



ASX ANNOUNCEMENT (ASX: KPL) 3rd April, 2012

DRILLING UPDATE PRL 21 Ketu 2 2nd April, 2012

Kina Petroleum Limited ("**KPL**") announces that, Ketu 2 well has been drilled to a measured depth of 2,550 m and 9-5/8" casing has been run and set with the shoe at 2,545 m. The current operation is pressure testing the blowout preventers, in preparation for drilling ahead in 8-1/2" hole. It is anticipated that the target Elevala sandstone will be reached by approximately 8-10 April.

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 45% is operator of the Licence.

Ketu 2 lies east of Ketu 1 between the latter and Ubuntu 1 which also successfully intersected wet gas in the Elevala Sandstone reservoir. The well is being drilled with the Parker Drilling Company Rig 226 the same rig that drilled the Elevala-2 ST1. The target of the proposed well is 8.9km ESE the discovery well (Fig 1 below). The well is designed to define the gas water contact of the Ketu Field and to be completed as a future gas injector.

The Ketu-1 ST1 well, drilled in 1990/1991 by BP Exploration, discovered gas in the Early Cretaceous Elevala Sandstone of the Alene Member. Petrophysical and RFT analysis confirmed the discovery of a 12m gas/condensate zone. No GWC was intersected. The Ketu structure is in close proximity to the Elevala structure and in the event of a commercial development, will allow produced Ketu gas to be piped back and processed at a proposed Elevala condensate stripping facility, removing the cost of establishing a separate processing facility for the Ketu development.



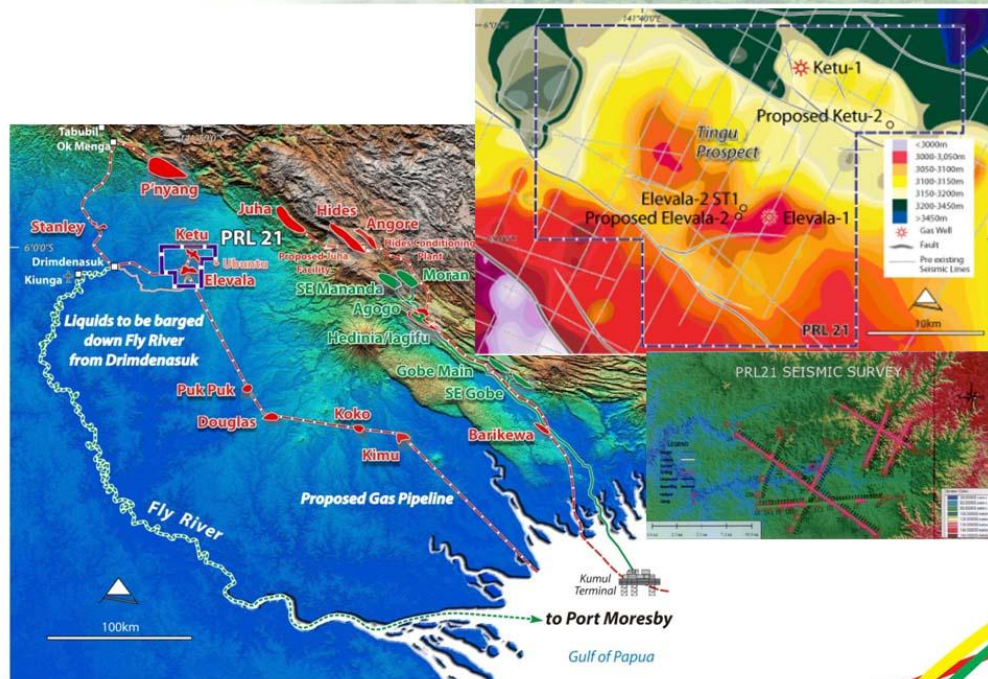
Kina Petroleum's Managing Director, commented:-

"The drilling of Ketu 2 continues on time and is forecast to enter the Elevala reservoir sequence by approximately 8 -10 April"

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	Approx 6.00 am 2 nd April, 2012
CURRENT DEPTH	2,550m
SPUD DATE	5 th March, 2012
DAYS SINCE SPUD	28
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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