



Kina
PETROLEUM LIMITED

PNG Company Number
1-63551

November 2015

PNG CHAMBER OF MINES & PETROLEUM

**STRATEGY FOR SUCCESS IN
LOW OIL PRICE ENVIRONMENT**



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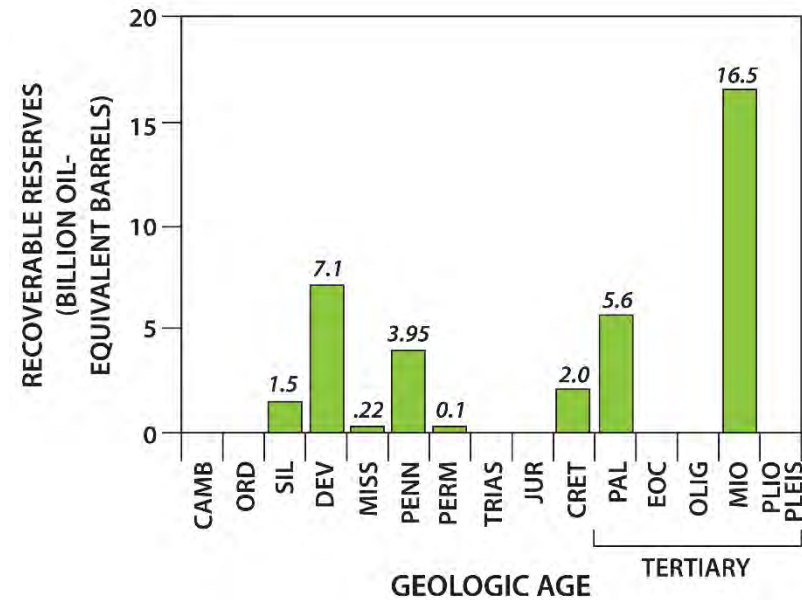
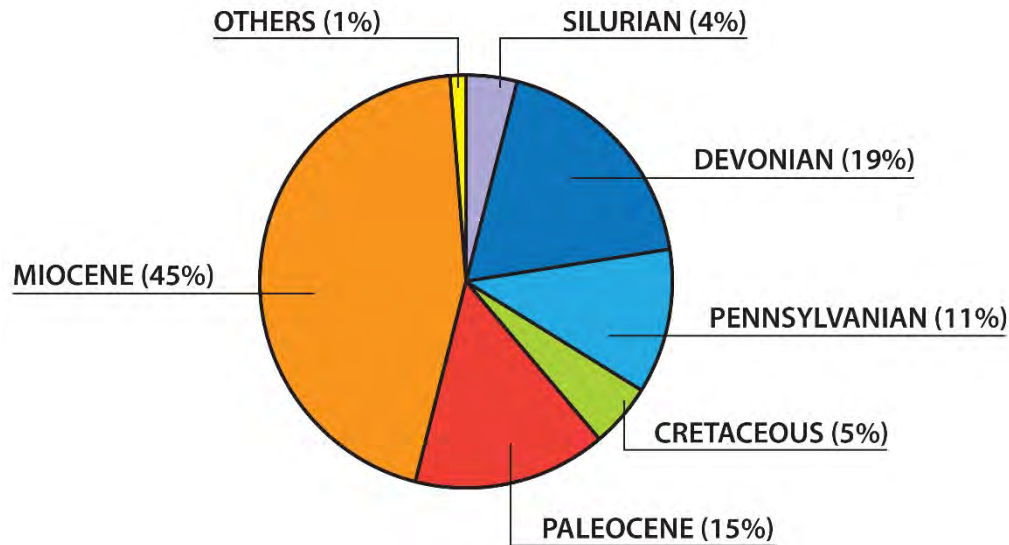
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Competent Person Statement

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.

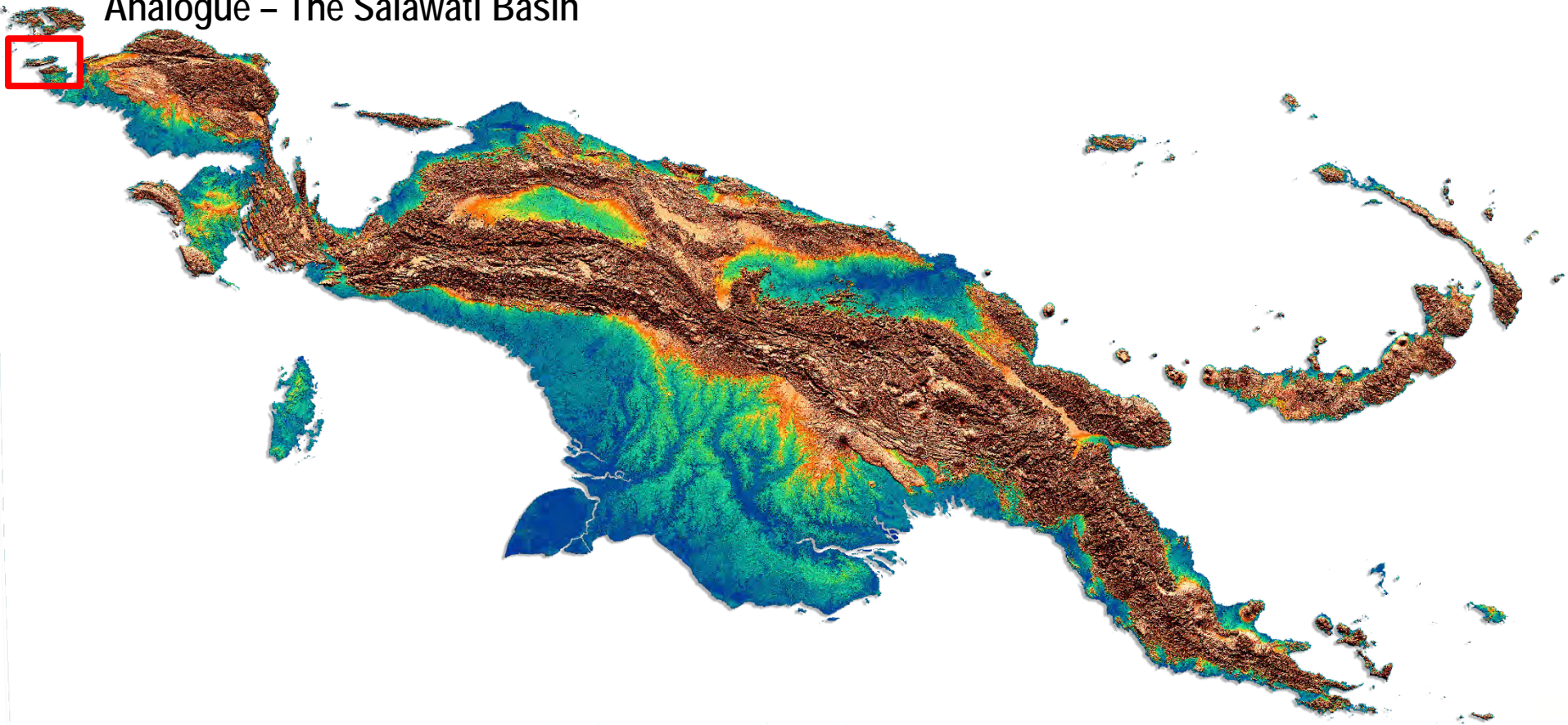
"45% of carbonate hydrocarbon reserves are in Miocene age reservoirs"

AAPG Memoir57 1993

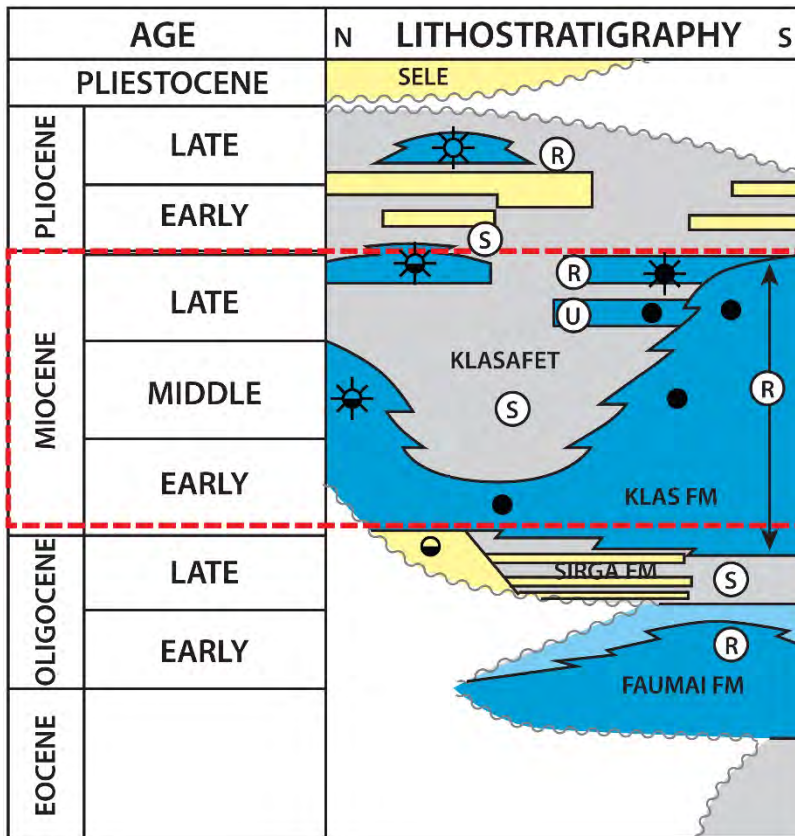


Prospectivity of Miocene Carbonates already well established in the Birdshhead of New Guinea

Analogue – The Salawati Basin



Prospectivity of Miocene Carbonates already well established in the Birdshhead of New Guinea



