

**OUR VISION:
Production, Cash Flow
& Share Holder Value**

**PNG Mining & Petroleum
Investment Conference
Sydney
December 2014**



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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.

Mr Richard Robinson *Non Executive Chairman*

Over 35 years industry experience with Esso, Woodside, Santos, BP & Oil Search. Involved in PNG since 1988 and was Executive GM PNG Operations for Oil Search for three years prior to his retirement in 2013.

Mr Richard Schroder *Managing Director*

28 years experience PNG, 13 wells in PNG & Papua Province, including South East Gobe 1, 2 & 3 oil wells, Stanley gas field, Kau 1 & 2 discoveries, Elevala 2, Ketu 2 and Tingu 1;

Dr Ila Temu *Non Executive Director*

Resident PNG, numerous managerial and director roles in PNG resource companies including former President PNG Chamber Mines and Petroleum. Currently Director Corporate Affairs Australia Pacific for Barrick PNG and Director National Petroleum Company PNG;

Mr Barry Tan *Non Executive Director*

Resident PNG, 35+ years commercial experience in PNG. Chairman of TST Group of Companies;

Mr David Vance *Non Executive Director*

A senior corporate and project finance attorney and CFA with more than 25 years of experience in Asia and the US. Broad infrastructure/transactional experience in Asia, was formerly with InterOil and currently Upstream Counsel for an affiliate of PIE Holdings.

Alex Mitchell *CFO*

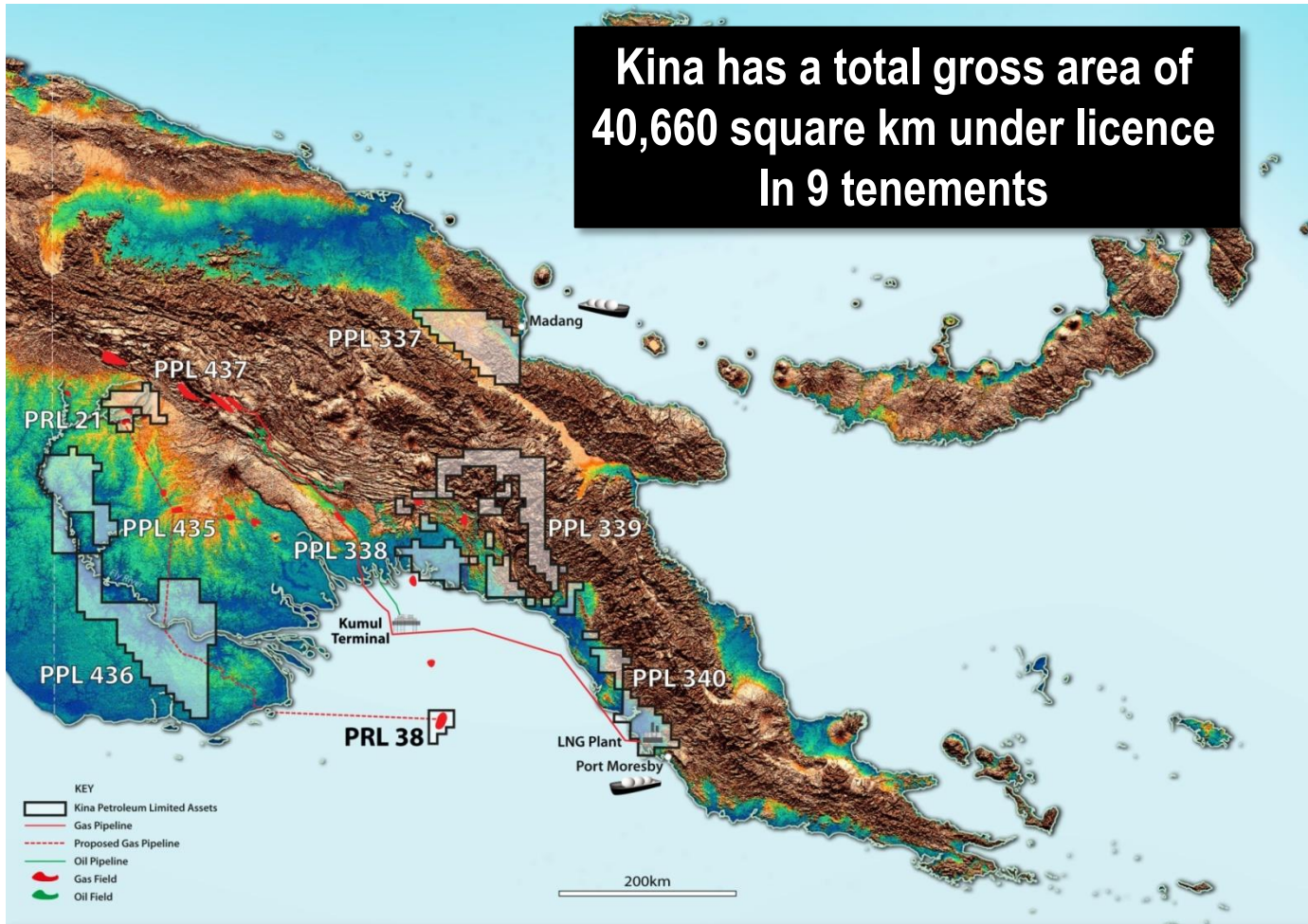
Chartered accountant with over 20 years of experience in corporate and business unit roles. 13 years experience in upstream E&P Finance and Operations management with Oil Search and Kina.

John Chan *Country Manager*

Resident PNG, 30 years commercial and management experience

PIE's investment of AUD\$18.4 in Kina is the largest capital raise in its history

**Kina has a total gross area of 40,660 square km under licence
In 9 tenements**



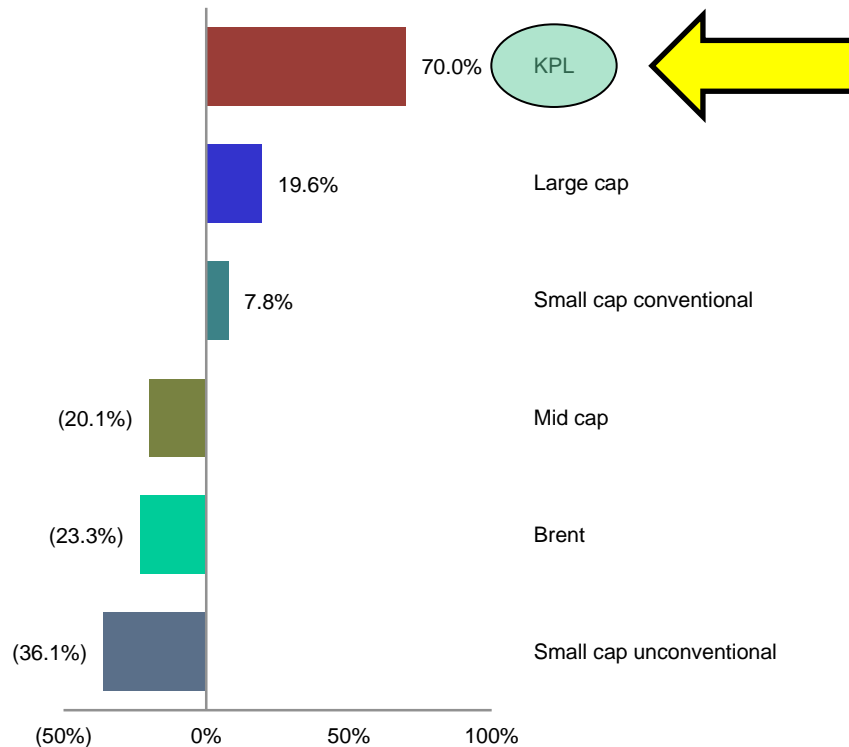
- ✓ Kina is financially secure through to and beyond PRL 21 FID & PDL award.
- ✓ Kina is reviewing funding strategies to finance its participation in PRL 21 development. UBS is advising on strategy.

Through PIE Holdings LP, Phil Mulacek, the founder, former Chairman and CEO of InterOil, is the largest investor in Kina. At InterOil, he drove Exploration in Eastern Papuan Basin including giant discoveries at Elk - Antelope (9 TCF Wet Gas) and Triceratops taking InterOil to a market capitalisation of over US\$5billion. In addition to other high growth opportunities world-wide, he has taken a strategic placement in Kina November, 2014.

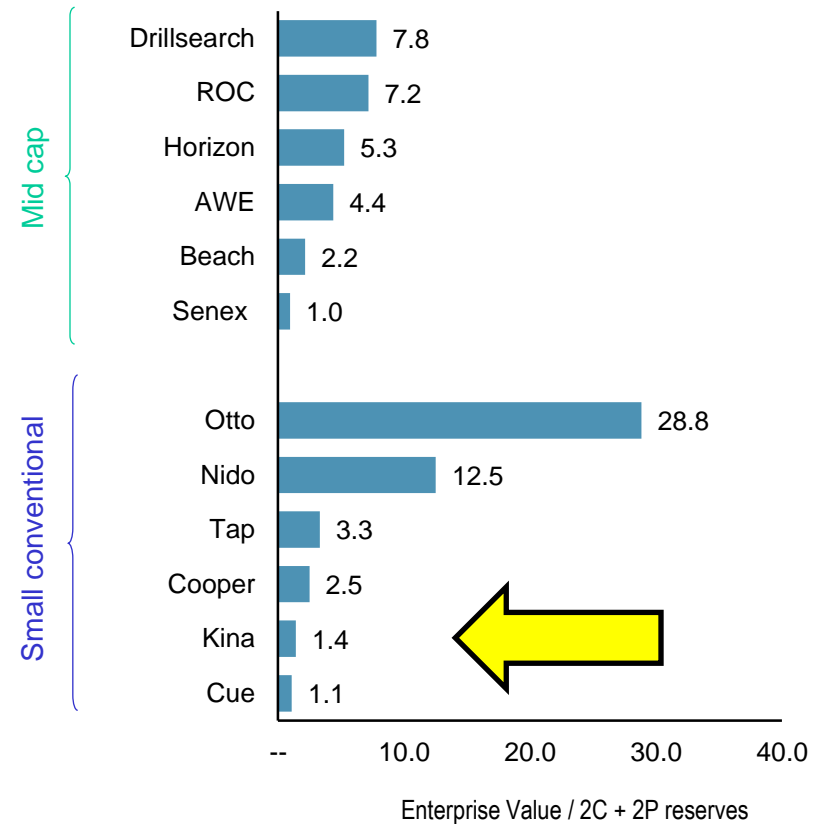
Kina has delivered share holder value & will deliver further growth

Since IPO in December 11, KPL has outperformed all key ASX indices....

