

ENTITLEMENT OFFER CLOSES – SECURES A\$1.7m FROM SHAREHOLDERS

HIGHLIGHTS

- Entitlement Offer closes raising A\$1.7m with strong support from major shareholders and directors.
- Funding to aggressively advance onshore gas exploration activities and advance towards maiden gas reserves certification
- Significant interest from South African based investors in allocation of Shortfall Shares
- Funding complements recently announced Joint Development Agreement with the Industrial Development Corporation of South Africa - a wholly owned subsidiary of the South African government mandated to promote economic growth and industrial development

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) an Australian gas explorer focused on advanced shallow conventional gas and coal bed methane (**CBM**) opportunities in South Africa, is pleased to advise that the renounceable pro-rata Entitlement Offer to eligible shareholders (**Entitlement Offer**) announced to the ASX on [20 April 2022](#), closed on 30 May 2022, raising A\$1.7m.

On completion of the Entitlement Offer and the recent addition of Phefo Power as a strategic investor, the Company is funded through raising a total of approximately A\$2.7 million (before costs) to pursue further exploration and advance towards maiden gas reserves certification through early stage production from gas producing wells in the Korhaan project.

The Entitlement Offer and strategic investment follows the recently executed agreements with the Industrial Development Corporation of South Africa (**IDC**) to co-develop a gas production field estimated to comprise up to 20 wells (See ASX Announcement dated [4 April 2022](#)).

Kinetiko Executive Chairman, Adam Sierakowski commented:

“On behalf of the Board of Directors, I wish to thank all shareholders for their comprehensive support of the Entitlement Offer. We are encouraged by the interest received from local South African investors in participating in the ongoing Shortfall Offer and we will update all shareholders as we progress.”

Funds raised will be used to aggressively advance the Company's onshore gas exploration activities including the drilling of further wells to compliment the three wells recently completed at the Korhaan project. In addition, the funding will advance the short term gas production ambitions and certifying maiden gas reserves."

The Entitlement Offer and strategic investment from Phefo Power follows the recently executed agreements with the Industrial Development Corporation of South Africa (**IDC**) to co-develop a gas production field estimated to comprise up to 20 wells (see ASX Announcement dated 4 April 2022).

Eligible Shareholders who applied for their entitlements in full were also able to subscribe for additional New Shares under the Entitlement Offer, which were not validly applied for by other Shareholders under their respective entitlements, under the shortfall offer (**Shortfall Offer**). The Directors also reserve the right to place any of the remaining shortfall within 3 months of the Entitlement Offer Closing Date, being 30 May 2022 (**Closing Date**).

Following a series of presentations last week in South Africa by the Company's CEO and directors, significant expressions of interest from local investors and funds have been received to participate in the remaining Shortfall Shares. The Company expects to complete the placement of Shortfall Shares to all interested parties in South Africa and Australia before 30 June 2022.

Renounceable Rights Issue Results

The renounceable Rights Issue was offered to shareholders who are registered as a holder of Shares on 2 May 2022 (**Record Date**) with a registered address in Australia, South Africa and New Zealand (**Eligible Shareholders**).

The offer was on the basis of one (1) new fully paid ordinary share (**New Share**) for every fifteen (15) Shares held at an issue price of \$0.075 to raise up to A\$3.1m, with a minimum subscription of A\$1,500,000.

All Directors subscribed for a majority of their entitlement in the Entitlement Offer.

The total amount raised is A\$1.7m. The Company will issue 22,656,453 new fully paid shares (New Shares). The New Shares are expected to be issued on Monday 6 June 2022, in accordance with the revised indicative timetable for the Entitlement Offer contained in ASX release on [16 May 2022](#).

The Directors continue to reserve the right, subject to the requirements of the Listing Rules and Corporations Act, to place any of the remaining Shortfall Shares, being a total of Shares, at their discretion within 3 months of the Closing Date, having regard to the allocation policy set out in Section 1.3 of the Prospectus (as announced to the ASX on [20 April 2022](#)).

The final allocation is set out in the table below.

	Funds Raised (A\$)	Shares
Entitlements taken up by Shareholders under the Entitlement Offer	1,514,996	20,199,940
Additional applications taken up by Shareholders under the Shortfall Offer	184,239	2,456,513
Remaining Shortfall Shares to be placed by the Directors at their discretion	1,400,765	18,676,867

-ENDS-

Released with the authority of the Board of Directors of Kinetiko Energy Ltd.

For more information visit: 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, widespread energy infrastructure and 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.

to continue to explore, develop, and commercialise gas production.

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