intends scouting Lizard to confirm seismic acquisition and likely drilling costs.

Forward activity in PPL 340 will form part of the multi-licence farm out effort being under taken by Kina.

Petroleum Prospecting Licenses (PPLs) 435 & 436

Kina Interest: 100% in both licences

The Alligator Prospect defines a very large closure on the Fly Platform within PPL 436. On the basis of regional seismic control Kina has been able to define an architecture that has been controlled by faults active during the break up of Gondwanaland and reactivated by the Coral Sea opening.

Closure of the Alligator structure is based on gravity and (limited) seismic data, with the structure itself mapped to be 300m to 400m up-dip of the Adiba-1 well, potentially covering an area of more than 1000km^2. Several other smaller closures have been recognised along trend from Alligator and Kina has made application for the extension of the trend to the east of PPL 436.

Preliminary analysis indicates that the Fly Platform formed as an antithetic block to the southern Australian shelf during the Eocene – post the Coral Sea opening. Tectonic movements at this time are not unreasonable and are consistent with what is seen on seismic data to the east. These early movements have offset Mesozoic reservoir sequences, establishing very large structural features capable of draining oil and gas generated in kitchens to the north and east. These kitchens are known to be currently generating oil based on measured flows at the Panakawa oil seep.

Alligator is one of 5 prospects currently recognised along the Fly River Fault in PPLs 435 and 436, with a further 2 leads recognised in the APPL 611 licence area immediately to the east of PPL 436.

The suite of Fly Platform prospects have many similarities to the offshore early Jurassic gas fields of the Northern Bonaparte Basin. The similarities make the Fly Platform an ideal area for exploration for future LNG supplies into both Australia and SE Asian markets because of:

- Similarities with a proven play type in mid Jurassic sandstone reservoirs on the Sahul Platform in the Bonaparte Basin;
- The very large size of the prospect inventory;
- Low cost of exploration by virtue of (i) good access via the Fly River into a benign operating environment, and (ii) existing track infrastructure conducive to low cost seismic and drilling operations using technology already field tested by Kina in PPL 337 in 2015; and
- Proximity to Daru Island where FLNG operations are being considered by other Western Province participants, particularly the PRL 21 and PDL 10 joint ventures.

Over the next quarter Kina will complete its review of options for a 200 to 300 km seismic survey over Alligator, Aiambak and Aiambak South and gravity acquisition over APPL 611. It is hoped that operations could commence in 2018 as part of a farm out program.

Petroleum Prospecting License (PPL) 437

Kina Interest: 57.5%

PPL 437 is located in the Western Province of PNG, immediately north of PRL 21 (Ketu-Elevala) and south of Hides, Muruk, Juha and P'nyang where multiple exploration targets exist in the Elevala, Toro Sandstones and Kimau Sands.

PPL 437 lies on a shelf between the Fly Platform and the Mesozoic depocentre to the north.

Stanley, Elevala and Ketu form foundation fields for a future FLNG development being evaluated and considered by the PDL 10 and PRL 21 Joint Ventures. Kina has defined the Malisa Prospect and the Ebony and Mango Leads in PPL 437 on the shelf between Elevala, Ketu and the trough to the north. The prospects lie an early Miocene embayment that has undergone loading during the Plio-Pleistocene thrusting from the north. Kina has identified a number of key characteristics that Malisa, Ebony and Mango share with Elevala and Ketu Fields which helps to high grade them relative to the Siphon-1 and Nama-1 wells, both of which intersected poor reservoir. Because of their proximity to a potential future PRL 21 development and their similarity to Elevala/Ketu, the JV believes the prospects will have farmout appeal. Kina and Heritage are finalising potential oil and gas volumes for the prospects in advance of expanding the scope of the farm out effort for PPL 437. To assist in locating the proposed seismic lines the gravity and magnetic are being merged with Kina's regional control to help define structural architecture of the shelf edge.

The commitment of the PNG Government and Kumul Petroleum Holdings to development of gas discoveries in Western Province is good for PPL 437 as future development infrastructure will pass through or very close to the licence.