....but significant value upside remains relative to small cap and mid cap E&P companies

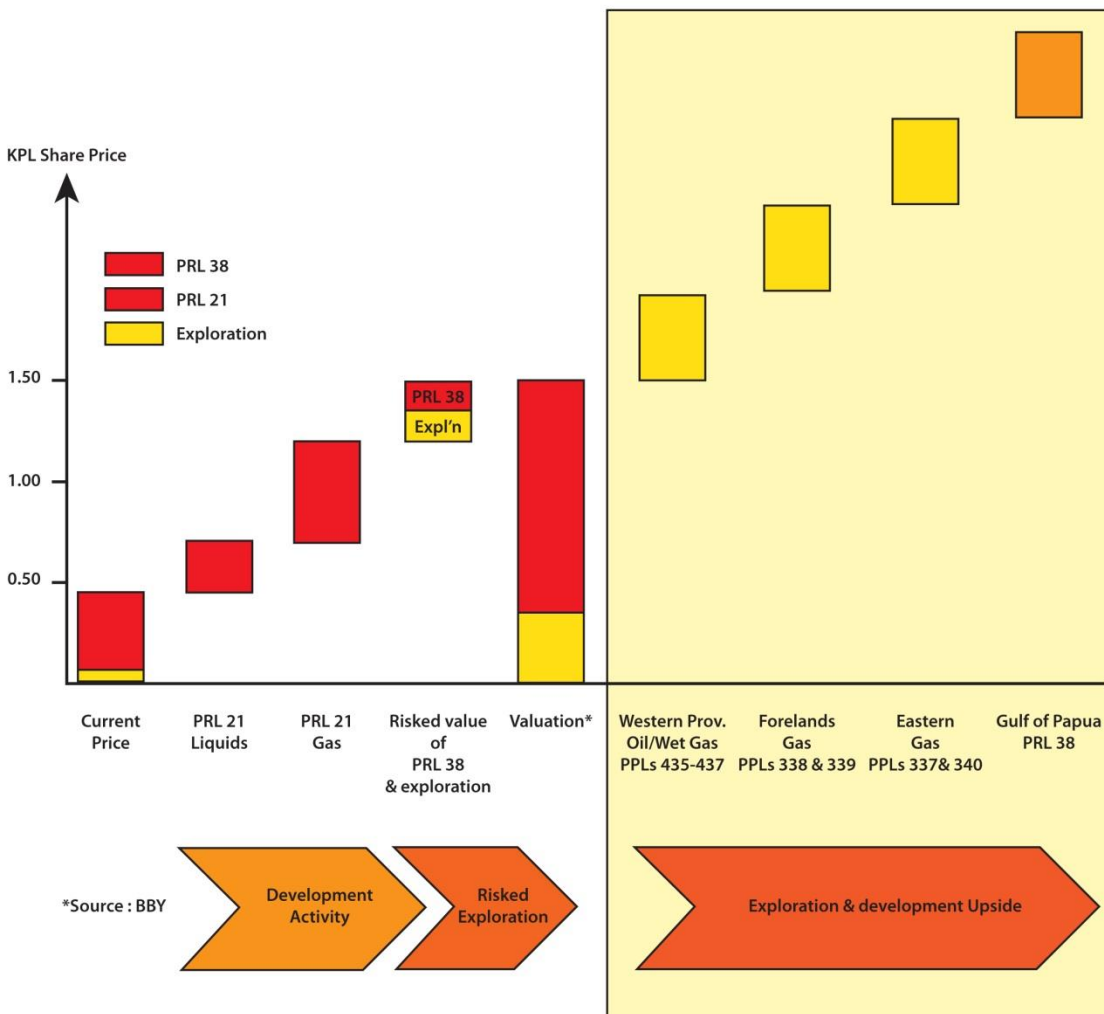


Source: UBS



PRL 21 & 38 foundation to near term share holder value with the exploration inventory as future growth

Value Matrix



Commerciality of Resources

- PRL 21 - PDL application lodged March 2014.
- PRL38 – material resource.

Value of resource

- PRL 21 estimated to be worth between \$A 0.50 and \$A1.20 per share¹.
- PRL 38

Large Acreage Footprint:

- Over 41,000km² in tenements held
- Dominant exploration position in breakthrough trend and western province Elk/Antelope play.

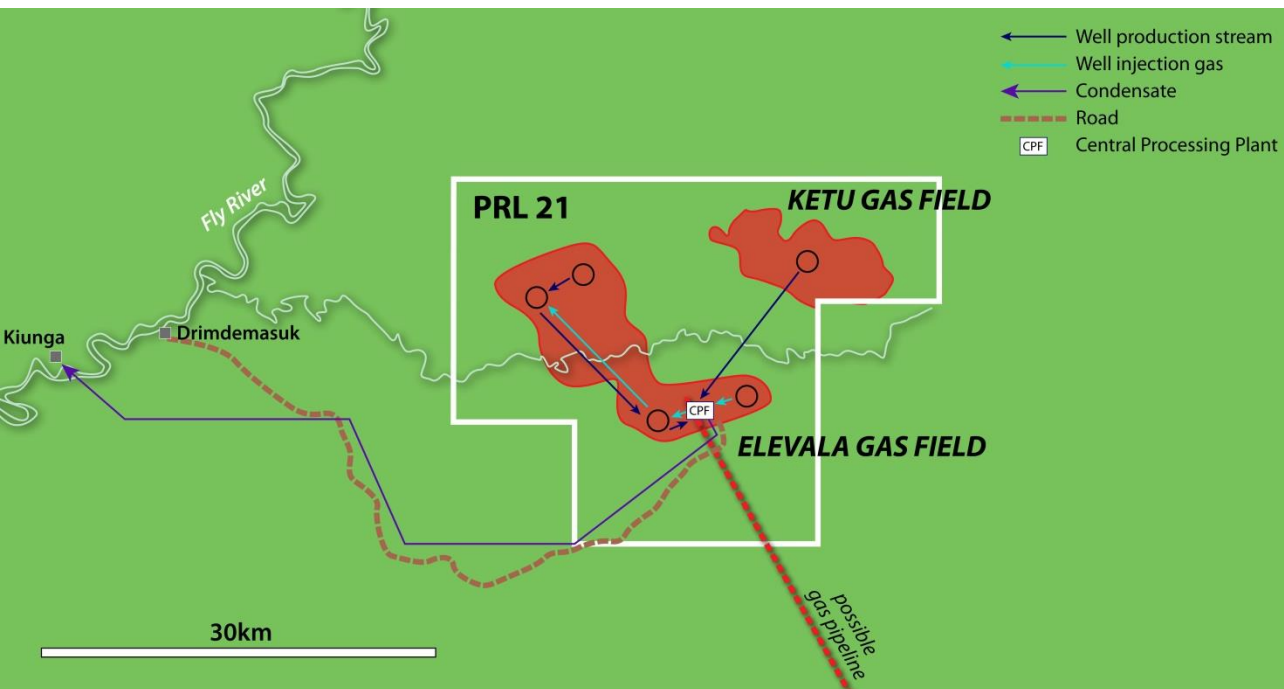
Capital Structure and Financial Strength

- Market cap. of A\$113.5m (Nov. 2014)
- 306m shares on issue.
- A\$18.7m cash on hand.
- No debt.

¹ Implied value based on range of risked and unrisked values per results of DCF & NPV analyses appearing in Independent Experts Report, prepared in respect of proposed ROC/Horizon merger, dated 15 June 2014.

