



ASX ANNOUNCEMENT (ASX: KPL) 6th March, 2012

DRILLING ANNOUNCEMENT PRL 21 Ketu 2 Spuds 6th March, 2012

Kina Petroleum Limited ("**KPL**") announces the spudding of Ketu 2 on 6th March, 2012 at 10:00am local time. Ketu 2 comprises the second phase of the KPL, Horizon Oil ("**HZN**") and Talisman Energy Niugini Limited Joint Exploration Program for 2011/12. KPL has a 15% working and paying interest in this well and in PRL 21. Horizon, with a 45% interest, is operator of the License.

Phase 1 drilling at Elevela 2 delivered successful results and the objectives of this Phase 2 program at Ketu 2 is to better define the size of the resource at Ketu.

The well will be drilled with the Parker Drilling Company Rig 226, the same rig that drilled the Elevela-2 ST1.

The target of the proposed well is at a down dip location in the south-eastern part of the field, some 8.9km ESE of the Ketu 1 discovery well (Fig 1 below). The well is designed such that the twin objectives of defining the gas water contact ("GWC") and completion as a future gas injector can be achieved.

The Ketu 1 ST1 well, drilled in 1990/1991 by BP Exploration, discovered gas in the Early Cretaceous Elevela Sandstone of the Alene Member. Petrophysical and RFT analysis confirmed the discovery of a 12m gas/condensate zone. No GWC was intersected.



Kina Petroleum's Managing Director, commented:-

“Ketu 2 commences the second phase of the joint venture's evaluation of BP's gas condensate discoveries of the early 1990's and we expect the information gained from this well will add impetus to the development plans for PRL 21.

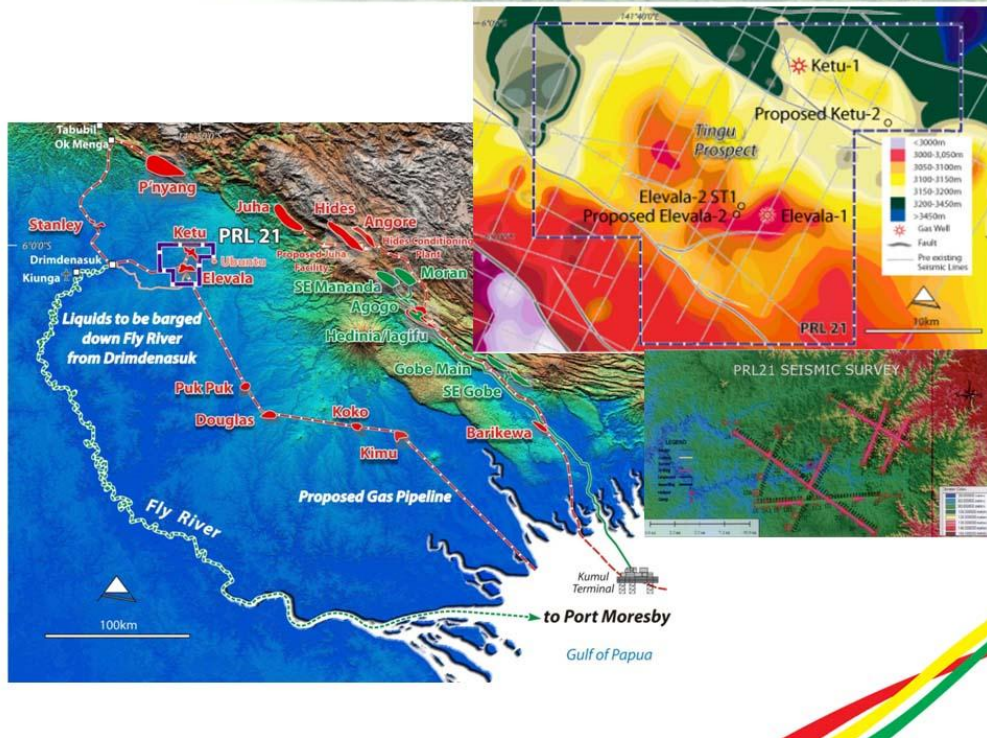
The recently acquired seismic data covering Elevala and Ketu is now at preliminary final stack stage and we look forward to coming out with an update on the size of the Elevala liquids and gas resource soon.”

Ketu 2

PERMIT	The Ketu 2 well is located in exploration permit PRL 21. A map showing the location of the well is set out below.
WELL LOCATION	Surface Location: Latitude: 6° 04' 31" S, Longitude: 141° 51' 22" E
KINA'S INTEREST	Kina Petroleum Limited holds a 15% interest in the well.
DATE OF PROGRESS REPORT	2:00pm 6th March, 2012
CURRENT DEPTH	N/A
SPUD DATE	6 th March, 2012
DAYS SINCE SPUD	N/A
OPERATIONS SINCE LAST PROGRESS REPORT	N/A
FORWARD OPERATIONS	Drill Ahead in 24 in hole and set surface casing



PRL 21: WELL LOCATION & SEISMIC PROGRAM



Further information on the Company is available at:
<http://www.kinapetroleum.com/>

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