



ASX ANNOUNCEMENT (ASX: KPL) 4 April 2019

Elevala and Ketu Fields (PRL 21) in Papua New Guinea

Kina Petroleum is part of the Joint Venture with respect to the Elevala and Ketu fields (PRL 21) in Papua New Guinea, holding a 16.75% interest. Kina Petroleum and its joint venture partners submitted a petroleum development licence application in respect of the Elevala and Ketu fields in March 2014 (APDL 12) in accordance with the conditions of the licence.

The development plan, as submitted with APDL 12, envisages a phased development, initially with condensate recovery and re-injection of dry gas, to be followed by gas sales at a later date once a gas commercialisation pathway has been established.

The PRL 21 licensees have received correspondence from the PNG Petroleum Minister in respect of the development plan for the fields. The Minister has invited the PRL 21 licensees to propose a new or varied development plan indicating that his Department will not be able to approve the current form of the development plan submitted with APDL 12.

Since APDL 12 was submitted, the Joint Venture has evaluated various potential gas commercialisation pathways as well as alternative pathways for the commercialisation of condensate.

Given the change in the petroleum investment climate since 2014 and the progress of gas commercialisation opportunities, Kina Petroleum, together with the PRL 21 licensees, welcomes the opportunity to engage with the Minister on development of the Elevala and Ketu fields.

We anticipate further discussion with the Minister and his Department regarding our proposed development plans. Kina Petroleum's objective remains the realisation of a commercialisation pathway for the Elevala and Ketu fields that is mutually acceptable to the State and the PRL 21 licensees.

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