



ASX ANNOUNCEMENT (ASX: KPL)

Kina agrees capital raising with Key Strategic Investor

The Board of Kina Petroleum Limited is pleased to announce that it has agreed a strategic 19.9% Placement (the "Placement") with PIE Holdings, L.P., a limited partnership associated with Mr Phil Mulacek. Pursuant to the Placement, PIE have agreed to subscribe for approximately 61.38 million fully paid ordinary shares in Kina at \$0.30 per share for a total investment of approximately \$18.4 million.

Mr Mulacek is the founder and former Chief Executive Officer of InterOil Corp. (IOC). PIE Holdings LP and affiliates were collectively InterOil's largest shareholder during its critical growth years. Mr. Mulacek served as Chief Executive Officer of InterOil from 1997 to 2013, and Chairman of InterOil during the vast majority of InterOil's success period. Mr. Mulacek has over 34 years' experience in oil and gas exploration and production with extensive hands-on experience in Papua New Guinea - including the discoveries of the world class gas and condensate assets of the Elk, Antelope and Triceratops fields. Mr. Mulacek's leadership, engineering, risk and financial skills were directly reflected in InterOil's share price growth from US\$0.50/share to over US\$100/share in 12 years. Prior to InterOil, Mr. Mulacek founded P.I.E. Corp., based in Houston, Texas, USA, and earned his Bachelor of Science degree in Petroleum Engineering from Texas Tech University.

Under the terms of the Placement, PIE has agreed to subscribe for 61,379,783 fully paid ordinary shares in Kina at an issue price of \$0.30 per share being a total consideration of \$18,413,935 (before placement agent fees and other transaction costs). This Placement will be completed pursuant to the Company's 15% placement capacity under listing rule 7.1 and 10% capacity under listing rule 7.1A of the ASX Listing Rules and therefore will not need shareholder approval. The shares are being issued to a strategic investor (rather than a class of shareholder) with the funds to be applied to the ongoing exploration and development activities of the Company's existing projects and general working capital.

The Company expects to complete the Placement over the next two business days.

With the Placement being agreed, Kina has successfully procured the first stage of its foreseeable equity funding requirements and just as importantly attracted a strategic investor with deep PNG and international oil and gas experience as well as being a prominent and astute commercial oil and gas operator.

Having achieved this financial and strategic milestone, the Non-Executive Chairman of Kina, Mr John Prendiville, noted the following changes will be made to the Board:



1. Mr David Vance will be appointed to the Board as a Non-Executive Director effective at completion of the Placement. Please see Mr Vance's professional biography below;
2. Mr Prendiville will step down from the Board effective at completion of the placement; and
3. Mr Richard Robinson will be appointed to the position of Non-Executive Chairman of Kina at that time.

Mr Prendiville noted "Given the Company is now well funded for its medium term development and exploration activities, this is an opportune time for me to step down from the Board. It is 4 years since I took on this role and much has been achieved. Due to my other work commitments and board roles, I am finding it increasingly difficult to commit the time necessary to Kina.

I am also conscious that as we move from a fund raising focus to a development and operating focus on PRL21, there are other skills that are better suited to guide the Company for the next few years. Over the last four to five months, we have discussed amongst the Kina Board who should take on the Chairman's role and unanimously concluded that Richard Robinson has the right characteristics, given his strong role as a Board member to date, and his PNG and asset development experience.

The Company and Richard Robinson have asked me, and I am very happy, to make myself available on a consultancy basis up until the next AGM in 2015.

This is a very exciting time for the Company. Exploration activity is occurring on a range of fronts across the Company's portfolio, the development of PRL21 is ongoing, it has a very knowledgeable and experienced strategic backer, and the internal changes occurring at Board level have been made with minimal fuss and provide excellent continuity. I am a large shareholder in the Company and look forward to its success."

Richard Robinson stated "I am very pleased to be given the privilege of Chairing Kina at such a pivotal stage of the Company's transition and development. On behalf of the Board and shareholders I sincerely thank John for the guidance and energy he has provided as Chairman and look forward to his continued support."

On behalf of PIE Holdings LP, Mr. Mulacek noted "I am proud to be associated with Kina and to be a part of Papua New Guinea's oil and gas industry again. While I was leading InterOil, I watched with great interest the development of Kina by CEO Richard Schroder. Richard has worked with the Board to assist Kina and its shareholders to secure a solid strategic position in core PNG license assets. The capital infused by our investment will underpin the short and mid-term capital needs of Kina, and I look forward to contributing to a solid growth path for the company and its shareholders."

**David Vance Bio:**

David Vance is a corporate and project finance attorney and CFA charterholder with over 25 years of experience in Asia and the US. As a partner in private practice with two major US law firms, Mr. Vance represented some of the world's largest infrastructure and financial institutions in complex, first-of-its-kind transactions, including numerous "Deals of the Year" for Asia, and was recognized as a leading lawyer for project finance in Japan by an industry publication. He also advised many small and medium size enterprises in a wide range of corporate and financial matters. Mr. Vance moved in-house to InterOil Corporation and, more recently, Asian Oil & Gas Pte Ltd., an affiliate of PIE Holdings, LP, to focus on upstream oil and gas matters in PNG and other countries. Mr. Vance received an A.B. from Stanford University and his J.D., with honors, from the University of Texas School of Law. He lives in Singapore.

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