



STRONG GAS FLOWS ACHIEVED FROM KORHAAN WELL 4

HIGHLIGHTS

- **Strong gas indications from Korhaan well 4 despite equipment issues.**
- **Flow testing in June achieved a stable 3 day flow rate of 40,000 standard cubic feet per day.**
- **Following removal of the water pump well K-4 exhibited unexpectedly high unrestricted gas flows “afterburner” achieving an average flow rate over a 12 hour period of 91,000 standard cubic feet per day.**
- **This afterburner effect indicates the potential limitation caused by equipment issues on initial gas flows.**
- **With equipment issues resolved it's anticipated that K-4 can be retested and reach sustained flow rates in excess of 100,000 standard cubic feet per day.**
- **The flowed gas from the Korhaan wells 4 and 3 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 power generation.**

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 wells 4 and 3 establishing pilot production flow rates.

Kinetiko Executive Chairman, Adam Sierakowski commented:

“With gas flow potential established from the Korhaan wells and the capacity to induce more gas from K-5 following a technical review the Company is poised to achieve a major milestone in becoming a cleaner energy solution in South Africa. The success of the Korhaan drilling program has provided enormous confidence of the capacity of the Company’s vast gassy compartment targets to host thousands of future gas production wells.”

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 Lower 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-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. The well was opened and re-entered in early June 2022 flow testing with multi-day and multi-cycle flow/shut periods were undertaken. This process was interrupted by a number of equipment issues including failed downhole sensors and faulty water pumps. Despite the mechanical issues flow testing in June achieved a stable 3 day flow rate of 40,000 standard cubic feet per day with a high methane content of over 98%. When preparing for the removal of the faulty water pump K-4 exhibited unexpectedly high unrestricted gas flows "afterburner" achieving an average flow rate over a 12 hour period of 91,000 standard cubic feet per day. The afterburner gas flow indicated further significant gas flow potential from K-4 and following the resolution of mechanical issues it is anticipated that K-4 can be retested and reach sustained flow rates in excess of 100 mscfpd.

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 CO₂) at a sustained rate of over 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 Nm³/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.

Pilot Production Potential

Kinetiko now has now achieved gas flows 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 the two historic pilot production wells KA-03PTR and KA-PT2 to join the new Korhaan wells 4 and 3 to produce gas to an in-field, containerised generator linked to the existing grid running through the adjacent 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 7000km² is granted and being explored.

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

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