PRL 21 path to oil & gas commercialisation

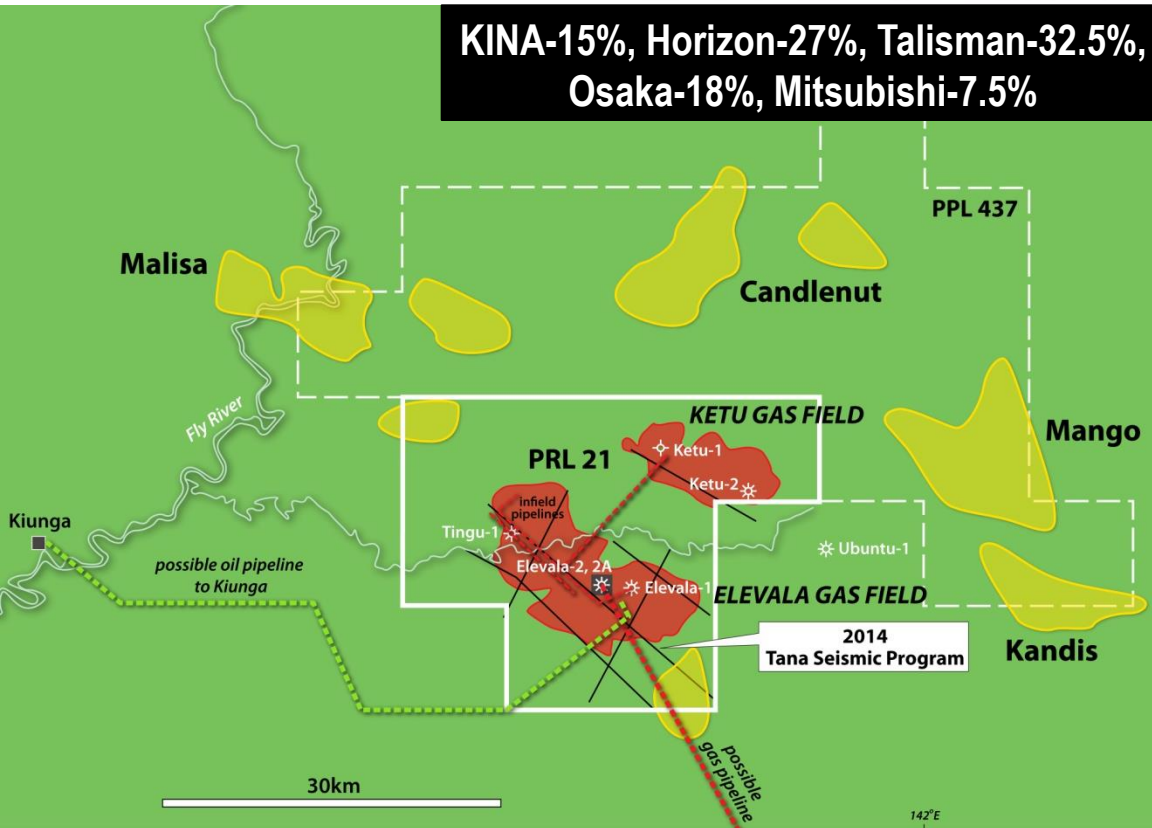
- Liquids stripping to commence 2018/19 with barge export of liquids from Kiunga, down Fly River.
- Liquids stripping infrastructure is a pre-investment in potential future mid scale LNG Project (2-4 mtpa).
- With LNG plant at coastal location to supply:
 - City and mining project power demand as substitute for diesel or fuel oil.
 - Singapore LNG and products hub.
 - North Asian LNG markets.



PRL 21 potential
Field development
schematic

PRL 21 & PPL 437 - Kina's future production & cash flow

**KINA-15%, Horizon-27%, Talisman-32.5%,
Osaka-18%, Mitsubishi-7.5%**



- Five out of five successful wells.
- Contains the commercial wet gas discoveries Elevala, Ketu and Tingu at ~ 3000m.
- Resource base is wet gas, with condensate content sufficient to underpin a liquids development.
- Tingu-1 tested gas rates at 48 mmscf/d and an average CGR of 65bbl/mscf.
- Ketu-2 flowed gas at rates of 35 – 40 mmscf/d & 50-60 bbl/mmscf condensate.
- PDL application lodged March 2014; now working towards FID and PDL approval.
- 2014 Tana 2D seismic program to address development well location completed Nov 2014.
- Liquids project represents a pre-investment of a future mid-scale LNG Project.

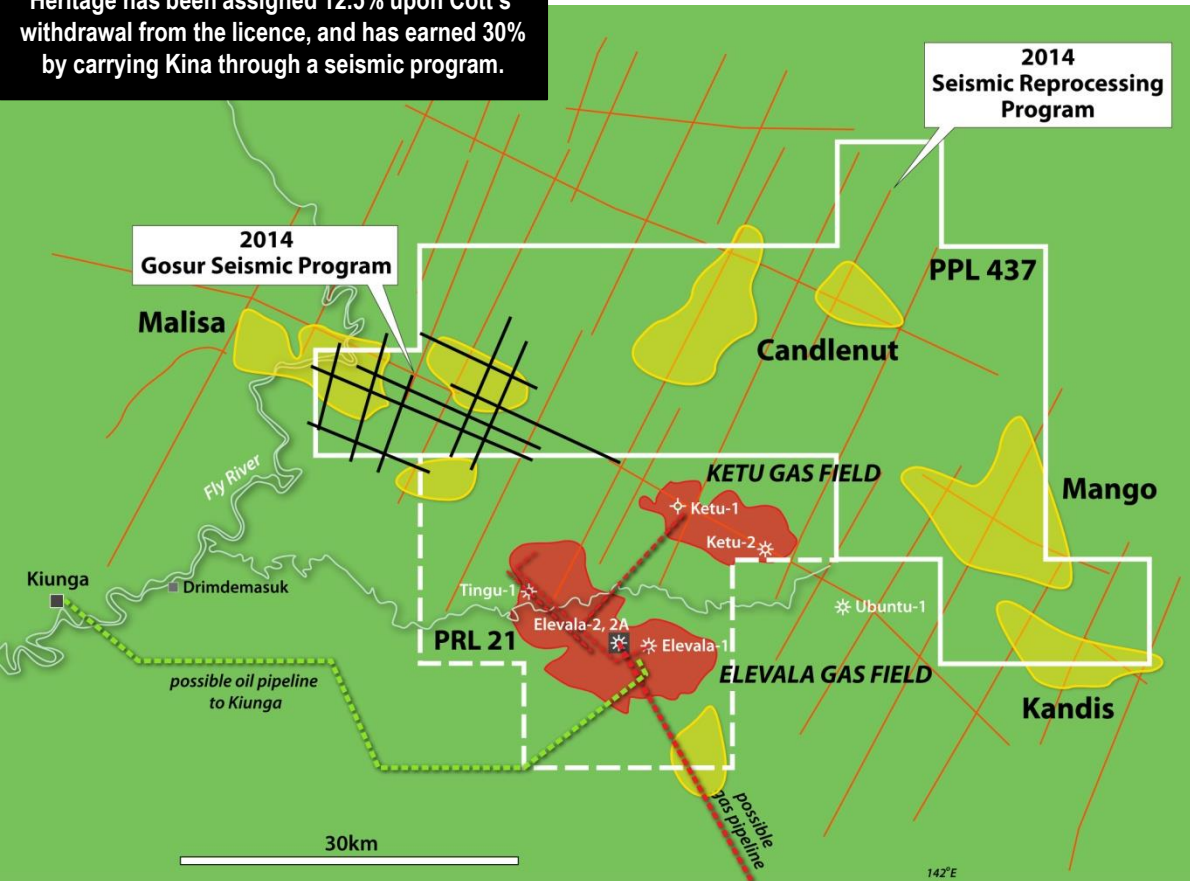


Tingu testing.

PPL 437 western clastic play potential resource addition next to PRL 21

KINA-57.5% HERITAGE-42.5%

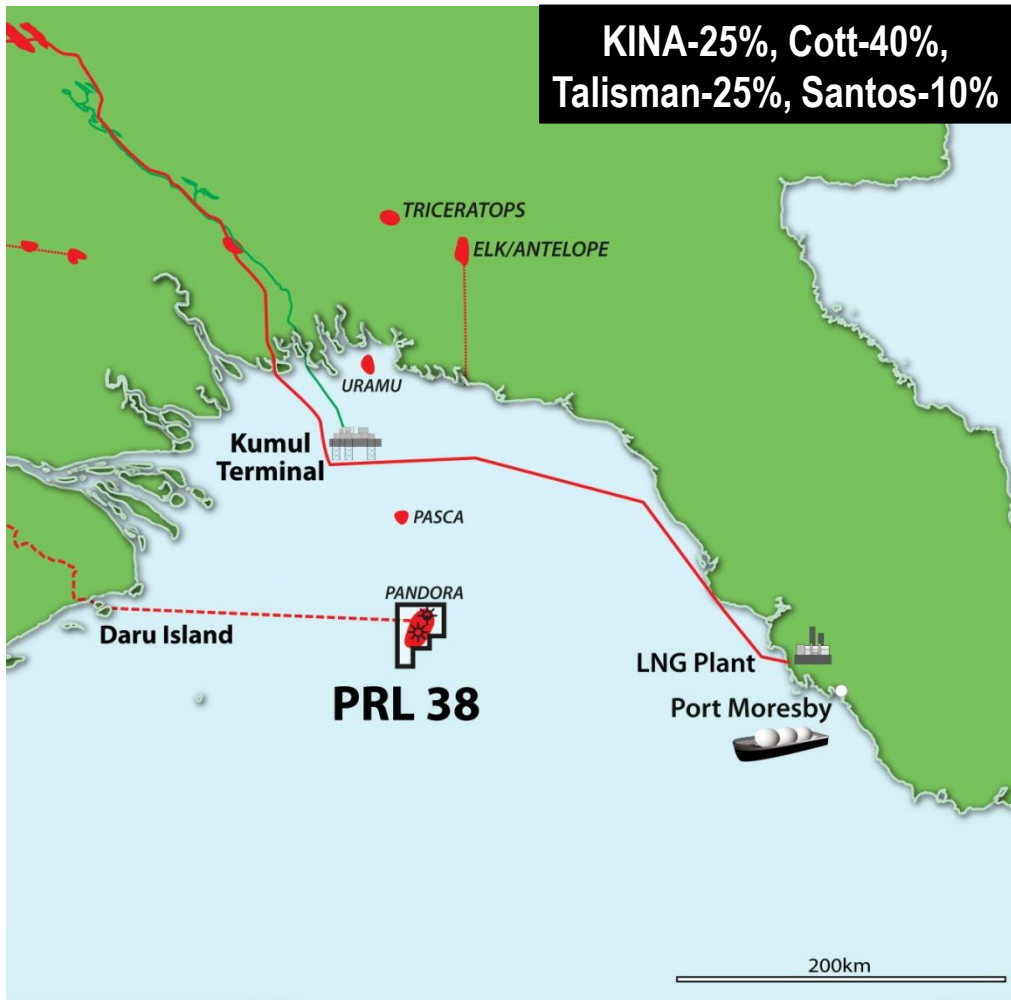
Subject to government approval, Heritage has been assigned 12.5% upon Cott's withdrawal from the licence, and has earned 30% by carrying Kina through a seismic program.



