

## **SIGNIFICANT GAS FLOWS ACHIEVED FROM KORHAAN WELL 3**

### **HIGHLIGHTS**

- Significant gas formations encountered at all three Korhaan Project wells
- K-3 has achieved a flow rate of 83,000 standard cubic feet per day
- K-5 exhibited significant early flow rates of 210,000 standard cubic feet per day before declining.
- K-4 has been re-entered successfully and well test operations are underway
- The gas from the Korhaan wells along with existing nearby wells KA-03PTR and KA-03PT2 anticipated to collectively deliver between 200,000 and 250,000 standard cubic feet per day to drive first pilot production gas field

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 it successfully flowed gas from each of the three Korhaan Project wells and significant gas flow rates have been achieved from Korhaan well 3.

**Kinetiko Executive Chairman, Adam Sierakowski commented:**

*“With the global energy and gas shortages at extreme levels, timing has never been better to start flowing gas from the recently completed 3 well Korhaan project. Kinetiko has never failed to drill a gassy well and with recent funding secured from South African and Australian investors we are poised to accelerate our sizable exploration opportunities while commencing pilot gas production.*

*The Company is focused over the next three months on achieving major milestones by securing our first domestic gas customers and booking maiden gas reserves certification.”*

**Korhaan Project Well Summary**

All the Korhaan Project holes were percussion drilled to intersect carbonaceous sandstone and coal geology at depths that ranged from 130m to 450m. The wells are conventional and have unsophisticated completions as they are open holes that test the entire sub-karoo section and have successfully flowed low pressure gas. The ER 271 tenement is generally located in the Northern Karoo Basin of South Africa, a retro-arc foreland basin containing extensive thicknesses of Permian sediments belonging to the Karoo Supergroup. Extensive coal deposits are contained within the Ecca Group (280-250 million years). The Korhaan well project is located within the Ermelo Coalfield. The Permian age sediments of the Northern Karoo Basin are extensively intruded by Jurassic age dolerites. Gas exploration has focused on coal sandstones, coal and other carbonaceous structures at depths of 130m to 450m.

**Korhaan-3:**

Korhaan 3 was tested during May 2022 and had a successful series of multiple flow and shut-in periods. Encouragingly, each period showed an increase in both flow rate and build-up pressure, proving its placement within a large compartment with rapid recharge functionality. The last flow period produced very high quality gas (~98% methane, 2% nitrogen and zero CO<sub>2</sub>) at a sustained rate of over 92 Nm<sup>3</sup>/hour (83 mscfpd) gas flow with a shut-in pressure build-up of over 12 bar.

**Korhaan-5:**

Korhaan 5 was tested first as it showed an excellent gassy sand profile. About 113m of pay intervals of above 2m in depth were measured, with a total gassy sand interface of 142m. It had good shut-in pressure build-up of over 12.5 bar, but only stabilised gas flow at 7 Nm<sup>3</sup>/hour. A technical review is underway and the Company is considering using the same drill pad to drill a 45° slant hole to try to tap into a larger compartment.

**Korhaan-4:**

Korhaan-4 was the second well to be tested due to logs having shown a cumulative pay zone of 127m; but as a result of weather and equipment delays was shut in, having risen to a stable rate of 40 Nm<sup>3</sup>/hour and still climbing. The well has now been successfully opened and re-entered and flow testing with multi-day and multi-cycle flow/shut periods is underway.

**Pilot Production Potential**

Kinetiko is planning to enter a pilot production phase in the near future with highly experienced Gas-to-Power partners, Vutomi Energy (Pty) Ltd. The program entails using existing wells at Brakfontein to produce gas to an in-field, containerised generator linked to the existing grid running through the farmlands. The first phase commissioning and testing will be undertaken targeting 1MW of output. Further phases are planned for the upgrading of the conductors and transformer to enable scalable modular system increased output to 5MW.

The Company has on-going discussions with additional multiple midstream customers. There is an increasing and urgent need for LNG to thermal industries and transportation, urea for fertilisers, ammonia for mining applications and the domestic market is becoming increasingly attracted to the potential for gas sourced from within Kinetiko fields. (Figure 1)



Figure 1 – Three new Korhaan wells in relation to established pilot production wells and powerline infrastructure.

**-ENDS-**

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

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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. The Company has a 4.9Tcf contingent resources and large potential exploration area, of which approximately 7000km<sup>2</sup> is granted and being explored.

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

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