Kumul has established a project team, based in Port Moresby and has entered into agreements for pre-FEED and FEED work. A concept study was completed in 2016 and a technical program manager has also been appointed to oversee planned completion of pre-FEED work in 2017. Kumul had advised FID for the pipeline project is scheduled for Q1 2018 and first gas intended from 2022.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2017

	2017	2016
	US$	**US$**
Revenue	**2,143**	2,678
Share-based payments	**(47,823)**	(32,925)
Administration expenses	**(361,428)**	(230,170)
Consultancy fees	**(192,860)**	(214,239)
Foreign exchange losses	**(23,068)**	(28,567)
Exploration expense	**(599,112)**	(951,085)
Loss before income tax	**(1,222,148)**	(1,454,308)
Income tax expense	**-**	-
Loss after income tax	**(1,222,148)**	(1,454,308)
Other comprehensive income		
Foreign currency translation difference	**30,709**	8,401
Other comprehensive income for the period	**30,709**	8,401
Total comprehensive loss for the period attributable to members of the Parent Entity	**(1,191,439)**	(1,445,907)

Earnings per share	**In US cents**	
From continuing operations:		
Basic loss per share	**(0.4)**	(0.47)
Diluted loss per share	**(0.4)**	(0.47)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	As at 30 June 2017 US$	As at 31 December 2016 US$
CURRENT ASSETS		
Cash and cash equivalents	**6,344,157**	7,145,597
Trade and other receivables	**53,866**	150,123
Other current assets	**54,543**	25,014
TOTAL CURRENT ASSETS	**6,452,566**	7,320,734
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	**25,416,970**	25,891,337
Plant and equipment	**13,506**	14,307
Other non-current assets	**308,700**	214,480
TOTAL NON-CURRENT ASSETS	**25,739,176**	26,120,124
TOTAL ASSETS	**32,191,742**	33,440,858
CURRENT LIABILITIES		
Trade and other payables	**351,818**	457,318
TOTAL CURRENT LIABILITIES	**351,818**	457,318
NET ASSETS	**31,839,924**	32,983,540
EQUITY		
Issued capital	**49,637,070**	49,389,418
Reserves	**(102,347)**	66,773
Accumulated losses	**(17,694,799)**	(16,472,651)
TOTAL EQUITY	**31,839,924**	32,983,540

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 30 June 2017

	Ordinary Issued Capital US$	Accumulated Losses US$	Reserves US$	Total US$
For the period 1 January 2017 to 30 June 2017				
Balance at 1 January 2017	**49,389,418**	**(16,472,651)**	**66,773**	**32,983,540**
Loss for the period	**-**	**(1,222,148)**	**-**	**(1,222,148)**
Other comprehensive income				
Foreign currency translation difference for the period, net of tax	**-**	**-**	**30,709**	**30,709**
Total comprehensive income	**-**	**(1,222,148)**	**30,709**	**(1,191,439)**
Transactions with owners in their capacity as owners:				
Directors' shares issued per Employee Incentive Plan	**232,550**	**-**	**(232,550)**	**-**
Employee shares issued per Employee Incentive Plan	**15,102**	**-**	**-**	**15,102**
Share entitlement under Employee Incentive Plan	**-**	**-**	**32,721**	**32,721**
Balance at 30 June 2017	**49,637,070**	**(17,694,799)**	**(102,347)**	**31,839,924**

	Ordinary Issued Capital US$	Accumulated Losses US$	Reserves US$	Total US$
For the period 1 January 2016 to 30 June 2016				
Balance at 1 January 2016	49,389,418	(13,688,840)	5,826	35,706,404
Loss for the period	-	(1,454,308)	-	(1,454,308)
Other comprehensive income				
Foreign currency translation difference for the period, net of tax	-	-	8,401	8,401
Total comprehensive income	-	(1,454,308)	8,401	(1,445,907)
Transactions with owners in their capacity as owners:				
Share entitlement under Employee Incentive Plan	-	-	32,925	32,925
Balance at 30 June 2016	49,389,418	(15,143,148)	47,152	34,293,422

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2017

	2017	2016
	US$	US$
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	**(618,801)**	(585,593)
Interest received	**2,143**	2,678
Net cash used in operating activities	**(616,658)**	(582,915)
CASH FLOW FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	**(807,810)**	(1,180,441)
Payment received for assumption of restoration obligation	**623,028**	-
Net cash used in investing activities	**(184,782)**	(1,180,441)
Net decrease in cash and cash equivalents held	**(801,440)**	(1,763,356)
Cash at beginning of year	**7,145,597**	10,342,756
Cash at end of period	**6,344,157**	8,579,400

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half year ended 30 June 2017

Note 1 - Basis of preparation

The half year financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting.