East west trending Miocene foreland basin

30 Hydrocarbon fields discovered

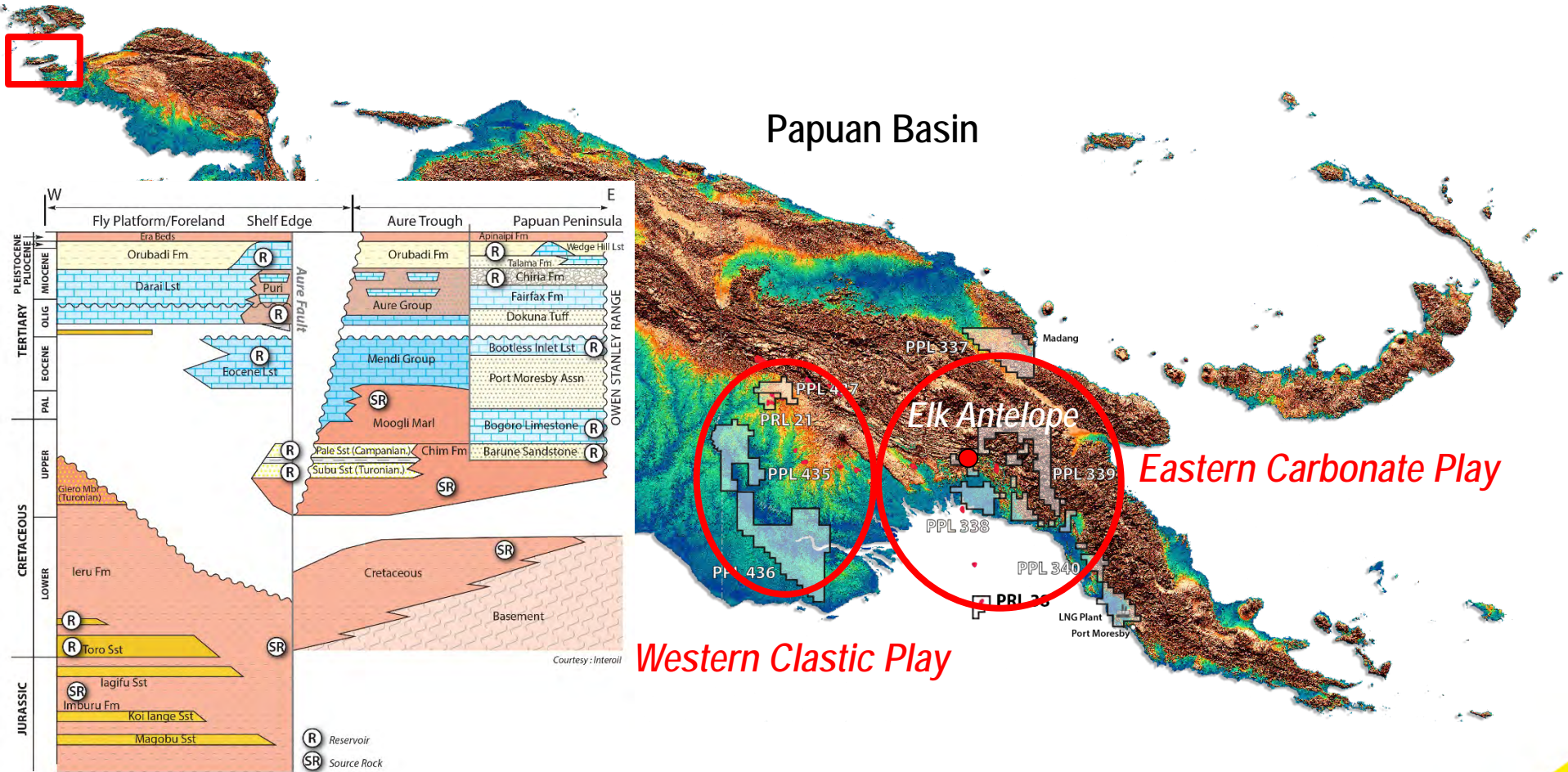
80% gas 20% oil

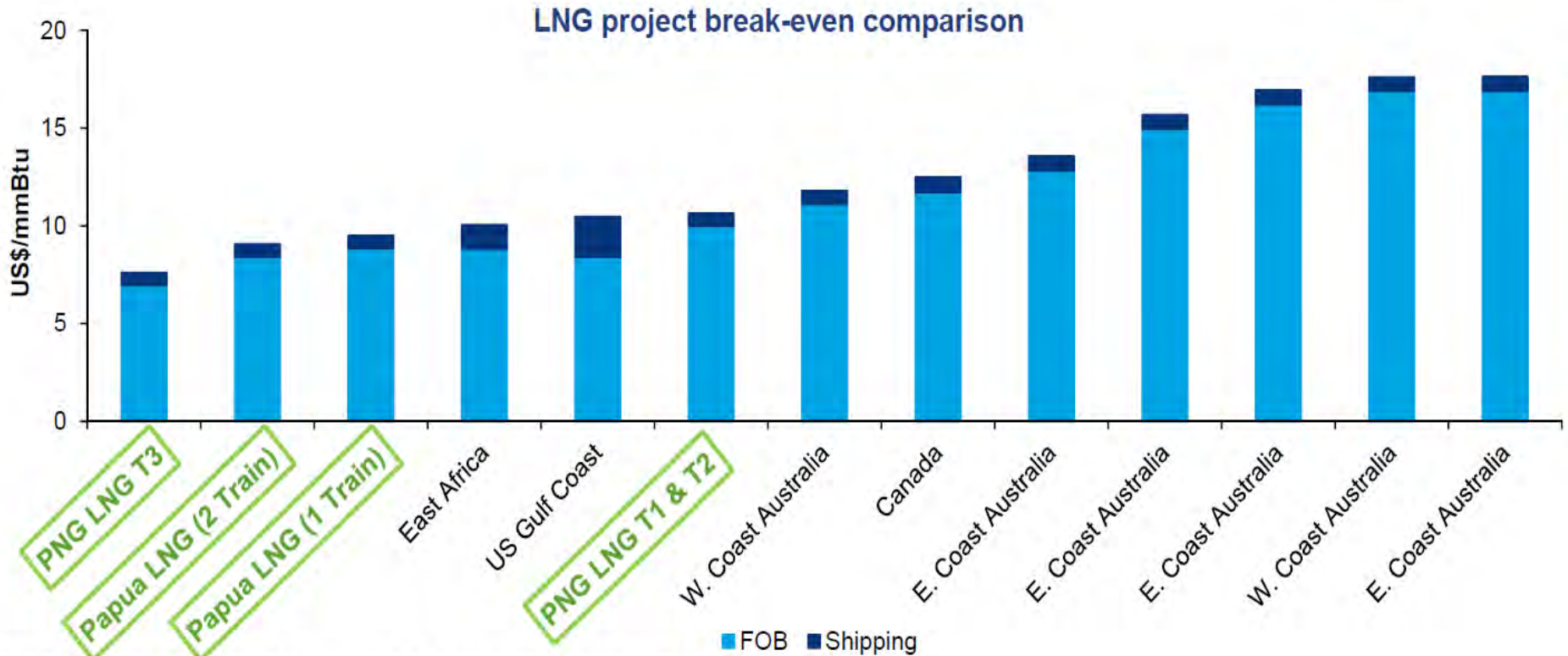
Proven reserves

Oil 500MMBO; Gas 400BCF

“Previous exploration overlooked prospectivity because the area was misinterpreted as basinal facies devoid of reefal buildups”
 (Satyana 2003)

PNG Miocene Carbonate Play could greatly exceed the value of the proven western clastic play

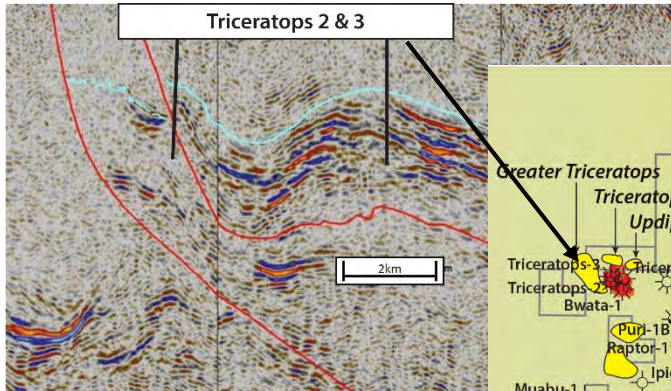




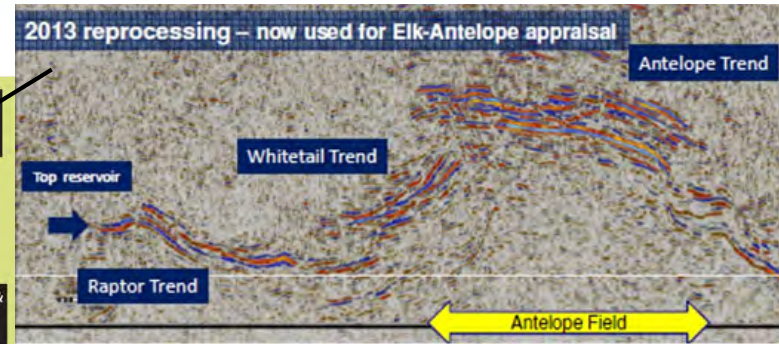
Source: Wood Mackenzie, full-life breakeven, 12% discount rate, Shipping costs are to Japan