- Next to PRL 21.
- Commercially attractive – next to future PRL 21 facilities.
- Licence area is twice that of PRL 21.
- Seismic program completed. Cost effective use of nodal seismic acquisition.
- Cott withdrawal increased Kina's equity, after seismic program, to 57.5%.
- Heritage Oil Plc has a right to move from 42.5% to 62.5% by drilling a well.
- Malisa Prospect on trend to Tingu 1 discovery.
- Ideally placed for good development of upper shoreface reservoir.
- Multiple reservoir targets recognised above large basement closure.

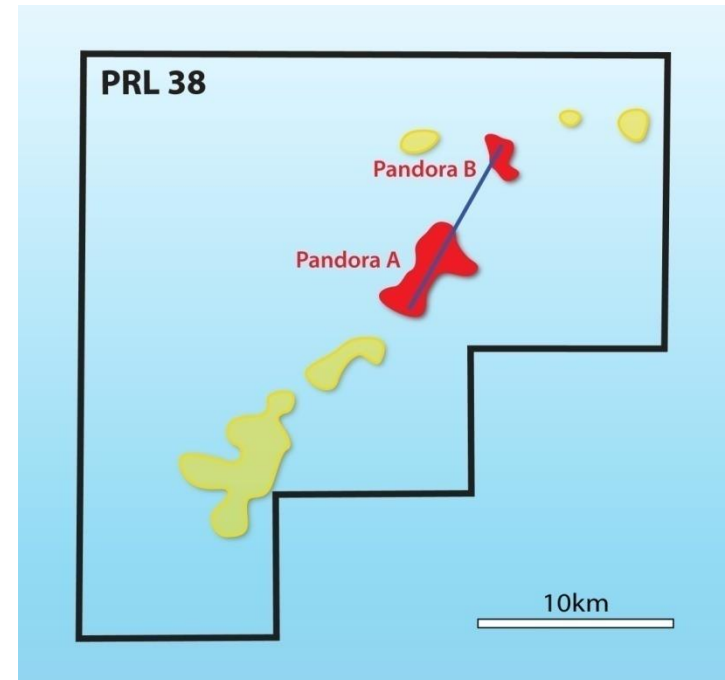
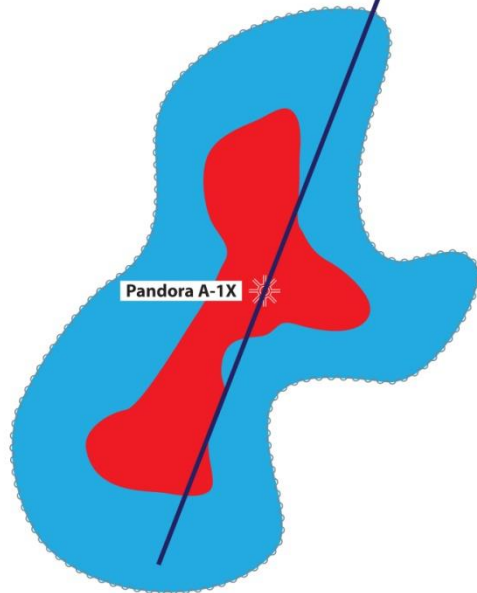
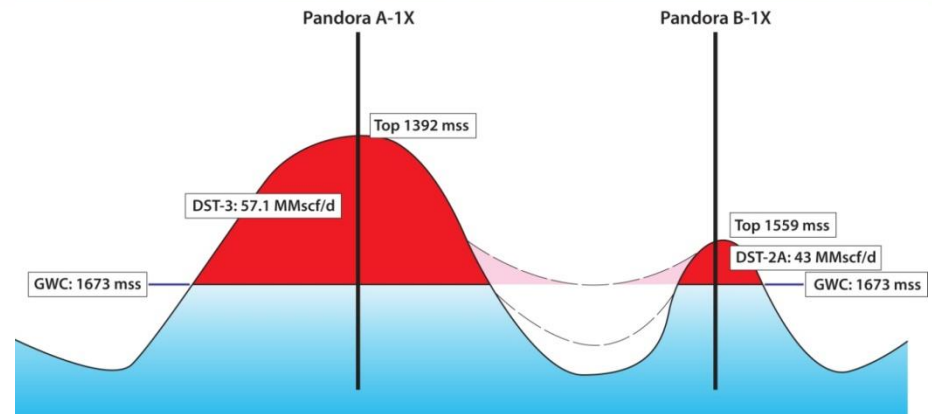
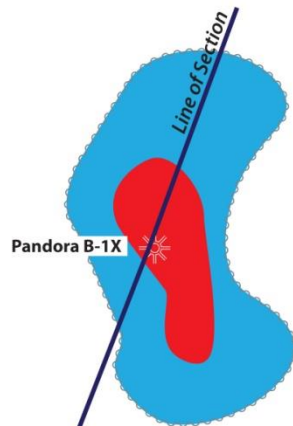
* Subject to Government Approval.

PRL 38 - future gas production asset Pandora discoveries



- 2 gas discoveries (Pandora A & B) - 1,500m depth 110m water depth.
- Substantial gas resource.
- Development options, including mid-scale FLNG project, under review as 3rd party BOO (build/own/operate) development.
- Gas could be liquefied on location or piped to near shore barge facility.
- Significant exploration upside within PRL 38.

PRL 38 – Pandora gas field & exploration upside



Pandora A-1X & B-1X have a common gas water contact.
 Is there communication and resource addition on flanks?

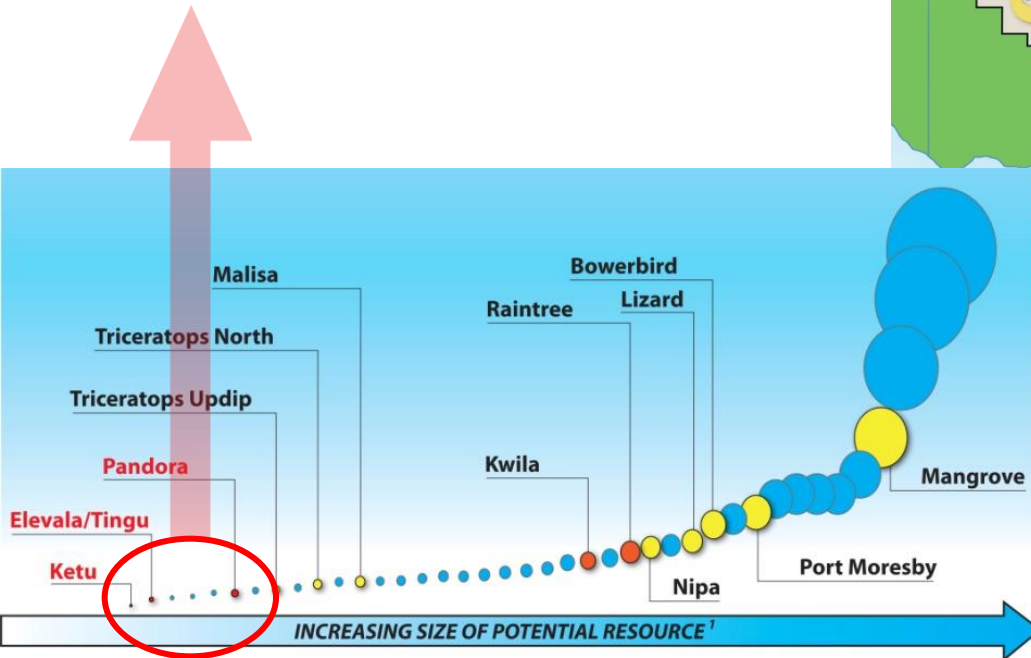
PRL 21 & 38 more than underpins Kina's value. Exploration prospects deliver large upside

- Value potential for Elevala Ketu & Tingu:

A\$0.50 - A\$1.20 / share*

- Value potential for Pandora:

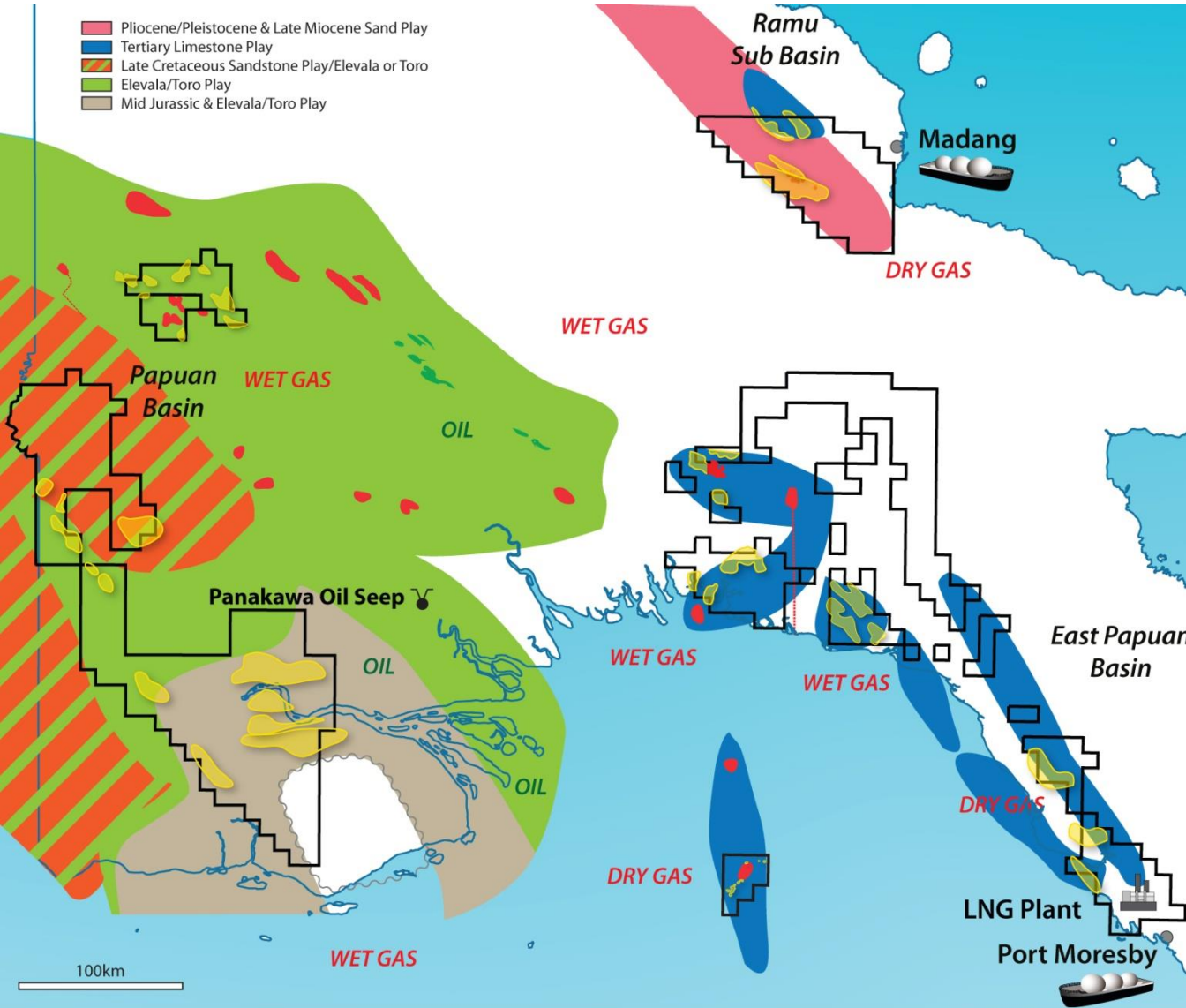
A\$0.96 - A\$1.21 / share value**



* Based on the risked and unrisked NPV ranges arrived at via DCF analyses contained within the Independent Expert's Report of 15 June 2014, prepared in respect of the merger of ROC & Horizon that had been proposed.

** Based on the implied unrisked value per barrel of oil equivalent ascribed to PRL 21 in the above-mentioned Independent Expert's Report.

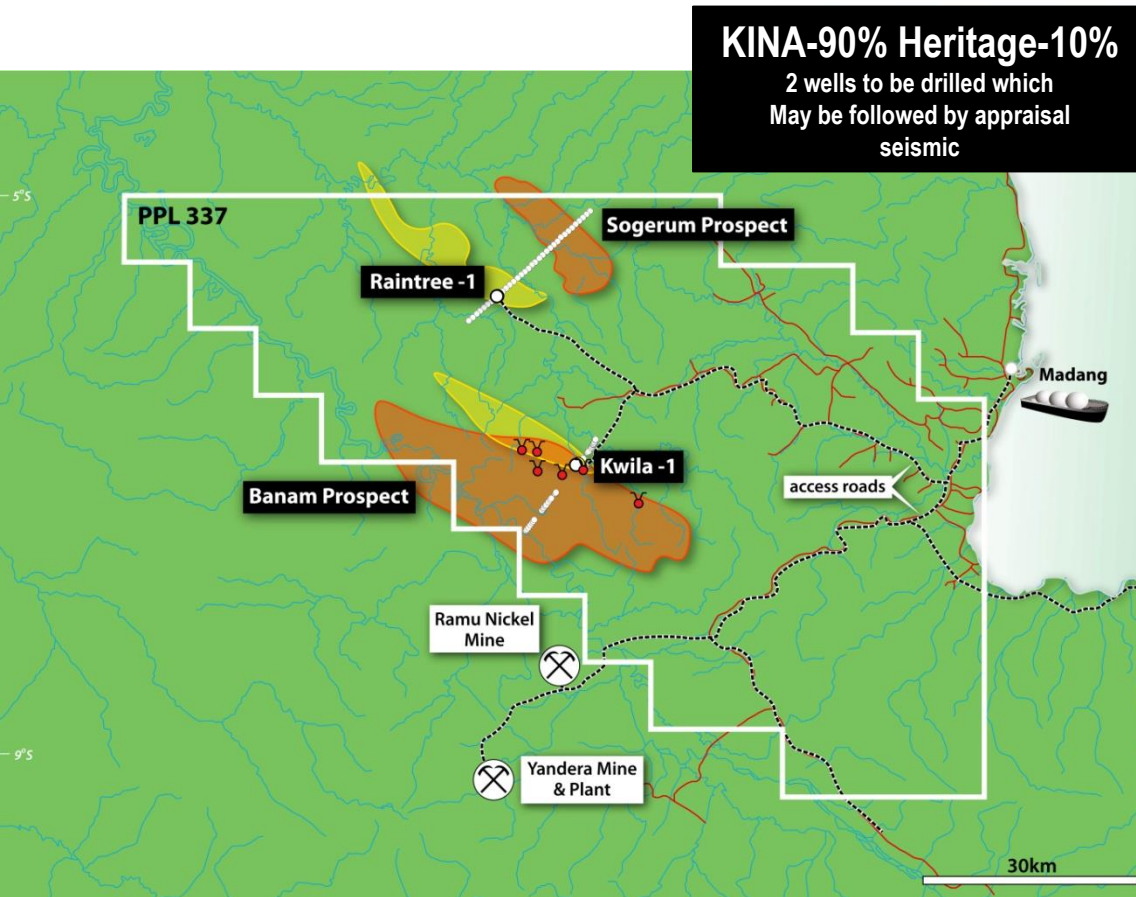
Kina has material exploration portfolio in 3 petroleum provinces in PNG



KPL Acreage covers:

- Western clastic play.
- Eastern carbonate play.
- Wet gas upside in PPL 437, adjacent to PRL 21 discoveries.
- Eastern carbonate could extend to PPL 337.
- Upper Miocene “carbonate” extends into PPL 338, 339, and south into PPL 340.

Spud of two wells is imminent

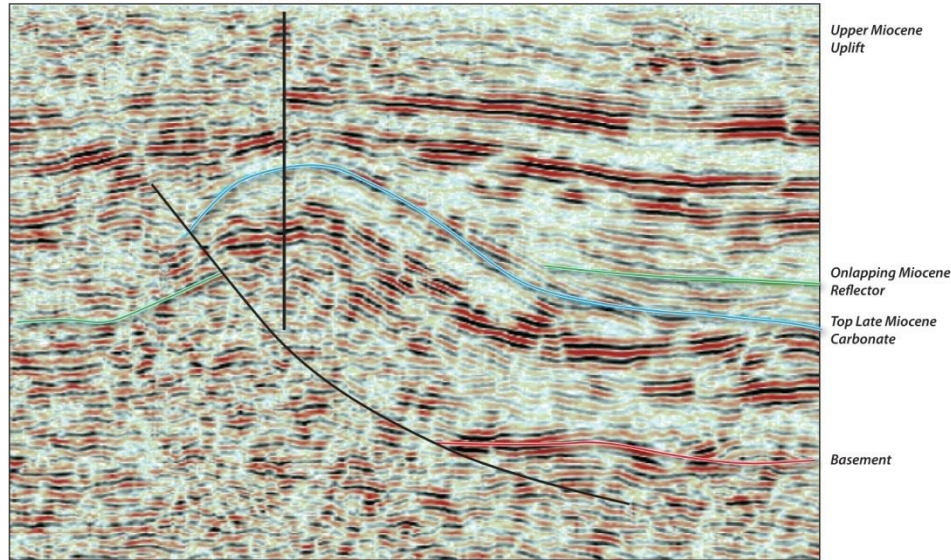


- Covers ~ 5500 km² (1.4M acres) in Ramu Sub Basin.
- Numerous gas seeps confirm active biogenic gas generation.
- Heritage to earn a further 60% by carrying Kina through 2 wells.
- 2 back to back wells to spud in December 2014/January 2015 – first wells in North PNG for 20 years.
- Upper Miocene reef and Plio-Pleistocene sandstone targets, numerous seeps.
- Expressions of interest in gas supply for power generation from nearby mines; demand ~ 20mmscf/d.
- Target sizes* are sufficient to support large scale independent development.
- Access by road from Madang.
- Deep water ports suitable for LNG within 90km of prospects.

* Across multiple targets in the licence. Further evaluation is required to determine the existence of hydrocarbons, with recovery dependent on potential future development.

