



## ASX ANNOUNCEMENT (ASX: KPL) 1 June, 2015

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### Drilling Update - Raintree-1 well in PPL 337

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Kina Petroleum Limited ("KPL") hereby provides an update on progress of the Raintree-1 exploration well in PPL 337.

At 9.00 a.m. on 1 June 2015 the well had reached a volcanic lithology at a depth of 1,088 metres. The age and significance of the volcanics are currently being evaluated.

It is expected that the well will drill ahead to 1,200 metres prior to logging.

Kina Petroleum's Managing Director, Richard Schroder, commented:

*"Seismic data indicated a sealed potential reservoir, thought to be at a depth of 1,000 metres. A good sealing unit was drilled, above a strong seismic reflector which exhibited all the characteristics of a reef. At this point in time, the change in lithology appears to be volcanic. We will drill ahead to confirm the nature of these volcanics prior to logging."*

*This is the first well in a 2 well program. The truck mounted rig used to drill the well has performed very well. It has demonstrated a far more cost effective way of drilling in parts of PNG and Kina sees a good future for this type of rig in-country. The next well to be drilled in PPL 337 – the Kwila-1 well – will test sandstones at a slightly shallower depth than the volcanics intersected at Raintree-1. These sandstones are at the flank of the Banam Anticline, along which numerous gas seeps have been identified by fieldwork."*

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