» PNG LNG well placed compared to recently commissioned Australian projects

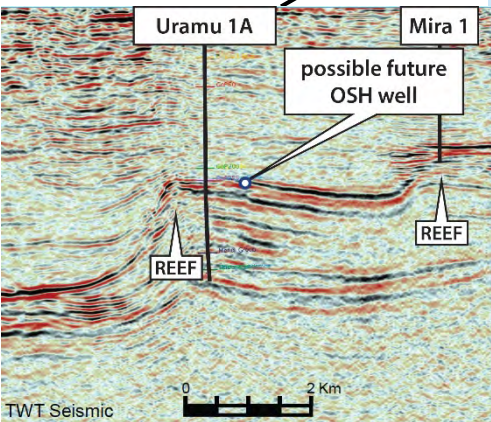
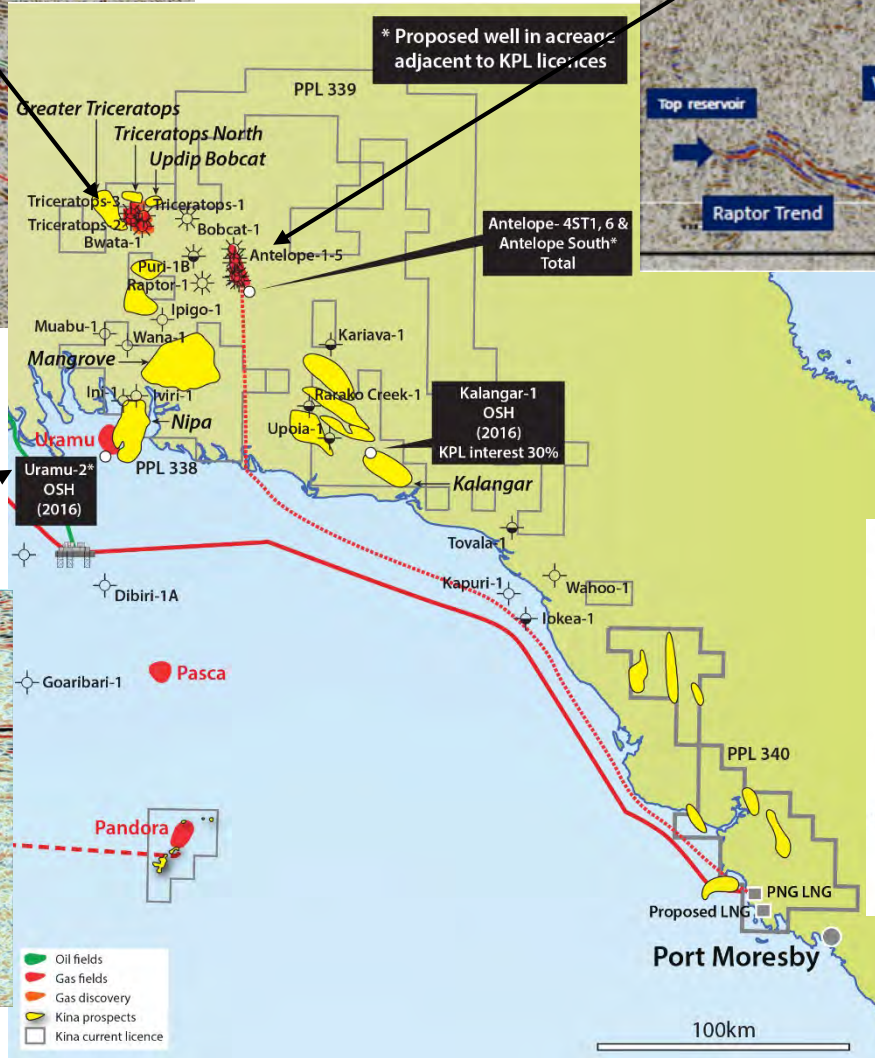
Kina well positioned in the Eastern Carbonate Play Fairway



