

COMPANY UPDATE

HIGHLIGHTS

- **Amersfoort Gas-to-Power project set to kick off following Korhaan project drilling success and licence approval.**
- **International certifiers Sproule engaged to undertake maiden gas reserve assessment**
- **Exploration set to continue with drilling contract secured and site approval completed**

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) an Australian gas explorer and developer focused on advanced shallow conventional gas and coal bed methane (**CBM**) opportunities in South Africa, is pleased to provide the following update on its significant on shore gas exploration and production development activities.

Kinetiko CEO, Nick de Blocq, commented:

*“The overall gassy sandstone geology evidenced by logging and testing the three new Korhaan wells has given us a lot of confidence that we have long-term feedstock support for the Amersfoort Gas to Power (**GTP**) project; with further cluster development available to supply increasing power output to an extremely energy-hungry nation. This conviction has also spread to achieving maiden gas reserve certification and we have now engaged Sproule B.V. to undertake this assessment and certification.”*

Korhaan Project GTP Summary

The Korhaan project exploration focused on gas-laden sandstones, coal and other carbonaceous structures over an interval of 130m to 450m. In all three wells, gas was produced from the upper zones immediately under the cased dolomite and continued to produce gas almost all the way down to terminal depth in each case. An average of over 100m of gassy sand pay-zone per well was encountered across the cluster.

Korhaan-3 and Korhaan-4 have tested at commercial production rates, while Korhaan-5 appears to have landed in a smaller compartment, which is supported by a neighbouring large compartment, separated by a thin dyke wall, and currently has provided sub-commercial flow rates. Gas from Korhaan-5 can be utilised to supplement the GTP project but plans are being assessed to re-drill the well using a slant-hole to break through the dyke into the neighbouring compartment and optimise gas flow potential.

Added to the existing wells Korhaan-1 and Korhaan-2, aka “The Beast” and “Son of the Beast” (which have not shown gas depletion for over close to a decade) gas produced from these 5 wells is anticipated to over-supply the GTP project and provide the advantage of managing the production to better support reservoir longevity.

Kinetiko is working with highly experienced Gas-To-Power partners, Vutomi Energy (Pty) Ltd. The program entails using existing wells at Amersfoort 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 transformers to enable scalable modular increased output to 5MW.

The GTP project is planned to be operated in three phases:

Phase 1: Proof of drive, involving gas from a single well to the generator and conduct commissioning of equipment for a few days to undertake load and compliance testing and prove reliability of the equipment and machinery.

Phase 2: Connect and supply to the existing community electricity grid with an initial output of 1MW, which is already conceptually sold on a domestic spot price basis to an offtaker in nearby Mpumalanga.

Phase 3: Advance infrastructure and add machinery modules to enable a 500% increase in output (already Eskom approved).

Status: Eskom has issued electricity production licences and their design approvals for both levels of power output. Final permits to proceed are expected imminently.

The Vutomi generator is undergoing a full service and function testing program and will be ready to move to the site within early Q4

The Company is finalising negotiations to procure a gas collection separator, a dehydrator system and infield water treatment solution to enable controlled gas flow to the Vutomi infrastructure versus their engine intake specifications.

