KINETIKO ENERGY LTD

KORHAAN WELLS ALL INTERSECTING GAS

HIGHLIGHTS

- **Korhaan-5 drilling reached TD (Terminal Depth) at 432m.**
- **Korhaan-5 gas was sensed throughout the drilling of the Production Section and will now be logged to establish stratigraphy and gas bearing sediments.**
- **Korhaan-4 well has been successfully logged and flow rate testing is planned to commence next week.**
- **Korhaan-3 well has drilled and cased the Surface Section having encountered gas.**
- **Korhaan Project wells achieve 100% success rate in gas discovery.**

24 January 2022: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "**KKO**" or "**Company**") is delighted to update on the status of appraisal / development Korhaan wells.

Company chairman Adam Sierakowski commented “The Company is exhilarated to see the success so far in the exploration undertaken on the Korhaan Project wells. With strong gas shows already observed, the flow testing of each of the three wells in coming weeks is anticipated to provide the platform for major milestones being achieved such as first production and booking of maiden reserves.”

Korhaan-5: (Figure 1) has completed drilling of the Production Section from 150m to 432m, where TD was called due to the tight structures encountered. The well was immediately lined up to a flare line in order to ascertain flow potential. Preliminary gas flows were established under choked conditions with the drill string in the well, BOP closed on the pipe, and natural ground water flowback. The well was successfully logged to pinpoint productive intervals over 22-23 January.

Figure 1: Korhaan-5 during prelim well-flow proving

Korhaan-4: (Figure 2) After a solid stabilisation period, the well was cleaned out and filled with fresh water for logging. The logging strings included the following suites of tools:

- Gamma Ray
- Conductivity
- Pressure-Temp
- Optical TeleViewer
- Neutron
- Density
- Azimuth
- Caliper

The logs showed substantial cumulative gassy sandstone intervals. The well is being prepared for multi-day flow rate testing planned to commence next week.

Figure 2: Korhaan-4 during prelim well-flow proving

Korhaan-3: Drilling was continued from 102m to 177m where Surface Section TD was called after substantial gas was encountered from the uppermost sands. The well was cased to 174m to mitigate pressure build up behind the tubulars and was cemented on 23 January. After curing, we will continue to drill Korhaan-3 Production Section, expecting to TD and log the well by the end of January.

The observed presence of gas in Korhaan-3 continues Kinetiko Energy's 100% success rate in its exploration and appraisal campaigns in South Africa.

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,

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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, extensive energy infrastructure and a growing gas demand, making it an attractive area for investment. The Company has a large potential exploration area, of which approximately 7000km^2 is granted and being explored.

Afro Energy (Pty) Ltd. was incorporated as a joint venture founded in 2015 by Kinetiko Energy Ltd (49%) and Badimo Gas (Pty) Ltd of South Africa (51%) as a JV company to own 100% of the exploration rights with required BEE (Black Empowerment Endowment) certification, and facilitate South African investment in order to continue to explore, develop, and commercialise gas production.

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