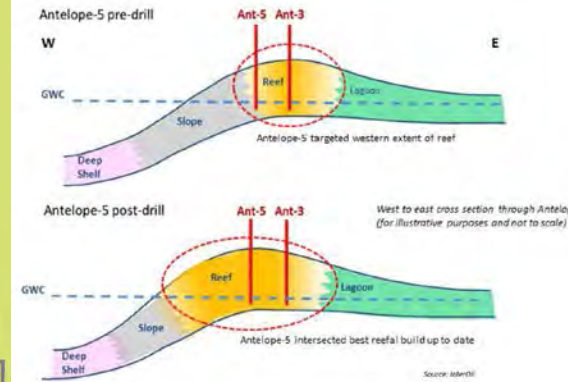
Courtesy Interoil



Courtesy Interoil

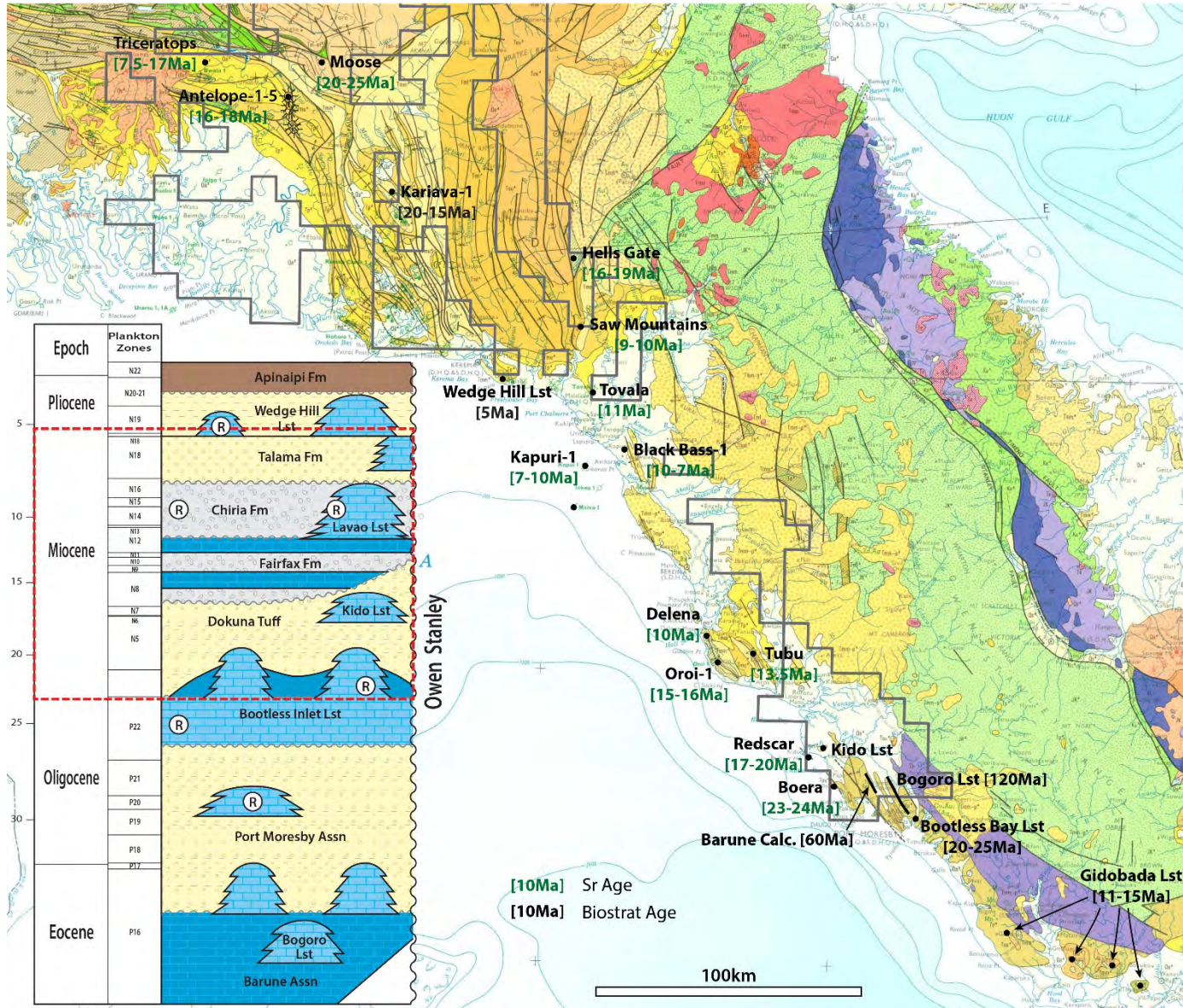


Courtesy OSH

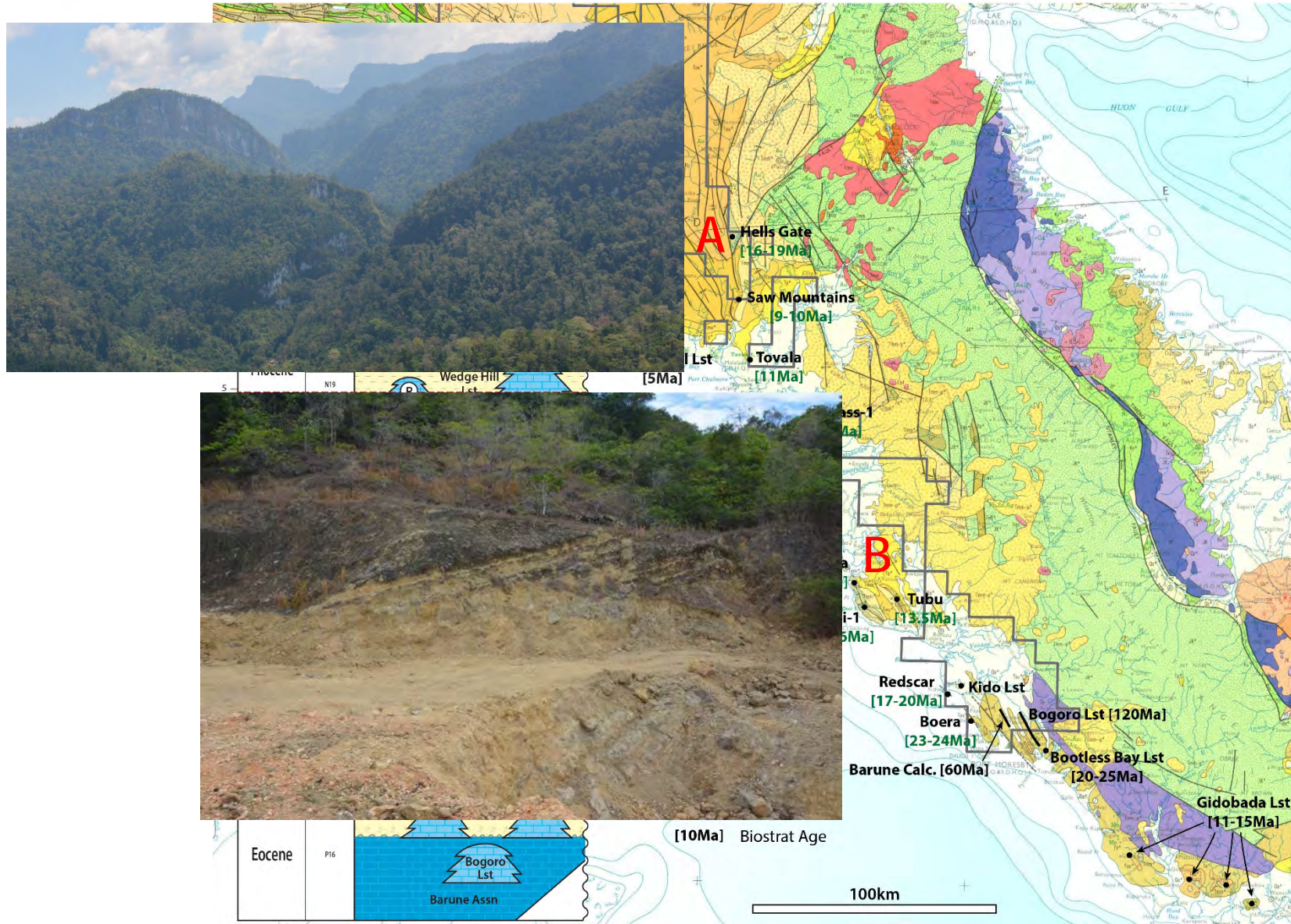


Courtesy Interoil

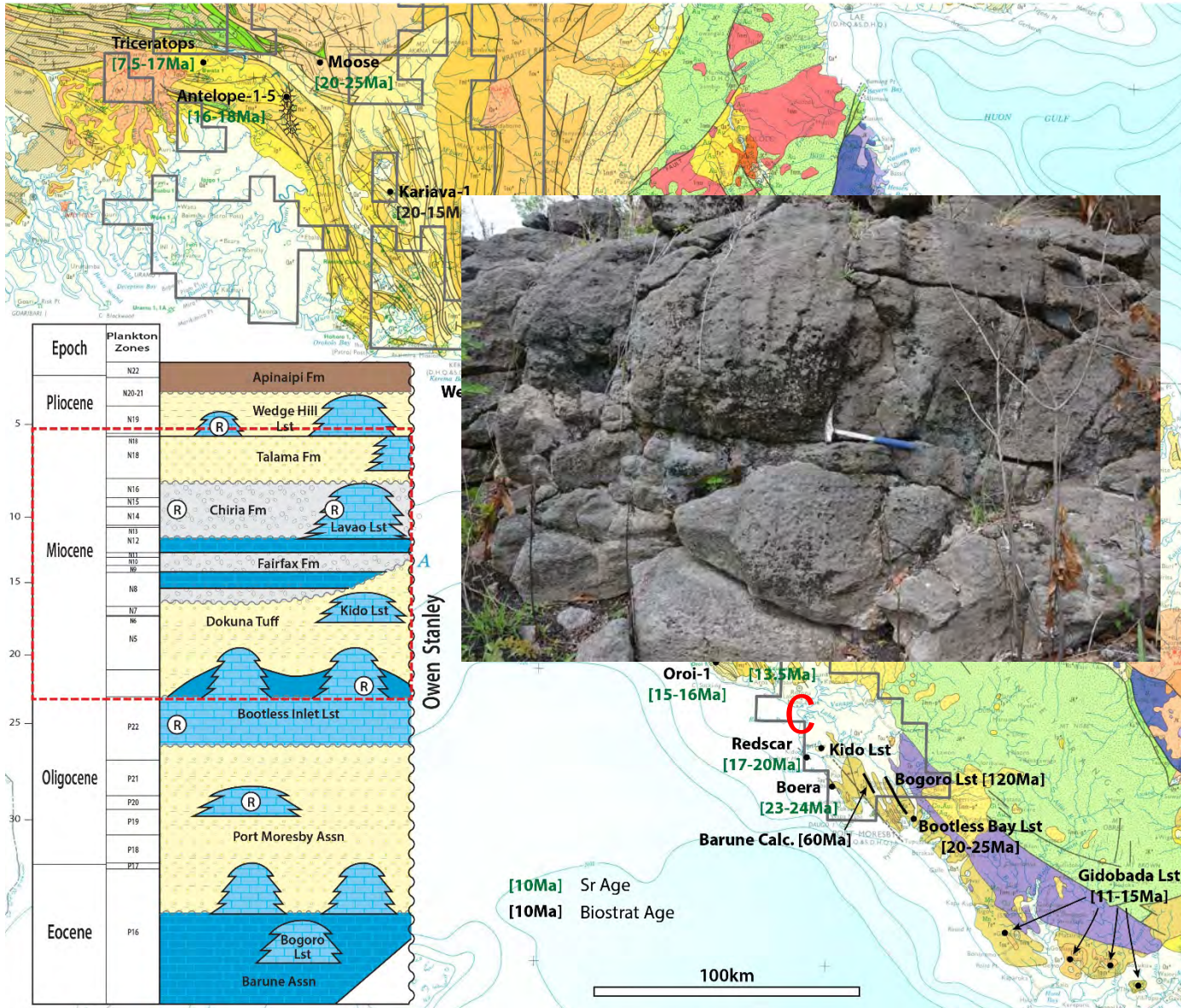
Miocene Carbonates along Papuan coast confirm reefal play in PPL 340 currently Kina 100%



