

KORHAAN-3 DRILLED AND LOGGED PREPARING TO FLOW TEST ALL WELLS

HIGHLIGHTS

- **Korhaan-3 drilling reached TD (Terminal Depth) at 449m, and has flowed gas.**
- **Logging has been successfully completed on three Korhaan wells.**
- **Multi-day well gas flow testing scheduled to seek stability of rates and pressures.**
- **Drilling and logging have indicated substantial consistency in the carbonaceous geology.**

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

Korhaan-3: The Terminal Depth of the Production Section was called at 449m after encountering tight formations. Gas was detected early at around 177m but showed strongly from 265m downwards, going off the scale of the inline meter (>10,000 ppm) from that point onwards. Early pre-logging test flows were very encouraging.

Logging operations are now complete and analysis is underway. Initial indicators are good, showing significant gassy sand intervals and several coal stringers. (Figure 1).



Figure 1: Logging operations on Korhaan wells

Well Testing: All three wells will now be flow tested, with long flow and shut-in periods envisaged to seek stability of rates and pressures with repetition for data confidence. Each well is expected to take 8-10 days to test, to ensure trustworthy information to assist our geological and economic modelling.

The operations were unfortunately suspended for two weeks after a severe thunderstorm resulted in a lightning strike on the wellhead at Korhaan-5 where the Company had the test rigup completed, which resulted in damage to the communications system to the downhole pump. (Figure 2). Due to the need for replacement parts and transducers to be imported flow testing operations are expected to resume during the last week of February.



Figure 2: Blowing down pressure build up on Korhaan-5 prior to pulling the pump string on 11 Feb 2022

Drilling and logging that has been completed across the three Korhaan wells has indicated substantial consistency in the carbonaceous geology. With gassy production sections commencing at 130m (Korhaan 4), 150m (Korhaan 5), 177 (Korhaan 3) all three wells reached a very similar terminal depth between 432m and 450m (Figure 3). This provides the Company with greater confidence that further wells drilled adjacent to the Korhaan wells will intersect similar gassy geology.

The three Korhaan wells have been established over a small percentage of the first of 79 potential gas compartments identified so far by aeromagnetic surveys completed, illustrating the enormous potential for future drilling exploration success.

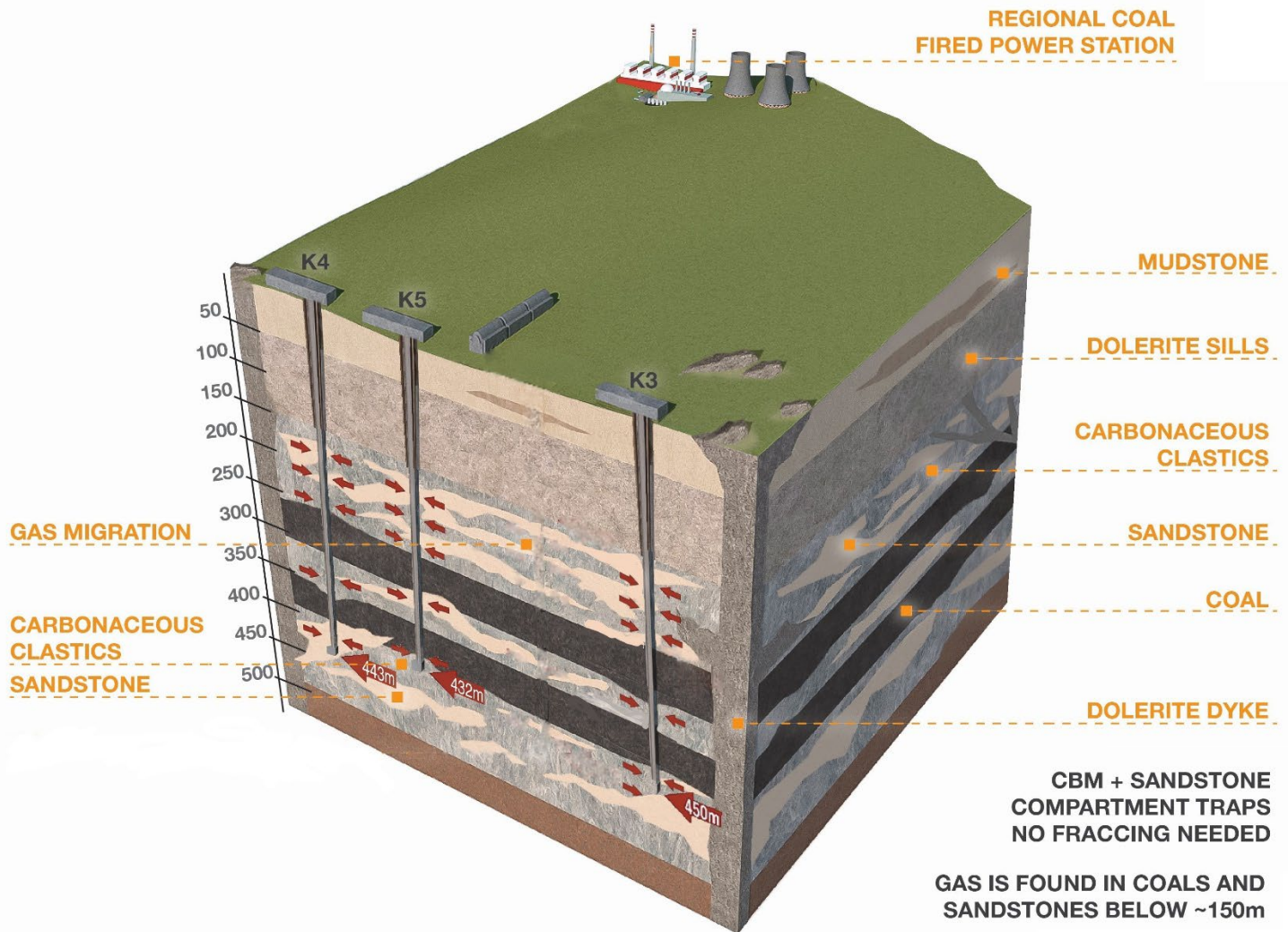


Figure 3: Illustrated cross section of the Korhaan wells (not to scale)

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 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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