PPL 337 – Raintree & Kwila exploration wells first drilling in north PNG for 20+ years

Raintree-1



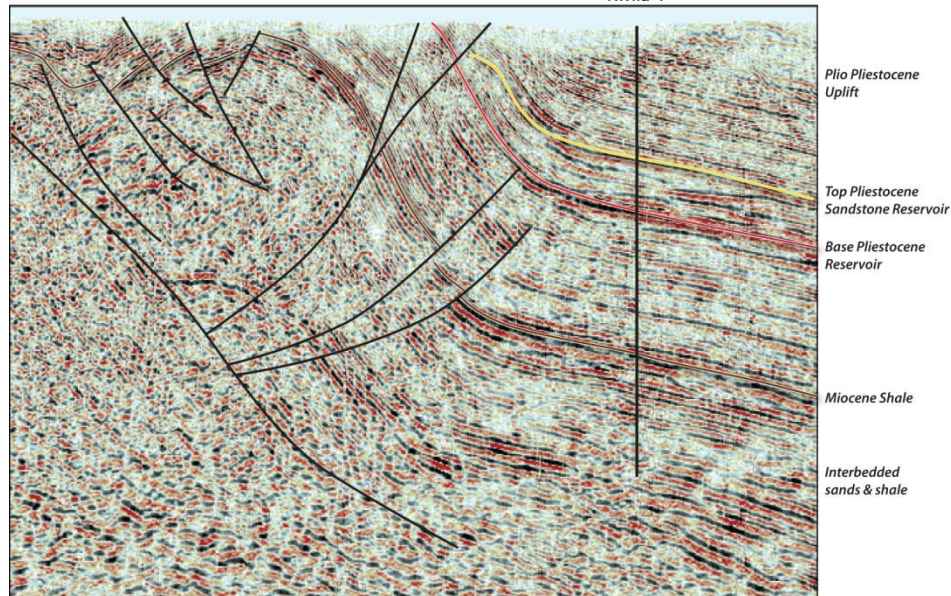
Raintree Location



Raintree -1

- Target late Miocene-Pliocene reef (Antelope Analog).
- Target depth 845m.
- Source biogenic or thermogenic gas.
- Rig contract signed with EDA.
- Rig scheduled to arrive Madang mid – late Dec 2014.

Kwila-1



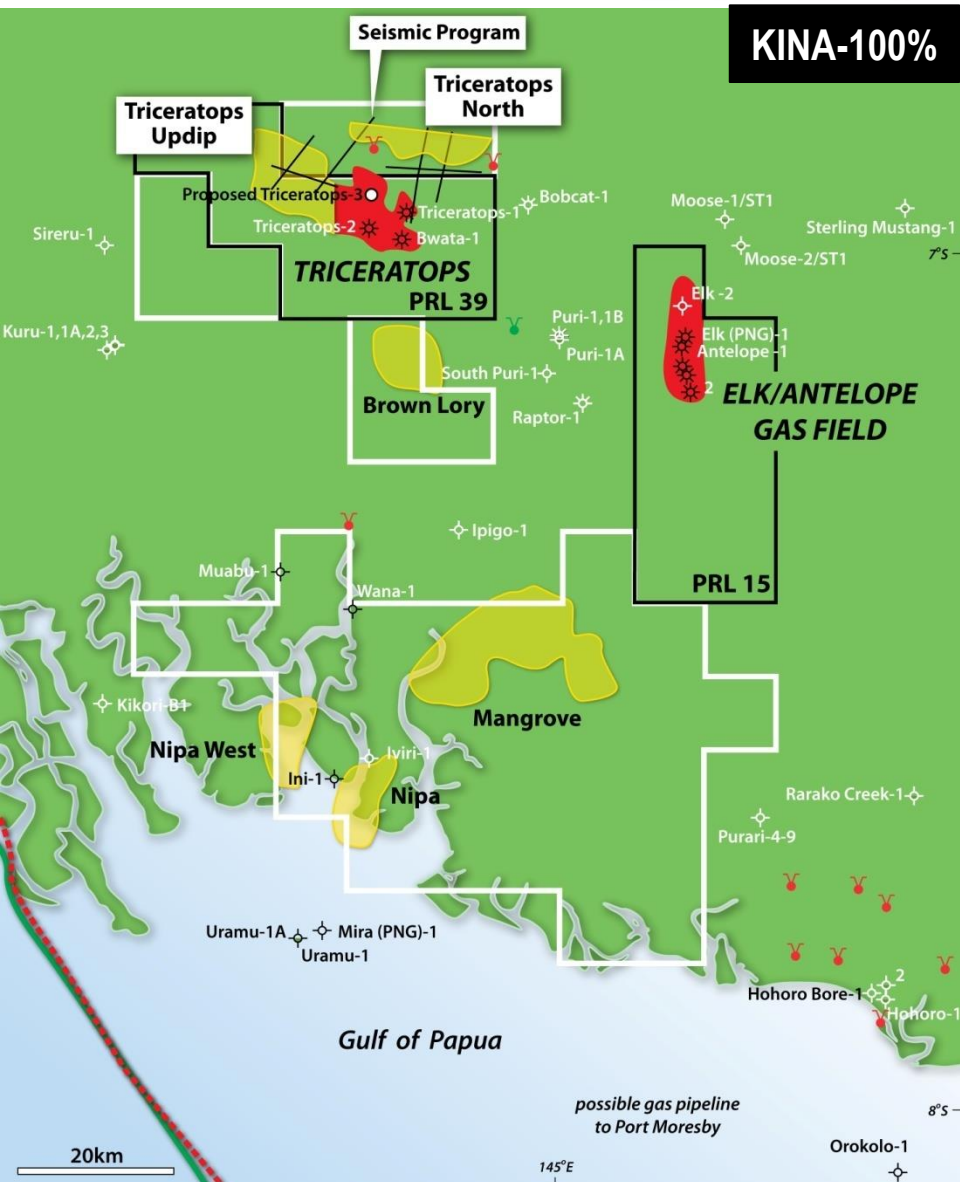
**EDA's Schramm 200 Rig
Mobilised to site -
December 2014**



Kwila -1

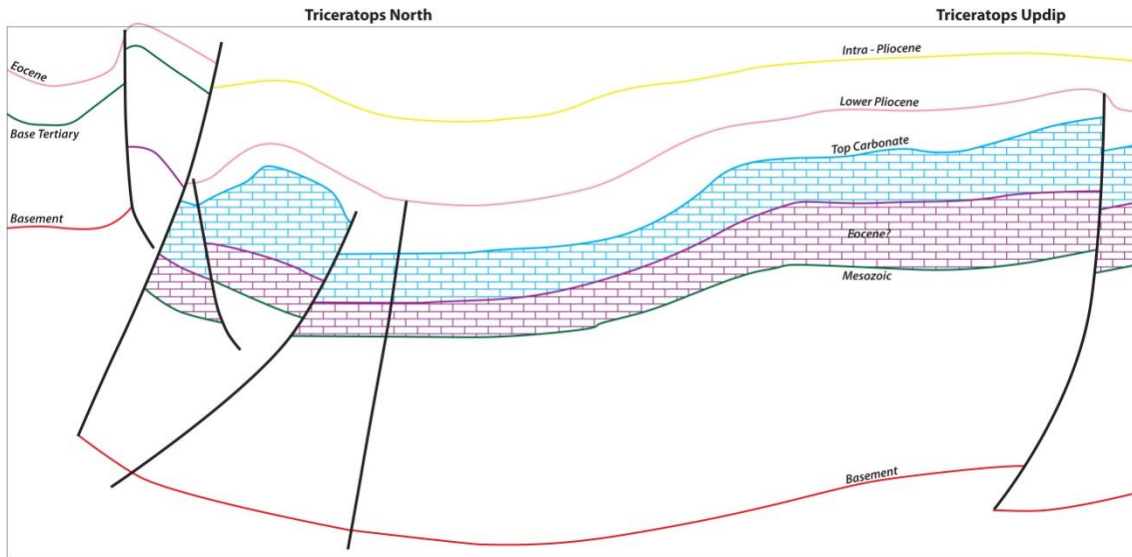
- Target Plio-Pleistocene sands ponded on backlimb of late stage thrust.
- Target depth 650m.
- Source biogenic gas.

PPL 338 – East Papuan basin Antelope play



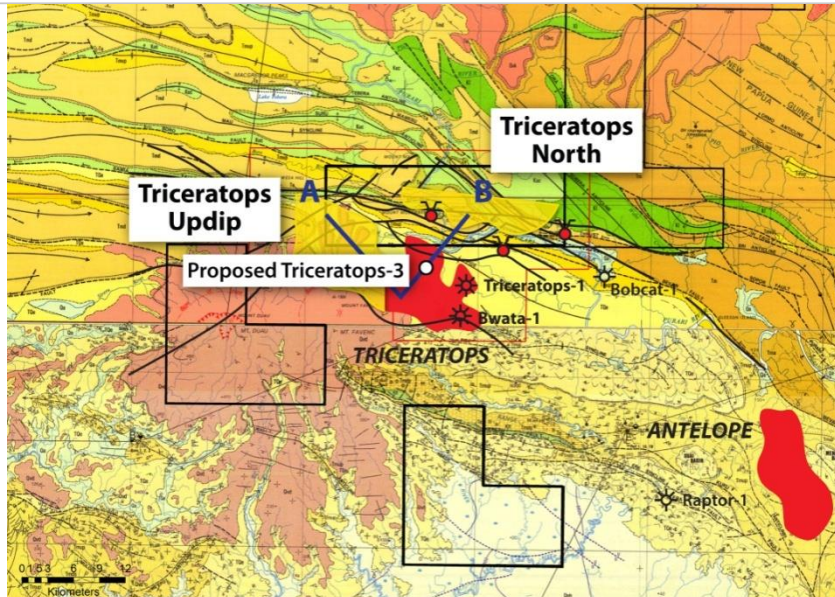
- Covers ~ 3100 km².
- Located at basin margin with wet gas potential.
- Adjacent to Elk/Antelope and Triceratops discoveries.
- Extension of proven reef play.
- Gradiometry and seismic program confirms Triceratops Updip extends into PPL 338.
- Triceratops-3 to follow Raptor-1 in Interoil's adjacent licence.
- Gas flows in Interoil's adjacent Raptor-1 "high grades" Brown Lory.
- Nipa and Mangrove can be elevated to drillable prospects by reprocessing existing seismic database.
- Slim hole drilling experience in PPL337 will have cost impact on drilling in PPL 338 & 339.
- Multiple prospects can be tested using slimholes for cost of 1 conventional well.