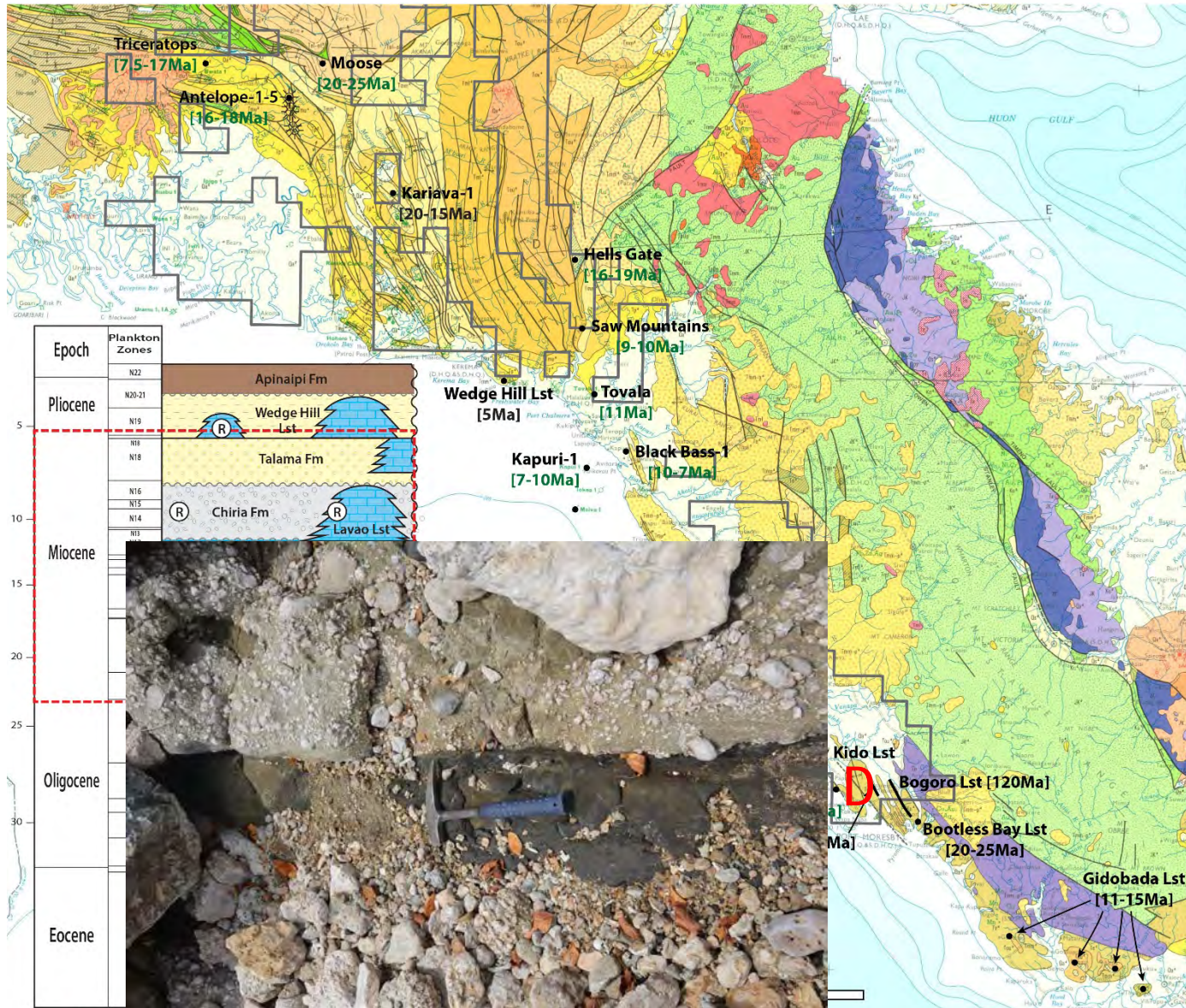
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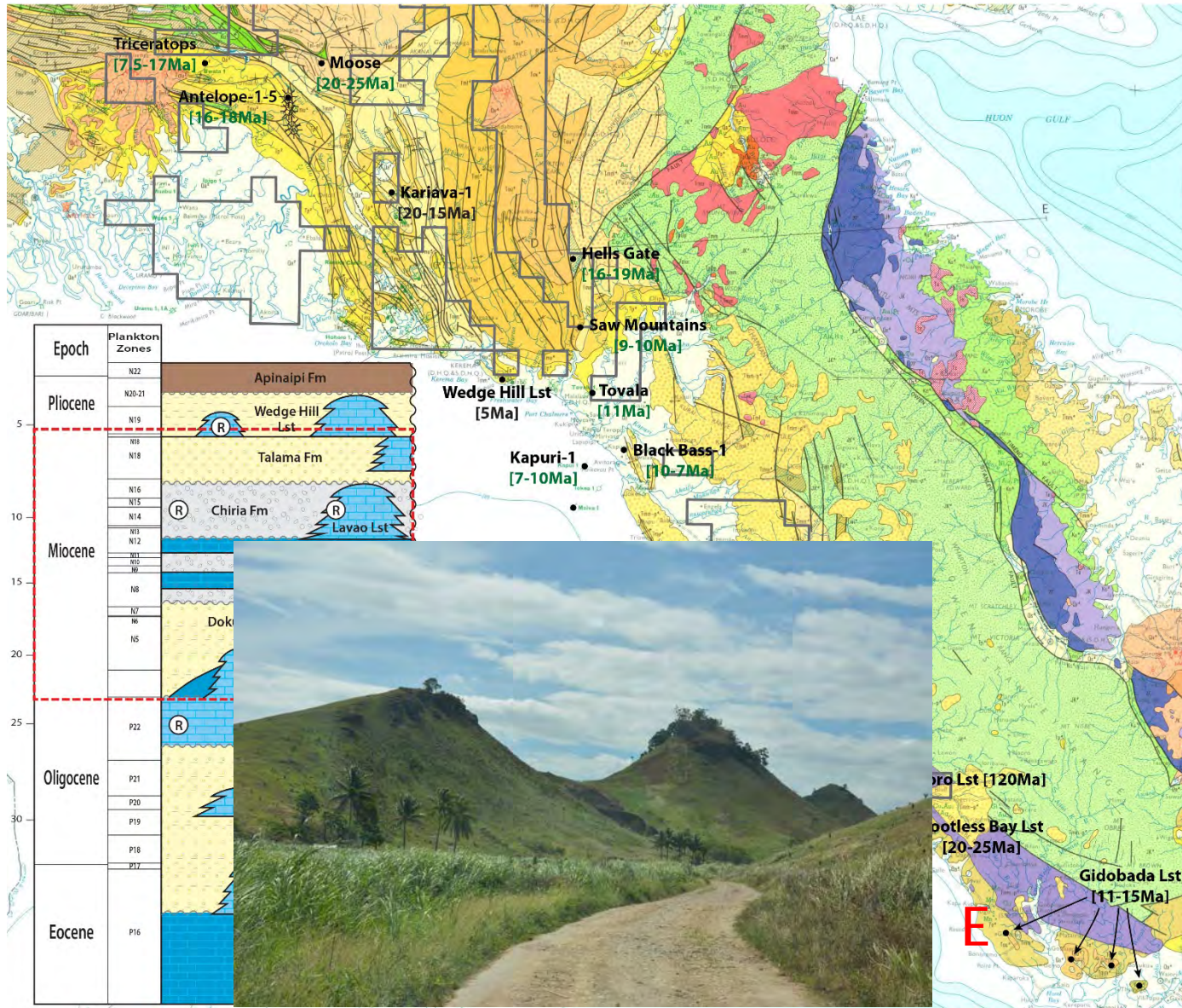
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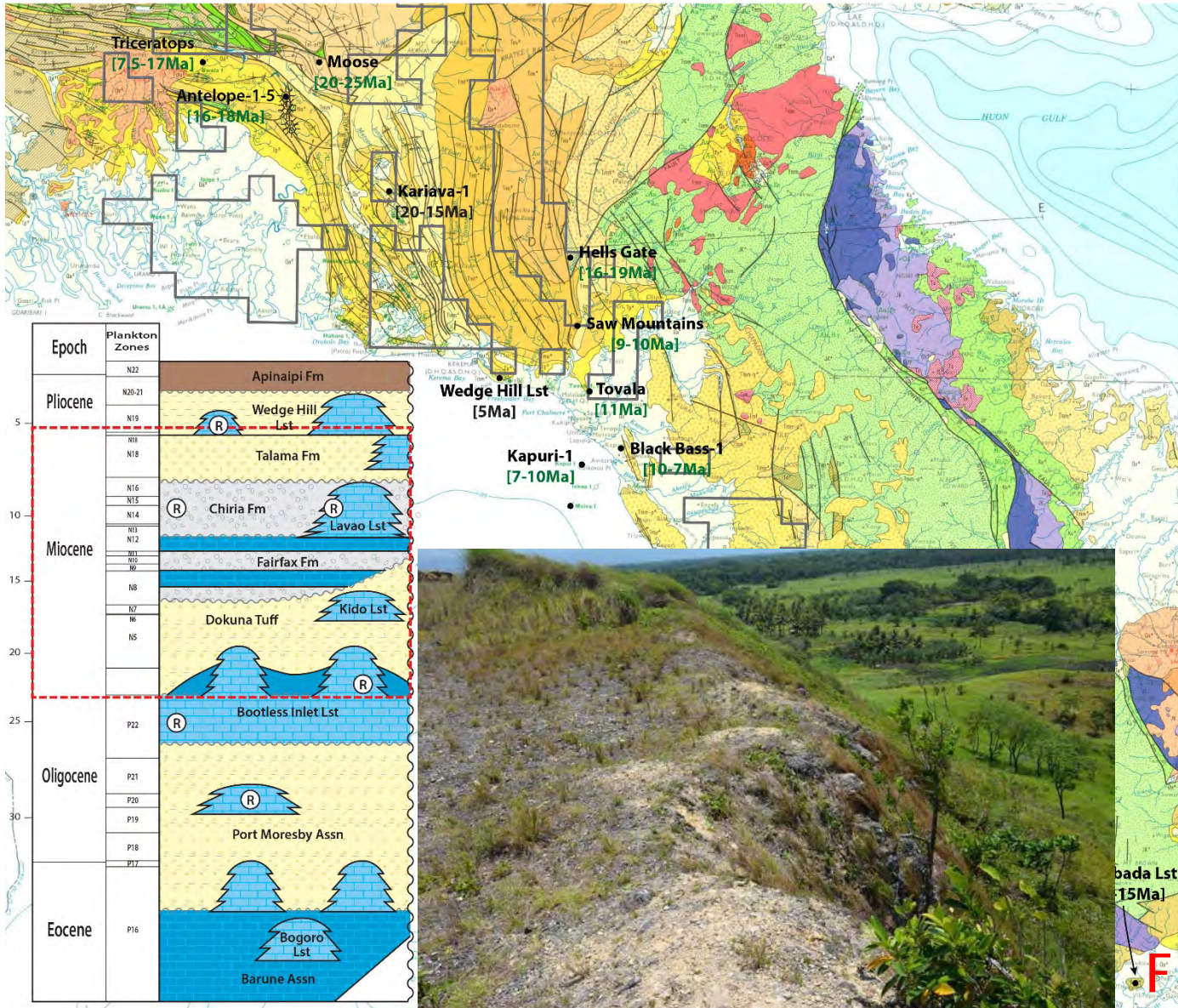
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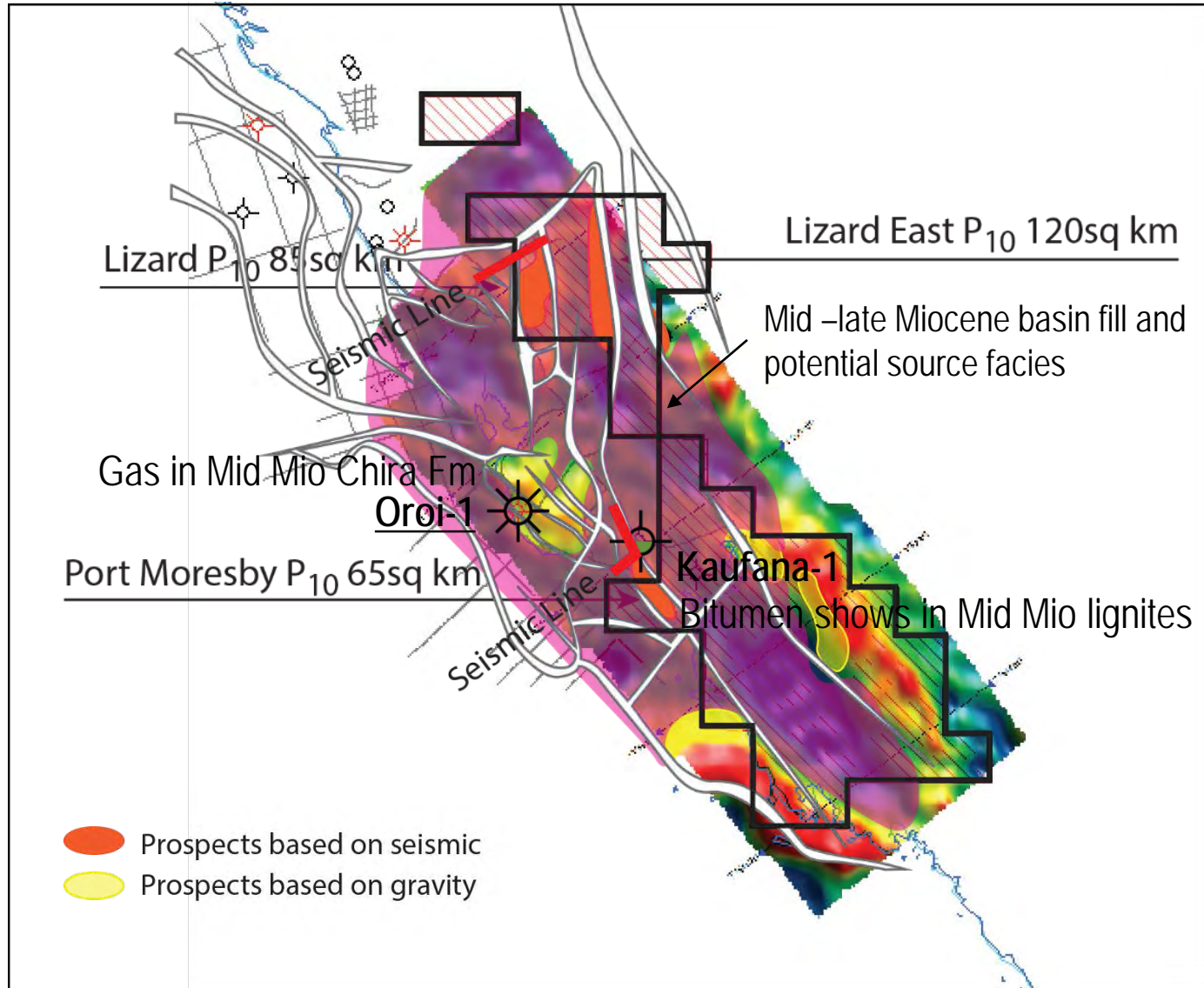
Miocene Carbonates along Papuan coast confirm reefal play in PPL 340 currently Kina 100%



Miocene Carbonates along Papuan coast confirm reefal play in PPL 340 currently Kina 100%



PPL 340 outcrop, gravity & seismic supports reefal prospects, well data supports reefal prospects, well data supports viable source rock