The half year financial statements do not include all of the information required for full-year financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016.

The accounting policies applied by the Company in the consolidated financial statements for the year ended 31 December 2016 have been applied consistently with the half year financial statements.

Comparative information has been presented in the financial statements to enable an understanding of the results and financial position for the half year ended 30 June 2017.

Going concern
These financial statements have been prepared on a going-concern basis which assumes that the Company will continue to progress its exploration and development activities in accordance with its normal plans. The directors believe that the Company is able to meet its debts as and when they fall due for at least the next 12 months.

Note 2 - Cash

	As at 30 June 2017 US$	As at 31 December 2016 US$
(a) Composition of cash		
Cash at bank	**6,344,157**	7,145,597

(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities	Half year ended 30 June 2017 US$	Half year ended 30 June 2016 US$
Loss from ordinary activities after income tax	**(1,222,148)**	(1,454,308)
Add Back		
Non-cash expense – shared based payments	**47,823**	32,925
Non-cash expense – depreciation	**2,064**	5,139
Non-cash (income)/expense – foreign exchange loss	**23,068**	28,567
Non-operating item – exploration expense relating to investment activity	**599,112**	951,085
Changes in assets and liabilities relating to operations:		
- Decrease in receivables	**25,165**	15,455
- (Increase) in other current assets	**(29,528)**	-
- Decrease in trade and other payables	**(62,214)**	(161,778)
Net cash used in operating activities	**(616,658)**	(582,915)

Note 3 - Segment information

(a) Identification of reportable segments

The consolidated group has identified its reportable segments based on the location of its exploration assets within Papua New Guinea.

- PPLs 338, 339, 340, 581, 596, 597 & 598 – located in the Southern Papuan Basin which is a proven hydrocarbon province
- PPLs 435, 436 and 437 – located in the Western Papuan Basin, adjacent to PRL 21.
- Petroleum Retention License (PRL) 21 – located in the Western Province of PNG and contains three wet gas discoveries. The Group has a 16.75% interest in PRL 21 which is governed by a Joint Operating Agreement.
- Petroleum Retention License (PRL) 38 – located in the Gulf of Papua and containing the Pandora Gas fields. The Group has a 25% interest in PRL 38 and at the date of this report is negotiating a Joint Operating Agreement.

(b) Segment information

30 June 2017	Balance at beginning of the period	Exploration costs incurred/ (credited)	Exploration costs expensed	Balance at period end	% of total expenditure
	US$	US$	US$	US$	%
PPL 338	13,767	40,699	(40,699)	13,767	0.05
PPLs 581/596/597/598	-	3,766	(3,766)	-	0.00
PPL 339	25,017	40,316	(40,316)	25,017	0.10
PPL 340	16,205	37,829	(37,829)	16,205	0.06
PPL 435	26,611	24,793	(24,793)	26,611	0.11
PPL 436	24,604	32,563	(32,563)	24,604	0.10
PPL 437	5,694	24,971	(24,971)	5,694	0.02
PRL 21	21,694,118	(153,254)	(321,113)	21,219,751	83.49
PRL 38	4,085,321	73,060	(73,060)	4,085,321	16.07
	25,891,337	**124,743**	**(599,110)**	**25,416,970**	**100.00**

30 June 2016	Balance at beginning of the period	Exploration costs incurred	Exploration costs expensed	Balance at period end	% of total expenditure
	US$	US$	US$	US$	%
PPL 337	19,205	18,209	(37,414)	-	-
PPL 338	13,767	68,556	(68,556)	13,767	0.05
PPL 339	25,017	255,777	(255,777)	25,017	0.10
PPL 340	16,205	27,677	(27,677)	16,205	0.06
PPL 435	26,611	116,687	(116,687)	26,611	0.11
PPL 436	24,604	27,024	(27,024)	24,604	0.10
PPL 437	5,694	48,099	(48,099)	5,694	0.02
PRL 21	21,224,211	421,679	(250,179)	21,395,712	83.60
PRL 38	4,085,321	119,672	(119,672)	4,085,321	15.96
	25,440,635	**1,103,380**	**(951,085)**	**25,592,931**	**100.00**