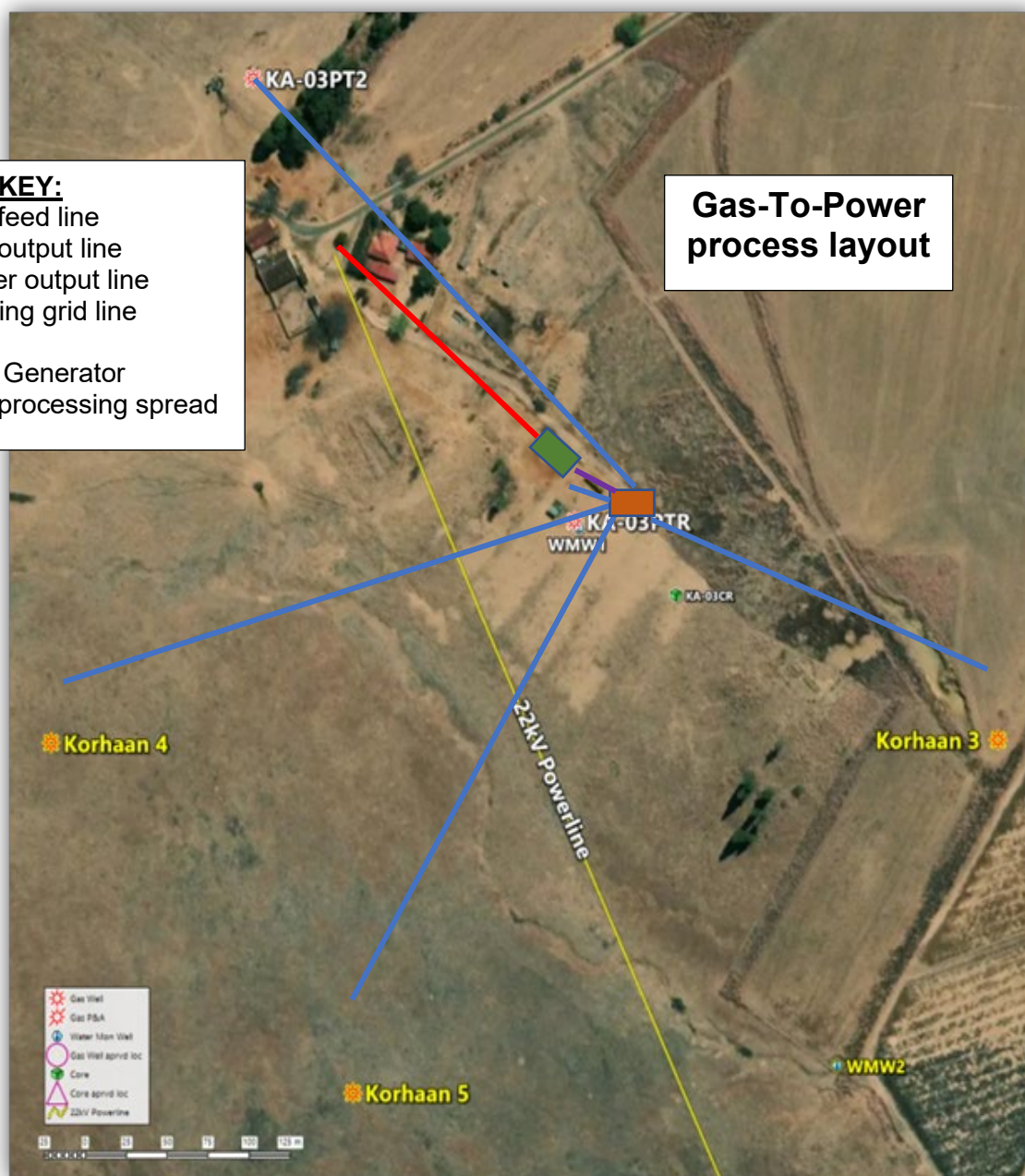


Fig 1: Planned layout for the Amersfoort GTP project

Assessment of maiden gas reserves

The Company has engaged independent gas certification group Sproule to provide an independent evaluation of the gas reserves and/or resources of Exploration Right 271. The area of ER 271 is 1,287Km² with the total exploration rights (and applications) of the Company

being 6,998Km². The Sproule report is estimated to be completed before the end of October 2022.

Exploration Continuation

Company's exploration program is restarting with a core hole planned for September 2022. KV-14C will be the closest borehole to the Eskom operated Majuba power station (which is capable of being fired by gas) and is expected to prove the continuation of the gassy sandstone geology which has been shown to be prevalent in the area from historic exploratory work. Aeromagnetic surveys flown have illustrated strong targets for potential gassy compartments in the region, and the Company has reached an agreement with local landowner for site access to undertake drilling during Q3-22.

Further exploration core holes are planned on Exploration Right 272 near the Secunda synthetic fuel plant owned by Sasol and on Exploration Right 270 where aeromagnetic surveys have identified the most prospective gassy compartment targets. At least three core holes are planned to be drilled in each Exploration Right during Q4-22 / Q1-23.

-ENDS-

Released with the authority of the Board of Directors of Kinetiko Energy Ltd.
For more information visit: kinetiko.com.au or contact,

Adam Sierakowski
Executive Chairman
08 6211 5099
adam@kinetiko.com.au

Evvy Litopoulos
Investor Relations
ResolveIR
evvy@resolveir.com

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.

ASX: KKO | kinetikoenergy.com.au