PPL 340 Seismic line, Port Moresby Lead in sight of PNG LNG facilities

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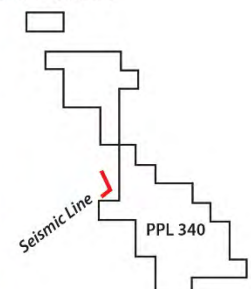
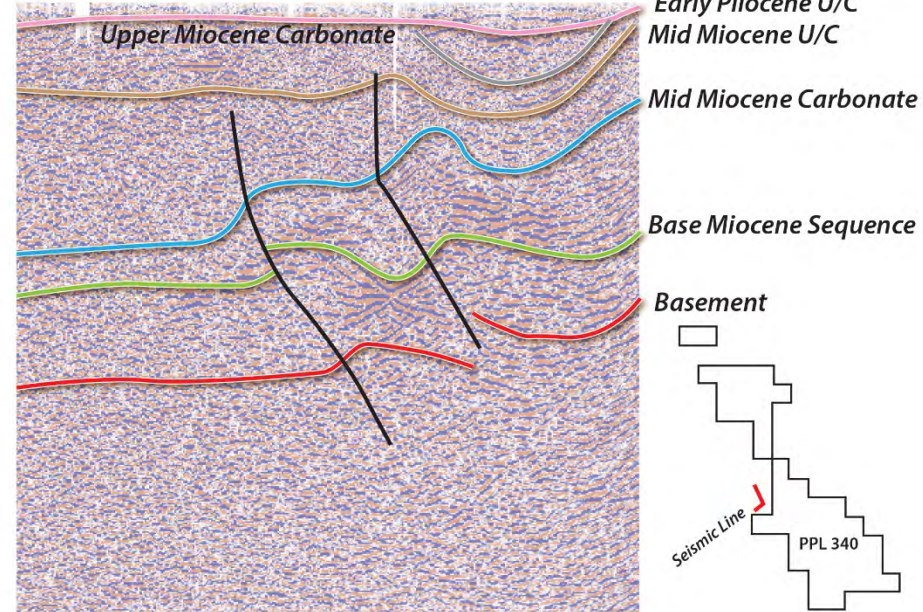
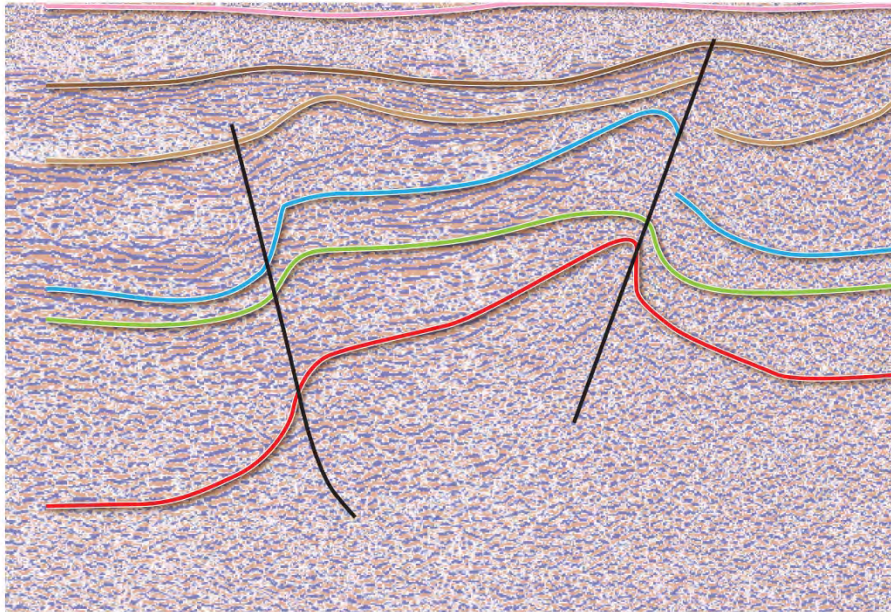
PORT MORESBY PROSPECT

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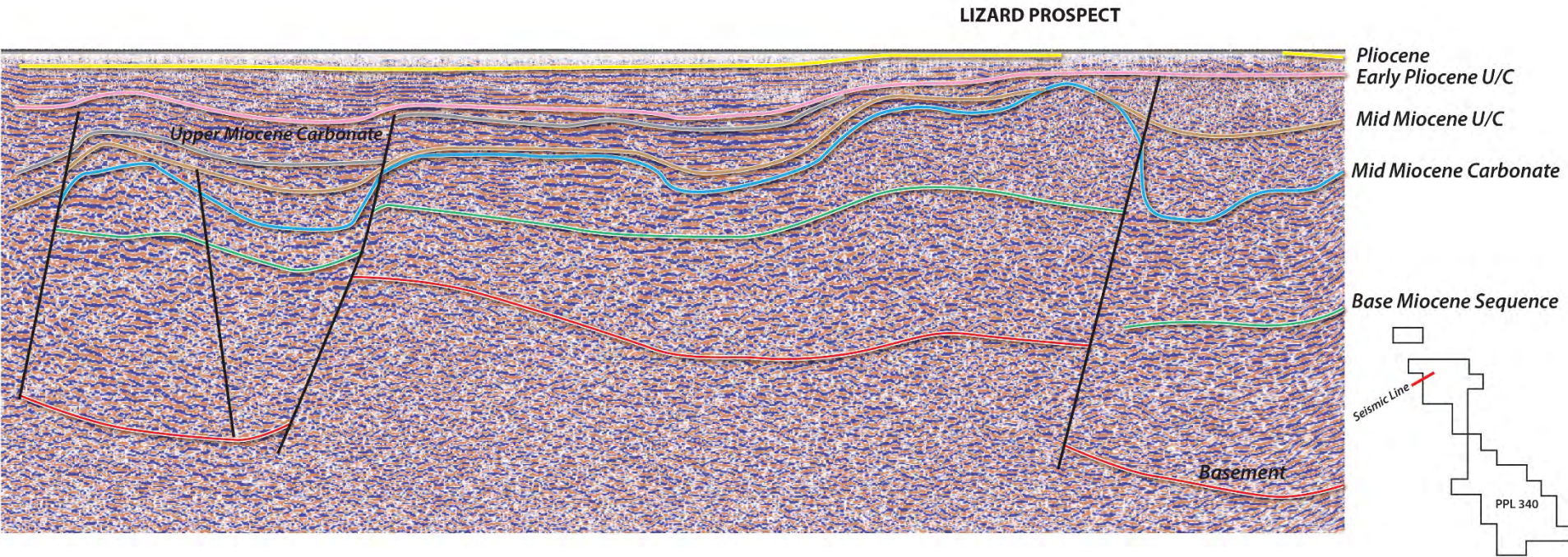
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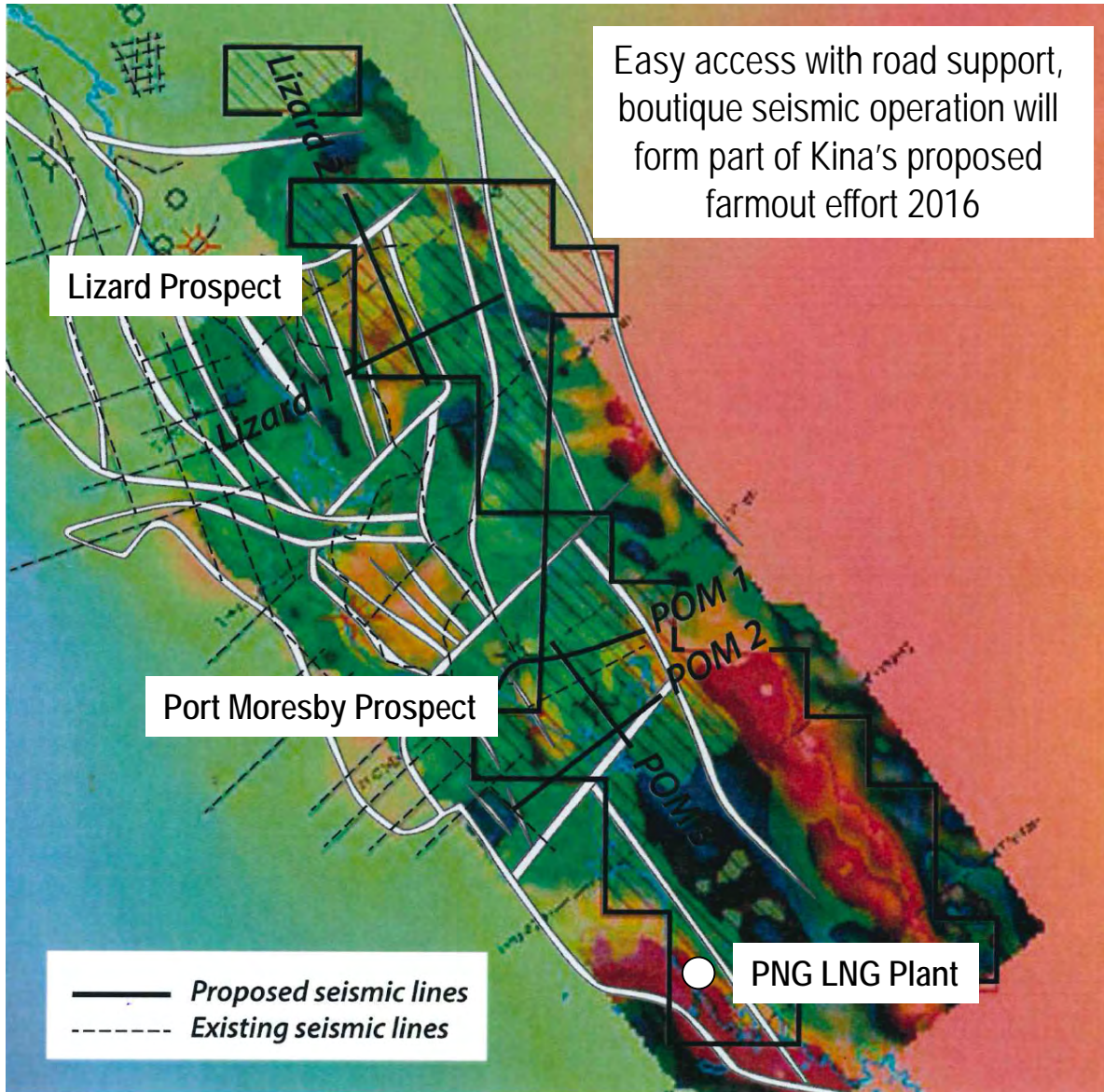
PORT MORESBY PROSPECT

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PPL 340 Seismic line, Lizard Prospect accessible by road from Port Moresby