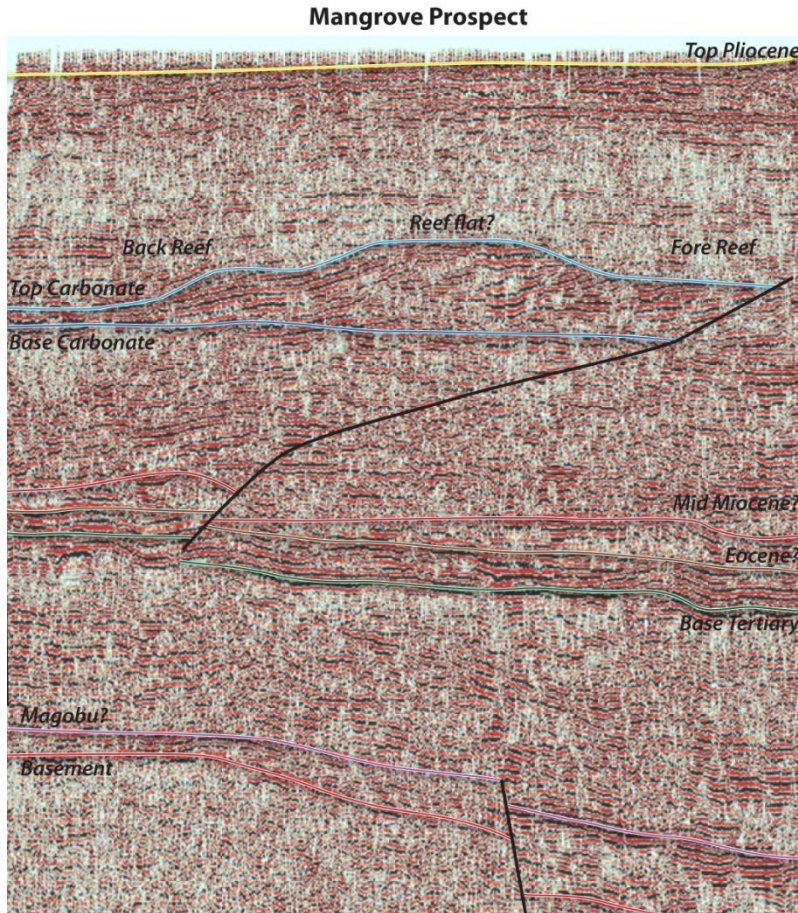
PPL 338 Triceratops updip & Triceratops north

B
A


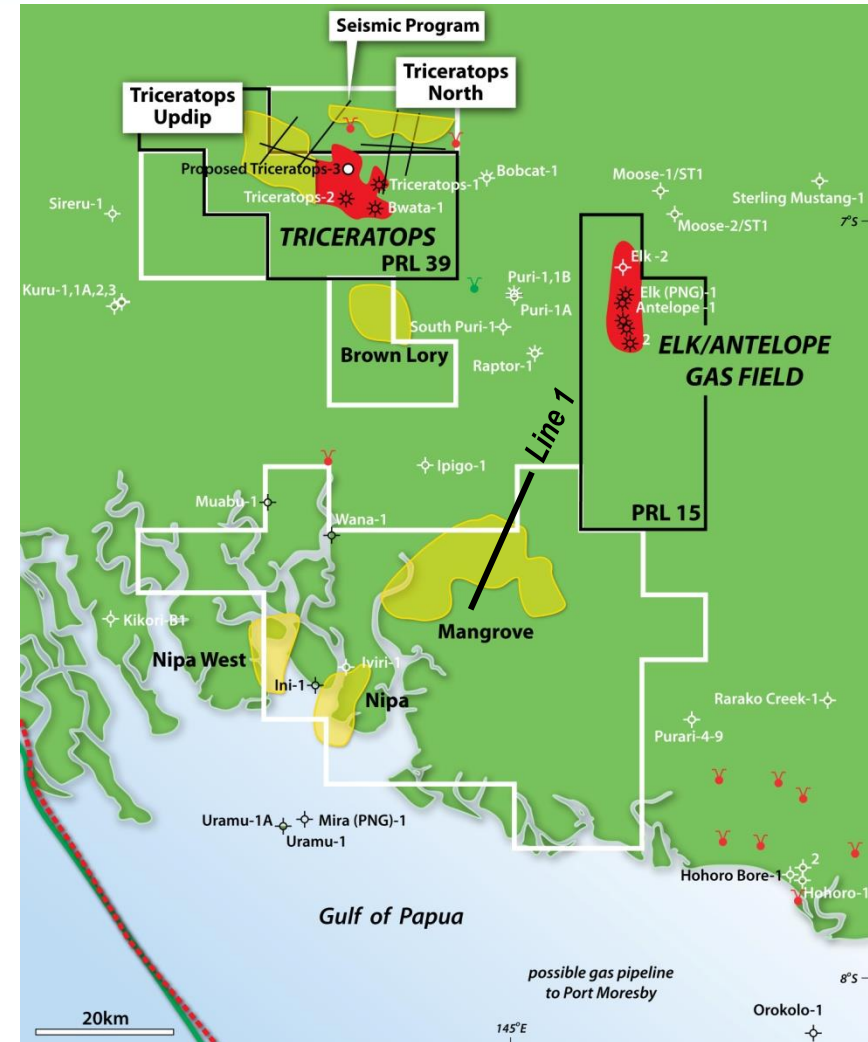
Triceratops Updip

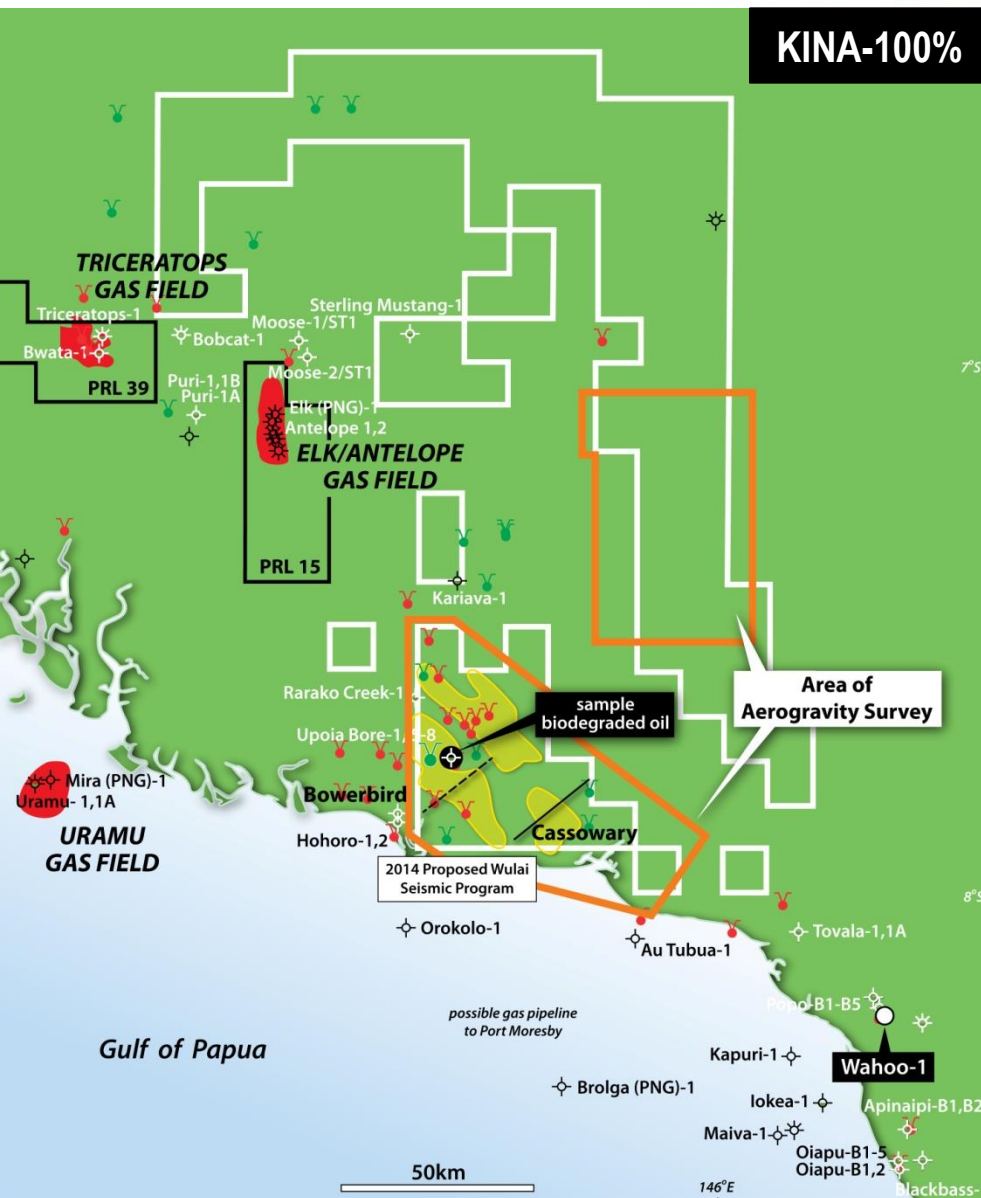
- Target Upper Miocene reef.
- Target depth 600m.
- Proposed Triceratops-3 located 3km from PPL 338 boundary



