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14 September 2020

Successful completion of Placement and Institutional component of Entitlement Offer, raising A\$45 million

Kina Securities Limited (**ASX: KSL | PNGX: KSL**) (**Kina** or the **Company**) is pleased to announce the successful completion of its placement to institutional investors (**Placement**) and the institutional component of its 1 for 2 accelerated pro-rata non-renounceable entitlement offer (**Institutional Entitlement Offer**) of new ordinary shares in Kina (**New Shares**). Details of the equity raising, including the retail component of the Entitlement Offer (**Retail Entitlement Offer**) and PNG offer to eligible PNG shareholders (**“NG Retail Offer”**) (together, the **Equity Raising**) were announced to the ASX and PNGX on Thursday, 10 September 2020.

The Placement and Institutional Entitlement Offer raised approximately A\$45 million, excluding estimated transaction costs (subject to ongoing shareholding reconciliations), at an offer price of A\$0.80 / K1.97¹ per share (**Offer Price**). The Offer Price represents a 14.4% discount to Kina’s last closing price and an 9.3% discount to the Theoretical Ex-Rights Price² (**TERP**)³.

The combined proceeds of the Equity Raising are expected to be up to approximately A\$91 million / K224 million⁴, excluding estimated transaction costs.

Trading in Kina shares is expected to resume on the ASX and PNGX from market open today Monday, 14 September 2020.

Commenting on the Capital Raising, Kina CEO and Managing Director, Greg Pawson said:

“I would like to thank our shareholders for the strong support they have shown the Company. The Placement was well supported by existing and new institutional shareholders. As reported in our recent H1FY2020 results, Kina has experienced significant growth across its business over the year. The proceeds of the Offer will enable Kina to grow and enhance its business capability to meet the significant inbound interest from existing and new-to-bank customers. Kina is well positioned to deliver on a number of strategic projects as we continue to see significant additional growth opportunities.”

¹ Exchange rate of 1 PGK / 0.4055 AUD

² Theoretical ex-rights price (“TERP”) includes shares issued under the Placement, Institutional Entitlement Offer, Retail Entitlement Offer and PNG Retail Offer. TERP is a theoretical calculation only and the actual price at which Kina shares trade immediately following the ex-date for the Entitlement Offer may be different from TERP. TERP has been calculated as: (existing market capitalisation of Kina plus additional equity raised) / total shares on issue following the Equity Raising.

³ At Wednesday 9 September 2020, Kina’s last closing price was A\$0.935 per share and the TERP is A\$0.882 per share.

⁴ Exchange rate of 1 PGK / 0.4055 AUD

Placement and Institutional Entitlement Offer

The Institutional Entitlement Offer had a take up rate of approximately 81.33% by eligible institutional shareholders. The Placement and institutional shortfall was allocated to a range of existing and new institutional and high net worth investors.

All New Shares offered under the Placement and Institutional Entitlement Offer were issued at the same price, of A\$0.80 / K1.97⁵ per share.

Approximately 56.3 million New Shares subscribed for under the Placement and Institutional Entitlement Offer are expected to be settled on Friday, 18 September 2020 and commence trading on Tuesday, 22 September 2020. New Shares issued under the Placement do not have rights to participate in the Entitlement Offer.

Retail Entitlement Offer

The Retail Entitlement Offer has been fully underwritten and will raise approximately A\$35.3 million. The Retail Entitlement Offer is expected to open on Thursday, 17 September 2020 and close on Thursday, 1 October 2020.

Eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date of 7.00pm (AEST), Monday, 14 September 2020, have the opportunity to invest in New Shares at the Offer Price, on the terms and conditions outlined in the Retail Offer Booklet to be sent to eligible retail shareholders on or around Thursday, 17 September 2020.

Please note that shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Offer Booklet.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their full Entitlement may also apply for additional New Shares in excess of their Entitlement.

PNG Retail Offer

Eligible retail shareholders with a registered address in Papua New Guinea on the Record Date of 7.00pm (AEST), Monday, 14 September 2020, will have the opportunity to invest in New Shares on substantially the same terms as the Entitlement Offer. Further information regarding the PNG Retail Offer (which is still subject to the Company obtaining PNG regulatory approvals), including the terms and conditions of the offer and details as to eligibility, will be outlined in the PNG Prospectus to be sent to eligible retail shareholders in PNG in mid-October 2020.

Further information

Further information on the Offer is set out in the Investor Presentation lodged with the ASX on Thursday, 10 September 2020.

For further information regarding the Retail Entitlement Offer, please do not hesitate to contact the Kina Shareholder Information Line on 1800 550 560 (within Australia) or +61 1800 550 560 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the offer period.

⁵ Exchange rate of 1 PGK / 0.4055 AUD

For more information, please contact:

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This ASX announcement was authorised for release by Kina's Board of Directors

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Forward-looking statements and forecasts

This announcement contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Kina, statements about the oil and gas industry and the markets in which Kina operates and statements about the future performance of the Kina businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Kina group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of Kina's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Kina's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to

the “Key Corporate and Transaction Risks” section of the Investor Presentation released on ASX on Thursday 10 September 2020 for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Kina group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID19, the PNG and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to Kina as at the date of this announcement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Kina or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules and PNGX Listing Rules), Kina disclaims any obligation or undertaking to update forward-looking statements in this announcement to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

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