

MAIDEN GAS RESERVE AND EXPLORATION PROGRESS

HIGHLIGHTS

- **Maiden gas reserve certification estimated to be received before the end of July 2023**
- **Two new core wells spudded in ER272 near Secunda refinery**
- **Application for grant of ER320 with extra 2,383km² nearing completion**
- **Strong cash position maintained following low cost exploration success**

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) an Australian gas explorer and developer focused on advanced shallow conventional gas and coal bed methane in South Africa, is pleased to provide the following update on progress across its onshore gas exploration and production development activities.

Kinetiko CEO, Nick de Blocq, commented:

"With careful consideration of recent promising gas results from core wells in both the Southern and Northern extents of our prospective geology, we are delighted to share that the Sproule independent gas report is anticipated to be delivered in the coming weeks. This report was initially commissioned to provide an assessment of the potential certification of maiden gas reserves only over the small proof-of-concept gas production field at Amersfoort in ER271.

We are particularly encouraged by the recent exploration success, which has revealed substantial gas desorption levels in core wells in our new exploration acreages within blocks ER270 and ER272. This success sets the stage for significant potential growth in gas resources and reserves certification as we proceed with pilot production plans in ER271 and the drilling of the permeability-test and eventual production wells in these areas."

Gas Reserves Certification

Following a delay to enable the assessment of recent significant gas results from core wells in the Southern and Northern extents of the Company's prospective geology, the Company expects to receive the Sproule independent gas report before the end of July 2023.

The report was engaged to assess potential certification of maiden gas reserves over the small proof of concept gas production field at Amersfoort in ER271. Recent exploration success determining gas desorption levels in core wells in ER270 and ER272 are expected to establish significant potential for further increases in gas resource and reserves certification as pilot production wells are drilled in these areas.

Accelerated Exploration Continues

Core well 272-05C and 272-06C, have been spudded approximately 12kms from South Africa's largest synfuels refinery and 8km from substantial gas intervals discovered in completed core wells 272-01C and 272 02C. The continuation of exploration success will increase the potential that gas producing fields can be established in close proximity to the Secunda refinery operated by Sasol which could be a substantial off-taker of gas (Figure 1 and 2).