Note 4 – Controlled entities
Controlled Entities Consolidated

Subsidiaries of Kina Petroleum Limited	Country of incorporation	Percentage Owned (%) As at 30 June 2017	Percentage Owned (%) As at 30 June 2016	Contribution to net loss For the half year ended 30 June 2017	Contribution to net loss For the half year ended 30 June 2016
Kina Oil and Gas Pty Ltd	Australia	**100**	100	**100**	(26,753)
Kina Petroleum (PRL 21) Ltd	PNG	**100**	100	**(322,917)**	(233)
Kina Petroleum (PRL 38) Ltd	PNG	**100**	100	**(74,063)**	(233)
Kina Petroleum (PPL 337) Ltd*	PNG	**100**	100	**-**	(233)
Kina Petroleum (PPL 338) Ltd*	PNG	**100**	100	**(985)**	(233)
Kina Petroleum (PPL 339) Ltd	PNG	**100**	100	**(42,070)**	(233)
Kina Petroleum (PPL 340) Ltd*	PNG	**100**	100	**(985)**	(233)
Kina Petroleum (PPL 435) Ltd*	PNG	**100**	100	**(985)**	(233)
Kina Petroleum (PPL 436) Ltd*	PNG	**100**	100	**(985)**	(233)
Kina Petroleum (PPL 437) Ltd*	PNG	**100**	100	**(985)**	(233)

Kina Oil and Gas Pty Limited was acquired on 24 May 2011 through the issue of 10,035,801 shares at a cost of US$765,808.
Kina Petroleum (PRL 21) Limited was acquired on 19 October 2015 for consideration of K 1.00.
Kina Petroleum (PPL 339) Limited was acquired on 28 October 2015 for consideration of K 1.00.
Kina Petroleum (PRL 38) Limited and Kina Petroleum (PPL 337) Limited were incorporated on 10 November 2015, each with share capital of US$ 0.34.
The other subsidiaries noted above were incorporated on 10 November 2015, each with share capital of US$ 0.34.

* These entities were dormant at 30 June 2017.

Note 5 - Earnings per share

	For the half year ended 30 June 2017	For the half year ended 30 June 2016
	US$	**US$**
Operating loss after income tax used in the calculation of basic and diluted loss per share	**(1,222,148)**	(1,454,308)
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic loss per share	**306,951,102**	306,898,921
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted loss per share	**306,951,102**	306,898,921

Note 6 – Subsequent events

There were no events subsequent to balance date of a material nature.

Company details

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Papua New Guinea

PRINCIPAL PLACE OF BUSINESS

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9 – 13 Young Street
Sydney NSW 2000

Papua New Guinea
Level 10, Pacific Place
Corner of Musgrave St and Champion Pde
Port Moresby, National Capital District
Papua New Guinea

In accordance with a resolution of the Directors of the Company, the Directors declare that:

1. the attached condensed financial statements and notes thereto of the consolidated entity, as set out on pages 6 to 13:

   (a) give a true and fair view of the financial position of the Group as at 30 June 2017 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and

   (b) comply with International Accounting Standards IAS34: Interim Financial Reporting, other generally accepted accounting practices in Papua New Guinea, and ASX listing rules relating to half yearly financial reports;

2. the Managing Director and Chief Financial Officer have each declared that:

   (a) the financial records of the Company for the half year ended 30 June 2017 have been properly maintained;

   (b) the condensed financial statements and notes comply with International Accounting Standard IAS34: Interim Financial Reporting and ASX listing rules relating to half yearly financial reports;

   (c) the condensed financial statements and notes give a true and fair view of the financial position of the Group as at 30 June 2017 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date.

3. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated this 12th day of September 2017

Richard Schroder
Managing Director

Report on review of interim financial information

to the Directors of Kina Petroleum Limited

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kina Petroleum Limited (the Company) and its subsidiaries (the Group) as at 30 June 2017 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the half-year then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting'.

Restriction on distribution or use

This report is made solely to the Directors of the Company, as a body. Our review work has been undertaken so that we might state to the Directors those matters which we are required to state to them in our review report and for no other purpose. We do not accept or assume responsibility to anyone other than the Directors of the Company, as a body, for our review work, for this report or for the conclusions we have formed.

PricewaterhouseCoopers

PricewaterhouseCoopers

Christopher Hansor
Partner
Registered under the Accountants Act 1996

Port Moresby
12 September 2017

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