

19 October 2012

Dear Optionholder,

Notice of Options Expiring 30 November 2012

Notice is hereby given that the Kina Petroleum Limited Options (KPLO) that you hold will expire on Friday, 30 November 2012. Your Options must therefore be exercised on or before 5.00pm (Sydney time) on Friday, 30 November 2012. In accordance with Appendix 6A of the ASX Listing Rules, the Company advises the following:

1. The number of KPL Options that you hold is set out in the attached form. Each KPL Option is exercisable into 1 ordinary share in KPL in accordance with the terms of the KPL Options.
2. The KPL Options exercise price is \$0.20 (twenty cents) for each KPL Option (Exercise Price).
3. The due date for payment of the KPL Options Exercise Price is before 5.00pm (Sydney time) on Friday, 30 November 2012 (Due Date).
4. If you do not elect to exercise your KPL Options on or before Friday, 30 November 2012 and/or do not pay the Exercise Price for your KPL Options by the Due Date your KPL Options will lapse and expire.
5. Quotation of your KPL Options will cease on 23 November 2012, which is five (5) business days before Friday, 30 November 2012.
6. The last market sale price of the ordinary shares on 18 October 2012 was \$0.38
7. The highest and lowest market sale price of the Company's shares into which the KPL Options are exercisable during the three (3) months immediately before the date of this notice was:

Highest	\$0.415 on 18 August 2012
Lowest	\$0.34 on 18 August 2012

8. There are no arrangements in place to underwrite any unexercised KPL Options.

To exercise your KPL Options please complete the form attached with this letter and return to the share registry before 5.00pm (Sydney time) on Friday, 30 November 2012. A reply paid envelope has been included.

If you have recently sold your options, or you plan to sell them on-market, then please disregard this Notice.

All fully paid ordinary shares issued upon exercise of the KPL Options will rank parri passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official Quotation by Australian Securities Exchange Limited of all shares issued upon exercise of the KPL Options.

Should you have any queries with respect to the above, please contact Link Market Services on 1300 554 474 if calling within Australia or +61 2 8280 7111 if calling from outside of Australia, between 8.30am and 5.00pm (Sydney Time) Monday to Friday.