Figure 1: Drilling operations at core well ER272-06C

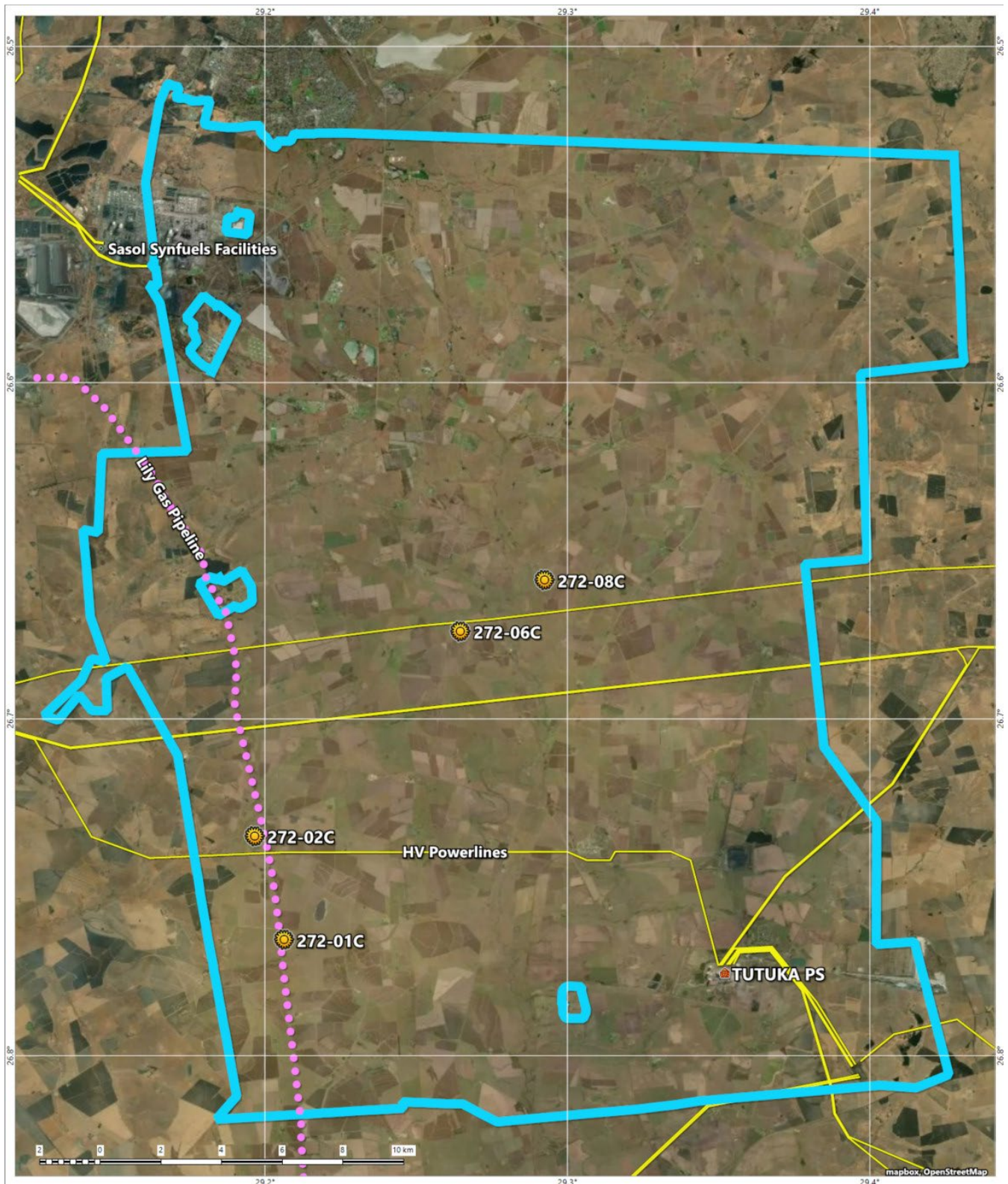


Figure 2: Locations of Core wells 272-016C and 272-028C in proximity to Sasol Synfuels Refinery

Company to seek the grant of ER320

This Company has completed significant environmental assessments and approvals in readiness to apply to Petroleum Agency of South Africa (**PASA**) for the granting of ER320 which comprises 2,383km² of prospective geology. If granted this would increase the Company's total amount of rights by over 62% which would then be applied to seek an upgrade of the Company's total gas resource. The application is anticipated to be lodged with PASA by about mid-Q3 2023 after following regulatory public communication protocols.

Low Cost Exploration Maintains Company's Strong Cash Position

Since the commencement of the last quarter of 2022 Kinetiko has successfully drilled and completed 6 core holes (271-23C "Majuba"; 270-03C; 270-05C; 270-06C; 272-01C and 272-02C) all of which returned significant gas results. In addition to exploration success the drilling program has been executed on time and all being accomplished for approximately A\$600k in total driller's costs.

As a result the Company remains in a strong financial position with over \$5.1m in cash estimated at 30 June 2023, with an addition \$1.3m available as part of the Industrial Development Corporation of South Africa (**IDC**) joint venture contribution. With further cash contributions projected to be made by the IDC over the next 6 months, the Company is fully funded to continue its accelerated exploration into 2024.

-ENDS-

This announcement is authorised for release to the market by the Board of Directors of Kinetiko Energy Limited.

For more information visit: www.kinetiko.com.au or contact,

Adam Sierakowski
Executive Chairman
08 6211 5099
adam@kinetiko.com.au

Evy Litopoulos
Investor Relations
ResolveIR
evy@resolveir.com

About Kinetiko Energy and Afro Energy

Kinetiko Energy is an Australian gas explorer focused on advanced shallow conventional gas and coal bed methane (CBM) opportunities in rapidly developing markets in Southern Africa. South Africa has extensive gassy coal basins, widespread energy infrastructure and growing gas demand. The Company has a 4.9Tcf contingent resources and large potential exploration area, of which approximately 7000km² is granted and being explored.

The Company's vision is to continue to explore, develop, and commercialise gas production.

ASX: KKO | kinetikoenergy.com.au