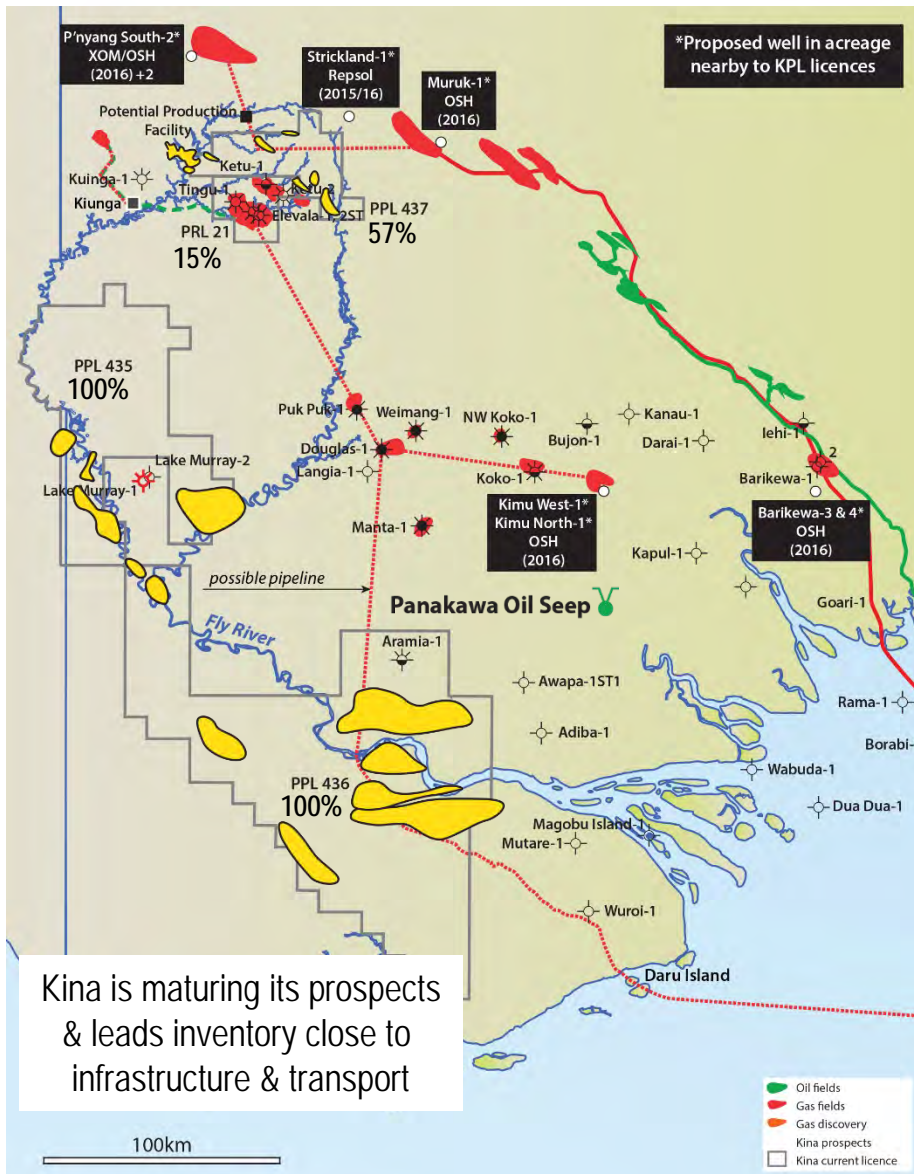




Terrain perfect for cost effective seismic



PNG-LNG Plant



Kina is maturing its prospects & leads inventory close to infrastructure & transport

Prospects all located close to Fly River and can be tested using slim hole rig similar to one used this year in PPL 337

- PPL 435: Aiambak,
- PPL 436: Fly, Dalbert, Oriomo, Aligator, Serki, Serki SE, Lake Murray East
- PPL 437: Candlenut, Mango, Kandis, Malisa



Panakawa oil seep flowing 5 bopd at Surface. Oil charge to foreland Confirmed.



Fly River offers export Infrastructure for mid Stream LNG & liquids.

PPL 437 adjacent to & twice size of PRL 21; is closer to hydrocarbon kitchen & has greater reservoir potential

Play	Basement Drape/ Inversion Structures
Nearby Fields	Elevala, Tingu, Ketu, Stanley, P'nyang & Juha
Reservoirs	<p>Cretaceous Elevala Sandstone</p> <ul style="list-style-type: none"> • Proven in Elevala, Ketu, Ubuntu and Tingu (gas) <p>Cretaceous Toro Sandstone</p> <ul style="list-style-type: none"> • Proven in Stanley (gas) <p>Jurassic Kimu Sandstone</p> <ul style="list-style-type: none"> • Proven in Stanley (gas)
Seal	Ieru shales Imburu intraformational shales
Source	Middle - Late Jurassic
Trap	Structural, possible stratigraphic components
Prospects/ Leads	All PPL 437 leads Malisa, ketu North, Mango, Kandis & Candlenut

Very good reservoir quality is exhibited at Elevala and along the inversion front at P'nyang.

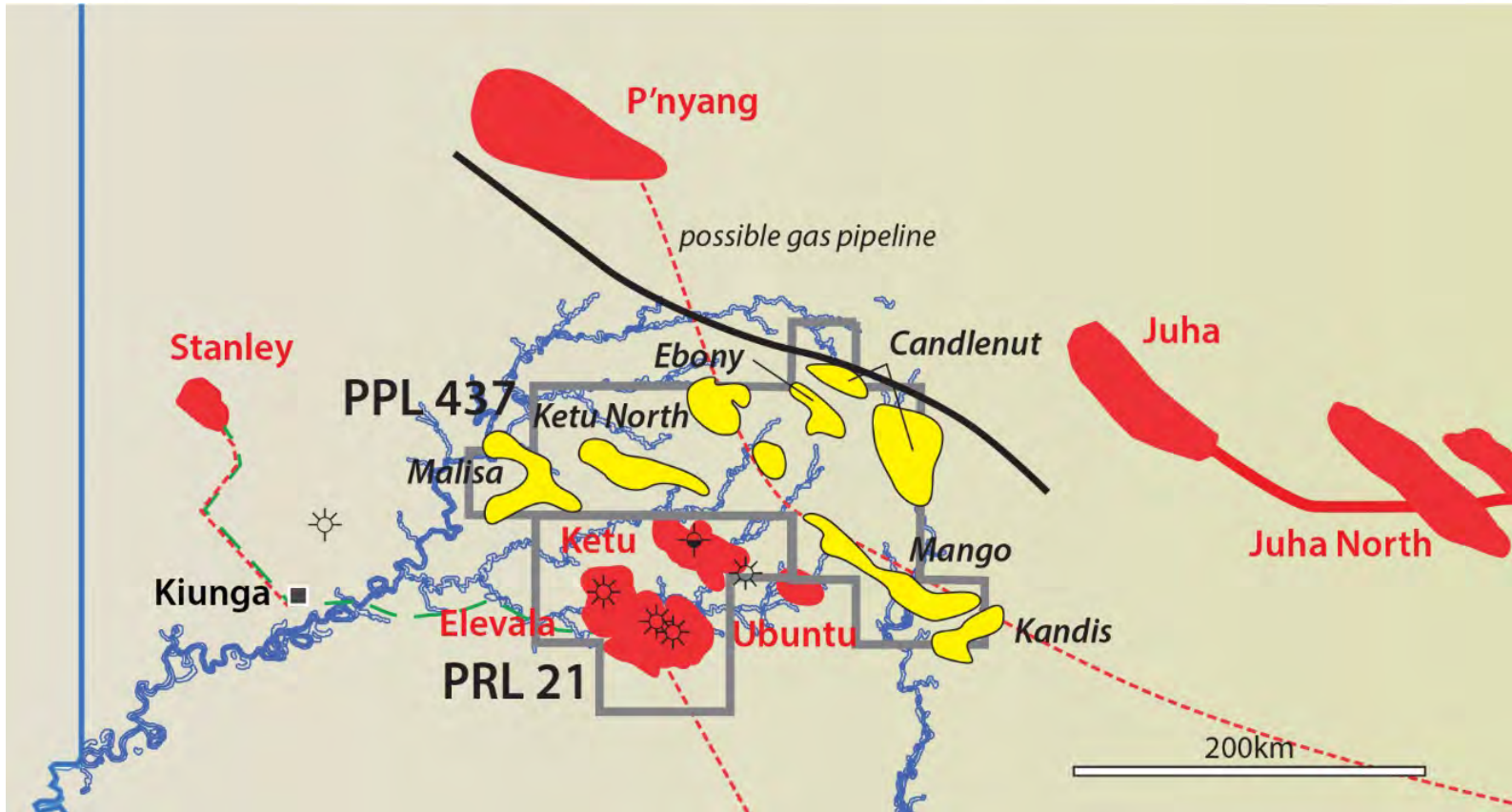
Potential for stacked reservoirs increases to the north of Elevala towards P'nyang

Candlenut is located close to the proposed pipeline for P'nyang

Seismic is required over Candlenut to mature it to drill ready status

Malisa drill ready and could be aggregated into developments nearby.

PPL 437 is in the hub of the P'nyang & PRL 21 proposed developments



PPL 437 is twice the size of PRL 21

4 Major structural trends located in a fairway between P'nyang, Juha developments in the north & Elevela

Ketu Stanley Proposed developments in the south

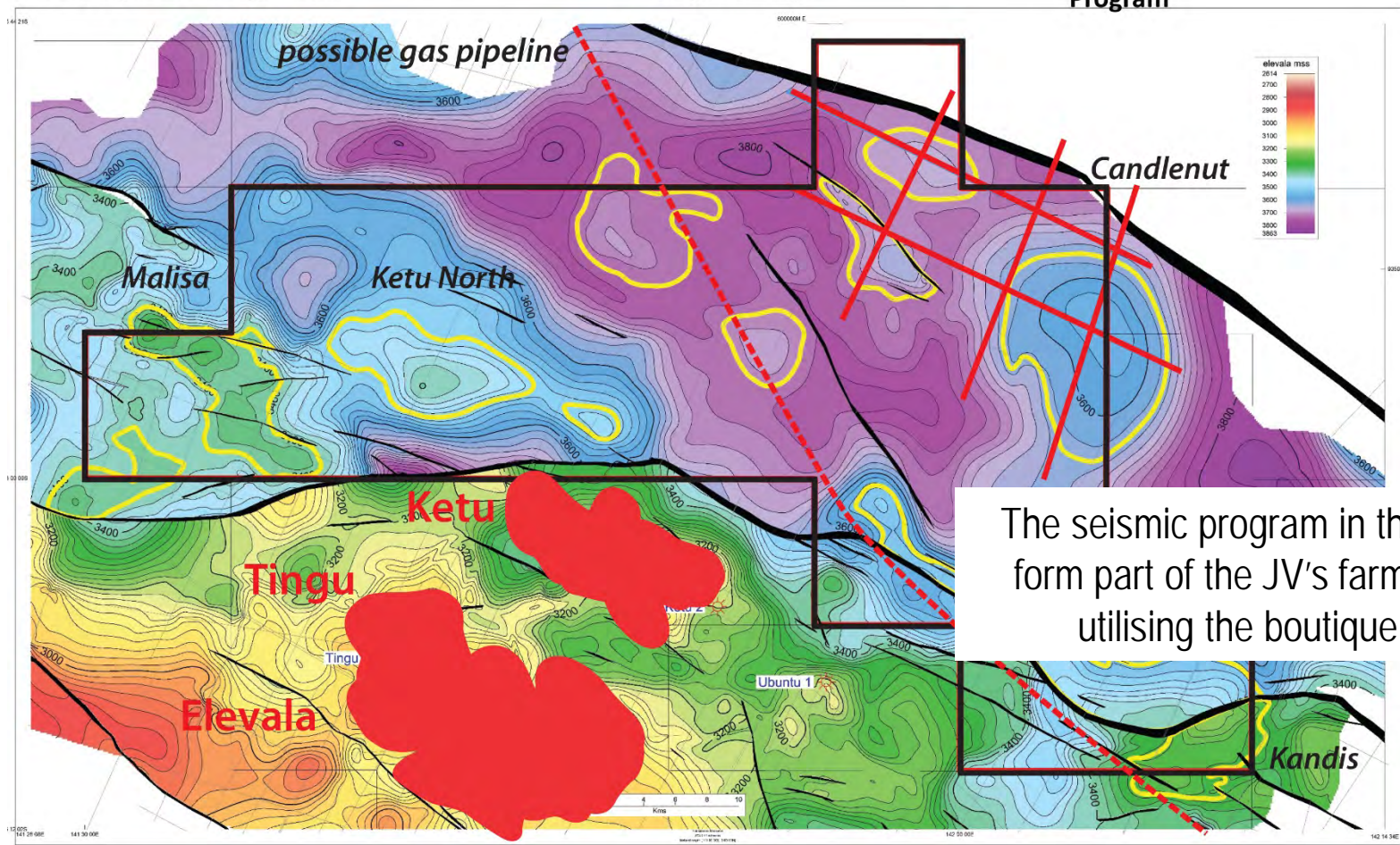
Proposed P'nyang pipeline overlies eastern prospects

