



ASX ANNOUNCEMENT (ASX: KPL) 12 June 2018

Sale by Repsol of its PNG Assets

Repsol has announced that it has agreed to sell its shares in the Repsol entities holding its Papua New Guinea assets to Balang International Pte. Ltd (**Balang**), subject to customary conditions precedent for a transaction of this nature.

This includes Repsol's 35.1% interest in the Elevala / Ketu fields in PRL 21, as well as the Stanley fields in the nearby PDL 10 licence (in which Kina has no interest). PRL 21 and neighbouring fields will be integral to the aggregation and commercialisation of Western Province resources.

Repsol is also operator and 25% participating interest holder in the PRL 38 licence, which contains the Pandora gas fields. Kina also has a 25% interest in PRL 38.

Attached to this announcement is Repsol's announcement of 11 June 2018 (Port Moresby).

Balang is part of the China Changcheng Natural Gas Power Co. Ltd Group (**Changcheng Group**) which has investments in the natural gas and power sectors in the Asia Pacific Region, including in the People's Republic of China.

For inquiries please contact:
Richard Schroder, Managing Director
Telephone: +61 2 8247 2500
Email: richard.schroder@kinapetroleum.com

REPSOL ANNOUNCES SALE OF PAPUA NEW GUINEA INTERESTS

Repsol has agreed to sell its shares in the Repsol entities holding its Papua New Guinea assets to Balang International Pte. Ltd (Balang), subject to customary conditions precedent for a transaction of this nature. Provided that such conditions are satisfied or waived, completion is expected by Q4 this year.

Balang is a part of the China Changcheng Natural Gas Power Co. Ltd Group which has investments in the natural gas and power sectors in the Asia Pacific Region, including in the People's Republic of China.

The business will continue to be operated by Repsol until the completion of the transaction, prioritizing the well-being of staff and safe and reliable operations.

Dai Ying Xiang, Chairman of Balang, commented: "Balang is committed to develop the discovered resources in these assets, with the potential for PNG's next liquefied natural gas (LNG) project to be a reality in the very near future. This deal is great news for PNG, and for the people of the Western Province in particular."