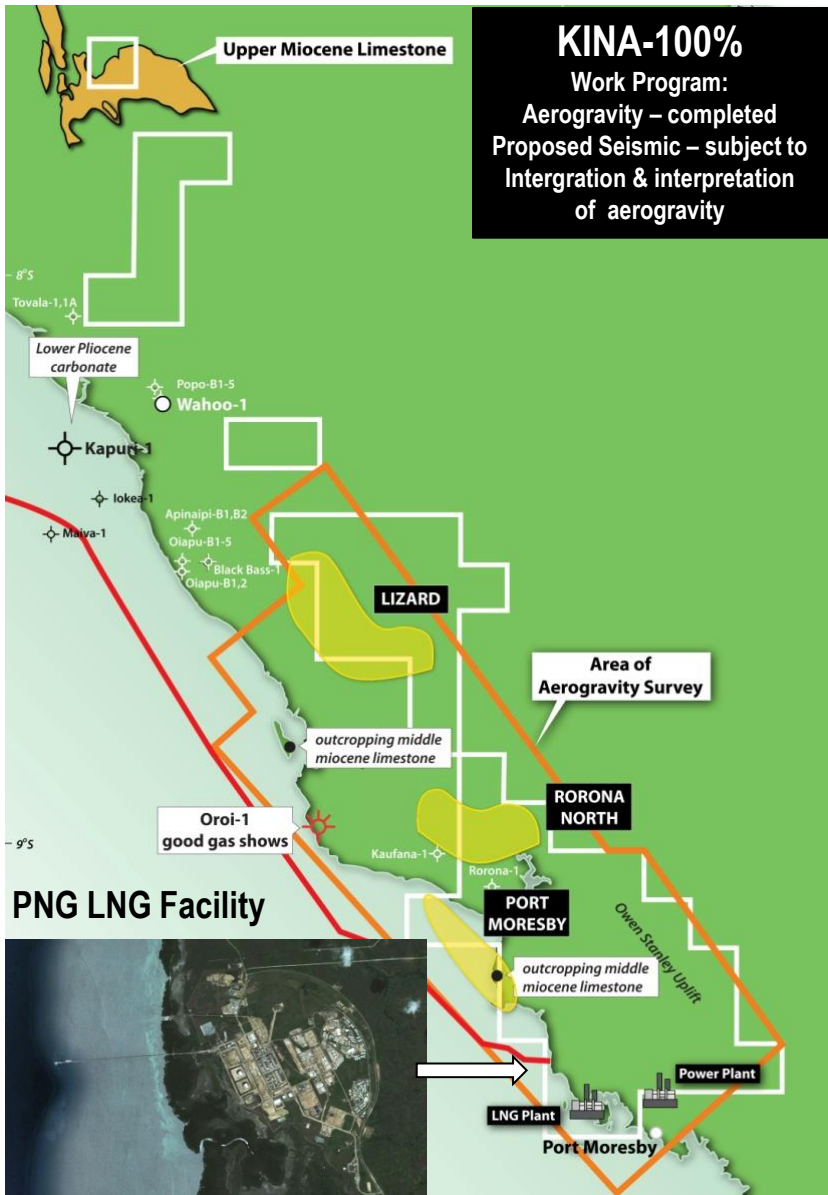


- Target Upper Miocene reef.
- Target depth 1150m.
- Numerous tidal rivers crossing Mangrove provide good barge access.
- Seismic reprocessing to commence 2014.



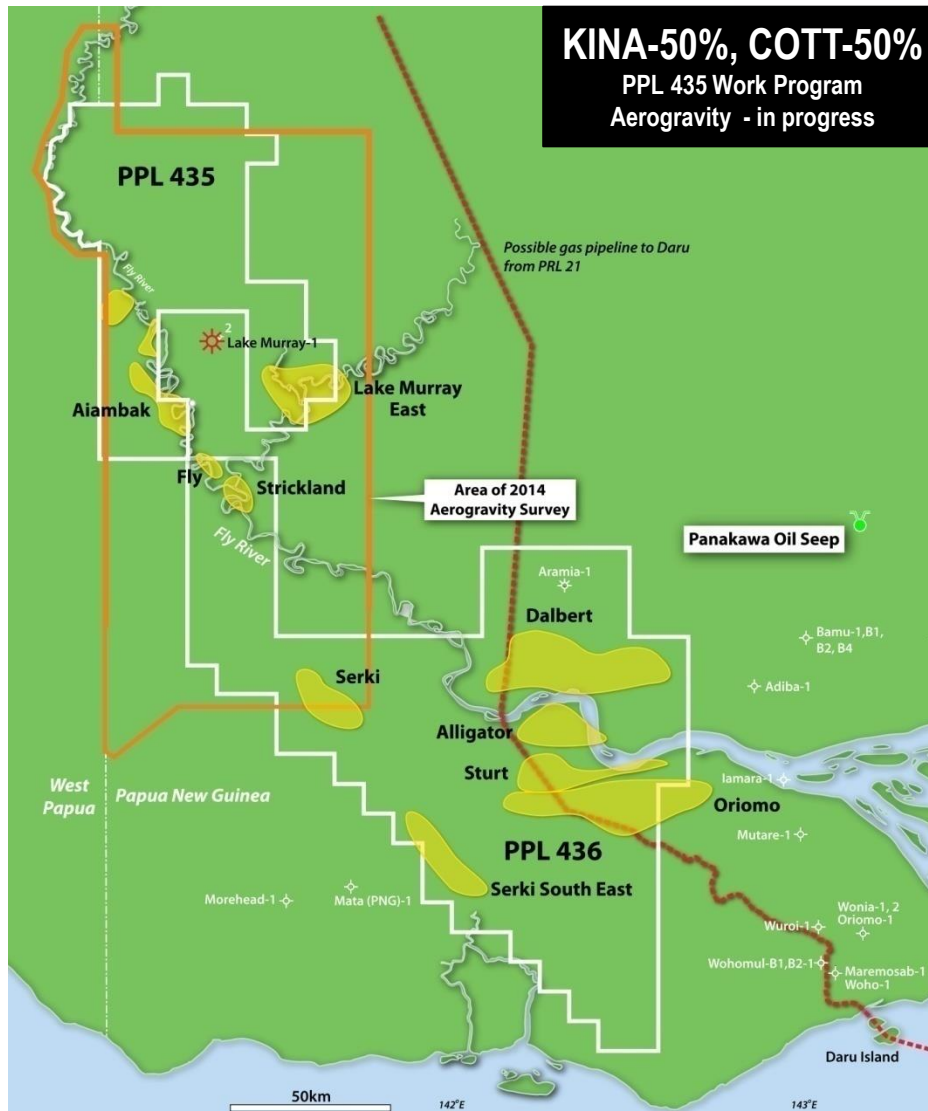


- Covers ~ 8,000 km²
- On Elk/Antelope Wahoo Trend.
- Outcrop evidence supports extension of reef play into PPL 339.
- Kina's share of exploration activities in PPL 339 funded by farmin partner, Oil Search.
- 2011 Seismic to be followed up late 2014.
- Gravity Gradiometry flown over Bowerbird and Cassowary in 2014.
- Upoia Bore oil seep analysis confirms active oil and gas kitchen.
- Target depth ~1km.



- Covers ~ 4,200 km².
- Mid-Miocene to late Pliocene carbonate development is evident from well and seismic data.
- Overlies the PNG LNG facilities.
- 3 Leads: Port Moresby, Lizard, Rorona North.
- Port Moresby Prospect 40km north of PNG LNG facilities.
- Target is gas into Port Moresby for power generation.
- Aeromagnetics and aerogravity completed 2013.
- Follow up seismic program in 2015.
- Wahoo-1 currently suspended by IOC suggests generation of thermogenic hydrocarbons.
- Oro-1 intersected biogenic gas.
- Target depths : Lizard 600m, Port Moresby 750m.

PPL 435 & 436 –Papuan Basin play



- PPL 435 Covers ~ 5,300 km².
- PPL 436 covers 13,100km²
- Located in the Western Province updip of the PRL 21 licence (approx 50kms to the north east) & the Panakawa oil seep.
- Targeting wet gas and oil in multiple leads.
- Wet gas confirmed in Lake Murray 1 well.
- Oil flowing to surface at Panakawa seep
- Aerogravity and aeromagnetic program complete.
- Commercially attractive due to flat terrain & access to Fly River and Aiambak port.
- Six reservoir target: Late Cretaceous, Elevala, Toro, Imburu, Koi lange & Magobu Sandstone.
- Target sizes* would be sufficient to host developments either independently or as part of an aggregation strategy.

* Across multiple targets in the licence. Further evaluation is required to determine the existence of hydrocarbons, with recovery dependent on potential future development.

- **Strong and focussed** PNG Board & Management Team
- **Substantial value** to be realised from clear growth path.
- **Well funded** with strong investor base.
- **Strategy** is to pursue value add development of PRL 21 and PRL 38.
- **Large exploration position** in the Antelope Fairway of Eastern Papuan Basin.
- **Significant acreage position** in the clastic fairway of Western Papuan Basin with 6 identified reservoir plays and confirmed source.
- **Imminent spud** of 2 exploration wells with upside impact.
- **Building its exploration inventory** through seismic acquisition in PPLs 437 and 339 and major seismic reprocessing commencing in PPLs 338, 339, 435 and 436.