PPL 437 Top Elevation
Proposed seismic over Candlenut 120km
Boutique Crew Operation

Proposed
Candlenut
Seismic
Program

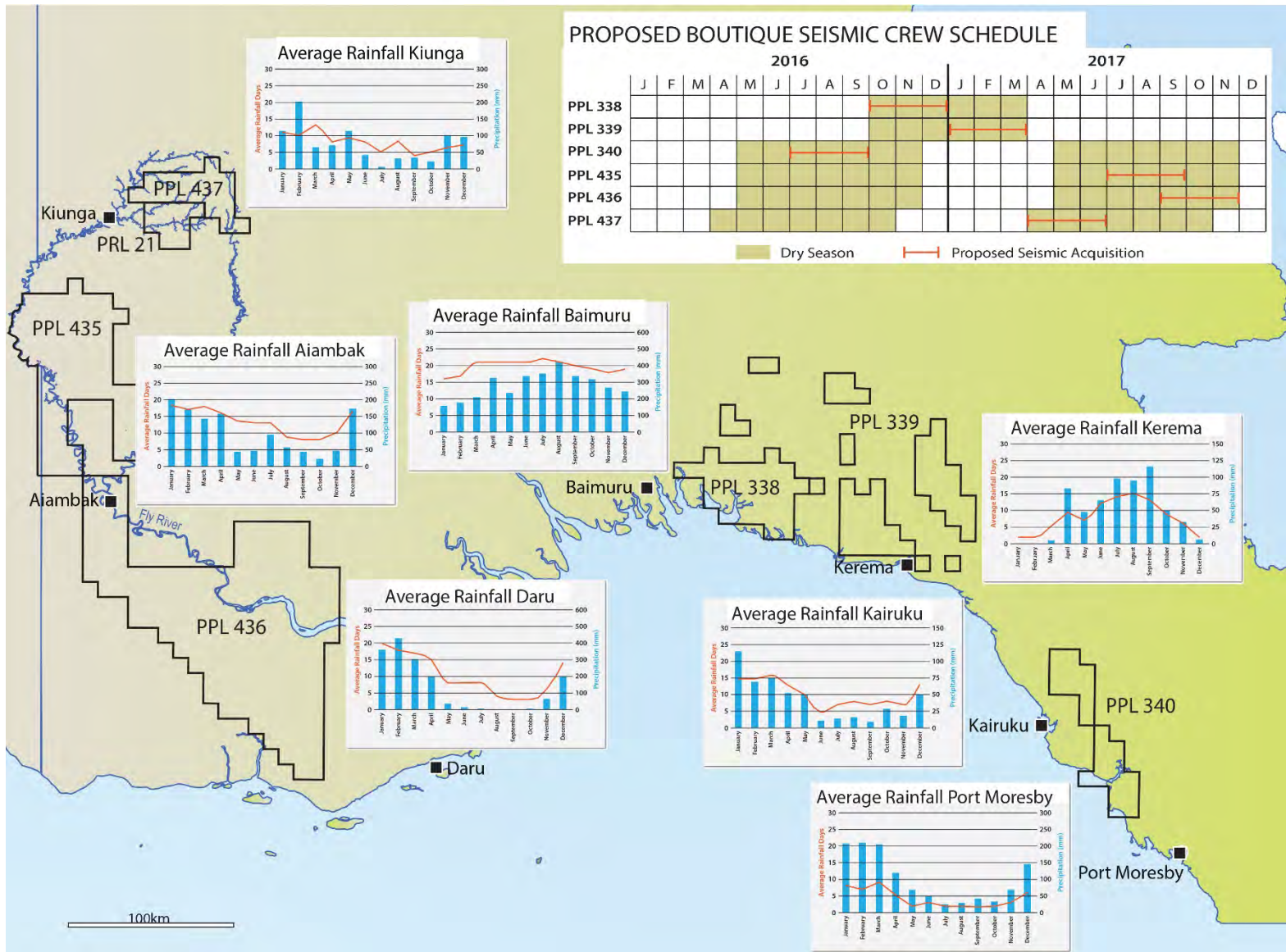
KPL 57.5% & Operator
HER 42.5%

Depth Map



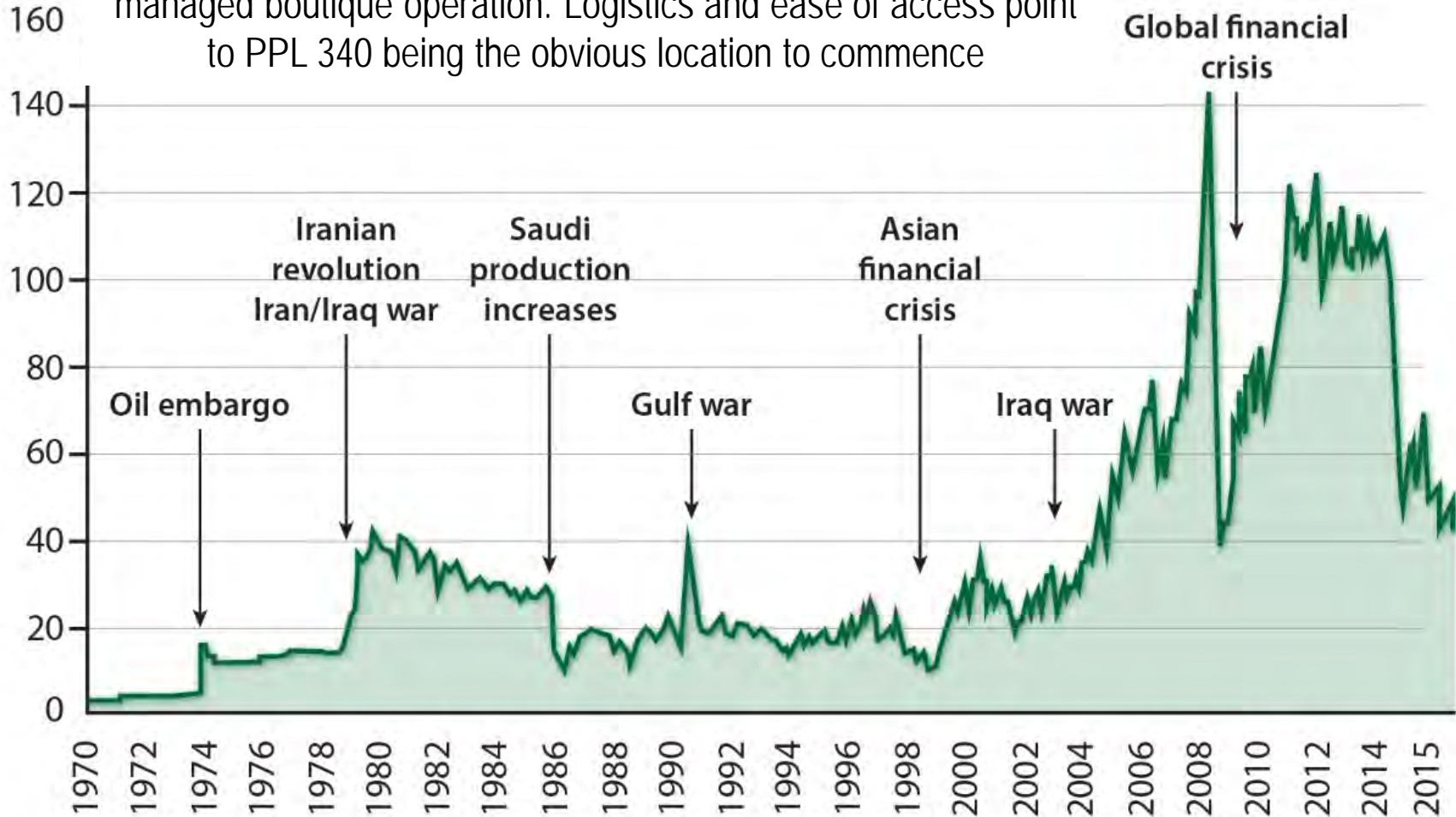
The seismic program in the east will form part of the JV's farmout effort utilising the boutique crew

PNG weather window will dictate timing of seismic subject to farmout Kina hopes to lead off with PPL 340



In PNG costs for future seismic and drilling programs must reflect the current oil price reality

To address this Kinas next seismic program will be a self managed boutique operation. Logistics and ease of access point to PPL 340 being the obvious location to commence





PPL 339: Kalangar 1 road supported rig late to 2016/17 OSH farmin

PPL 340: Subject to outcome of seismic and farmout, drill using road supported rig well cost US\$8-9M

PPL338: Review Triceratops post Triceratops 3; Intergrate seismic reprocessing; evaluate need for new seismic over Mangrove & Nippa using boutique crew; evaluate farmin candidates once costs and inventory valued and evaluate road support rig to test key prospects

PPL 437: Subject to farmout undertake cost effective seismic with boutique crew

PPL 435 & 436: Complete seismic reprocessing; high grade inventory; farmout cost effective boutique seismic and drilling using road rig



Contact Richard Schroder
richard.schroder@kinapetroleum.com