

NEW AEROMAGNETIC SURVEY INTERPRETATION MORE THAN DOUBLES GAS PROSPECTIVE COMPARTMENTS

HIGHLIGHTS

- **Kinetiko's third aeromagnetic survey was successfully completed in December 2021 and interpretation results now completed.**
- **Three survey areas were included in airborne program over ER 270 and ER272 totalling 12,610 line km flown.**
- **42 new compartments discovered in total equating to 264 km²**
- **The total number of prospective gas compartments has more than doubled to 79 totalling 1,229km²**
- **The Company's current drilling program comprises only a small percentage of just one prospective gas compartment**

27 January 2022: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "Kinetiko" or "Company") is pleased to update on the interpretation of its third aeromagnetic survey.

Kinetiko flew aeromagnetic surveys (Figure 1) across three areas identified by our geologist as having the potential to contain similar dolerite-enclosed compartments as our focused drilling to-date has proven to be gas rich. This equated to a total of 12,610 line km flown across the project bringing the total area of aeromagnetic flown to-date to 32,204 km since 2014 all with landowner approvals.

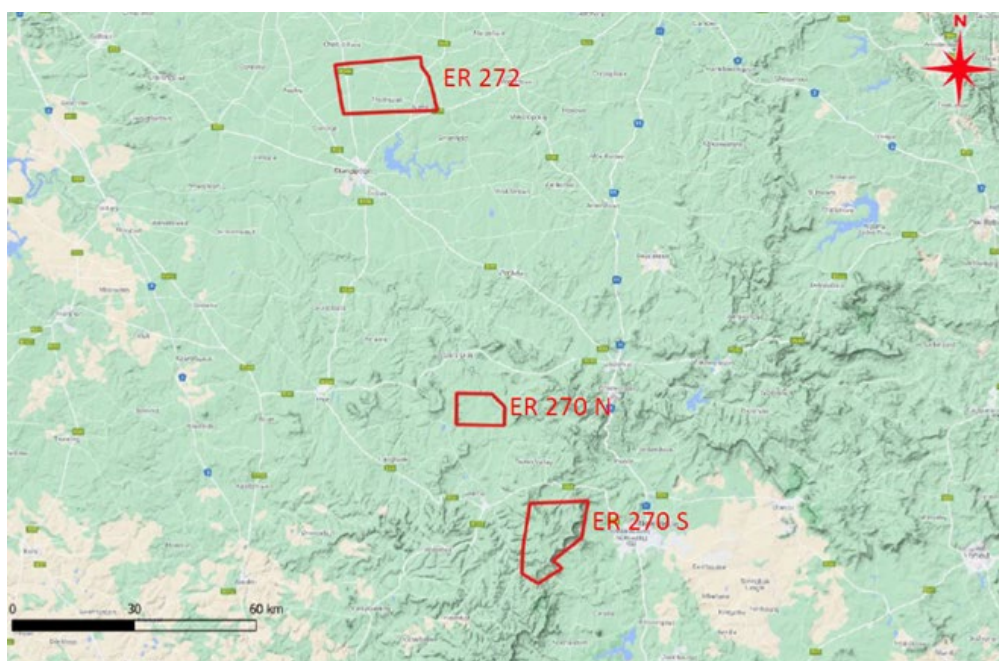


Figure 1: Aeromagnetic survey areas

The study was focused on obtaining broad information of parts of our Exploration Rights 270 and 272 and used the following parameters:

- Line spacing: 50m
- Tie line spacing: 500m
- Line orientation: 135°/315° - ER 270 North 0°/180°
- Tie line orientation: 45°/225° - ER 270 North 90°/270°
- Flying Height: 35m Mean Terrain Clearance above ground level.

Interpretation of the results was based on:

- Magnetic intensity reduced to pole images.
- Magnetic signature dominated by dolerite dykes and sills, with some cultural interference (powerlines, railway lines, etc.).
- Identification of dolerite dykes.
- Priority areas identified within compartments bounded by dykes – dykes form barriers for migration of gas.
- Compartments of high magnetic intensity avoided as indication of high dolerite (sill) content and consequently reduced potential reservoir volume.

The following transformations were applied to the data for processing:

- 1) Reduction to the pole.
- 2) Upward continuation by 200 m and 500 m on the RTP data.
- 3) First vertical gradient of reduced to pole TMI.
- 4) Residual magnetic field (reduced to pole).

Resulting analysis indicates that a total of **42 new compartments**, measuring collectively over **264 km²** and fit for investigation, have been discovered in the survey areas. This adds to the extant 37 compartments already identified by previous aeromagnetic surveys and provides the Company with 79 potentially viable sites.

ER270N: 12 compartments totalling 43.86 km²

ER270S: 19 compartments totalling 85.25 km²

ER270N: 11 compartments totalling 135.06 km²

The Company is pleased, this demonstrates that more than half of the total area flown comprising an enormous prospective area is suitable for gas hosting compartments and has a common surface geology to the gas-proven areas already under exploration and appraisal programs.

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

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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 7000km² 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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