



**KINETIKO**  
ENERGY LTD

# Providing **Gas** to Energy **South Africa**



INVESTOR PRESENTATION | NOVEMBER 2022

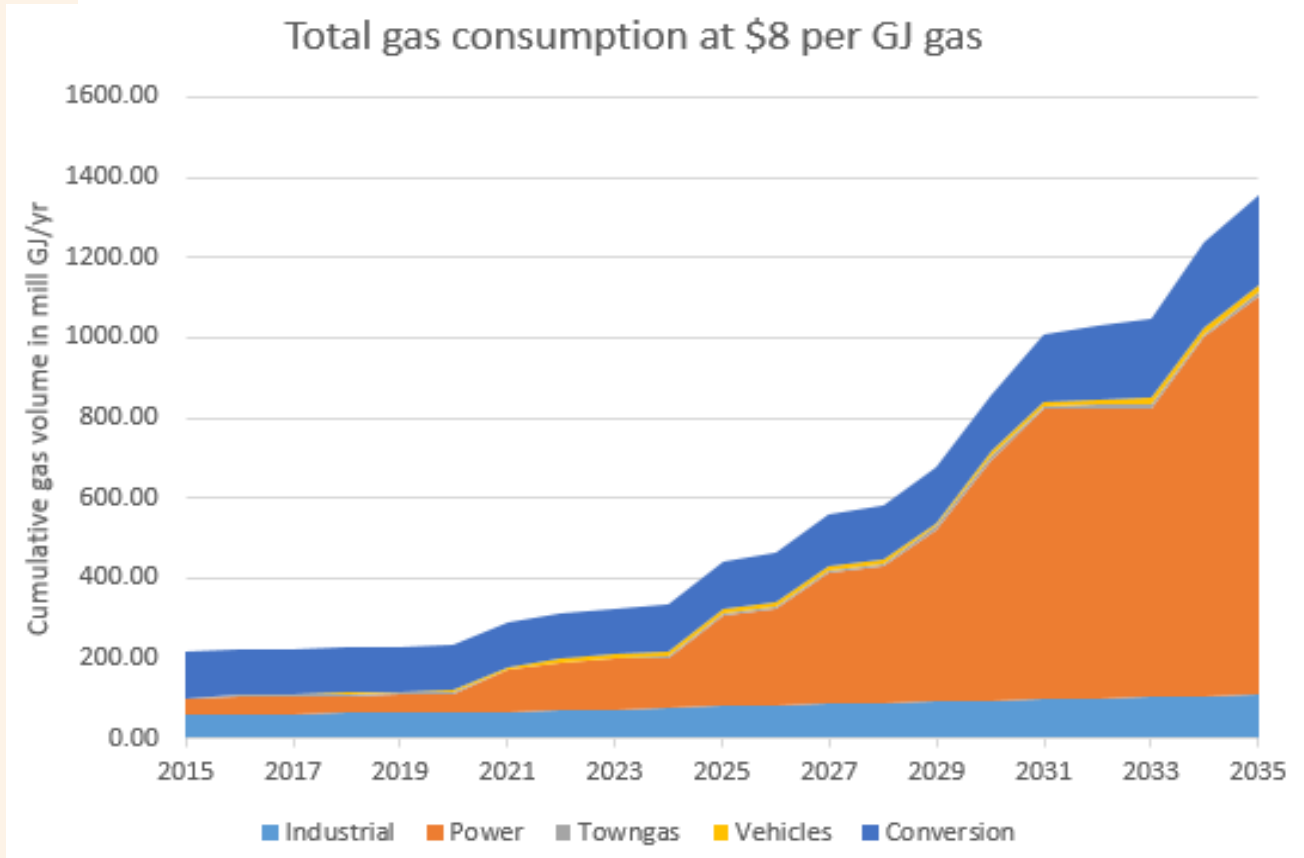
ASX:KKO

# Why *Gas*?



# South Africa's Energy Crisis

- › Aging coal energy in rapid decay, coal is deeper, dirtier and more distant from thermal industry
- › Renewable energy alternatives decades away
- › Only existing gas source from Mozambique to decline from 2024
- › Gas demand estimated to grow by over 400% in 10 years



# Vision to Deliver SA's Largest Gas Field

One of the largest onshore Gross Contingent Resource 2C in the world and growing\*

\* ASX announcement 29 July 2020 – KKO net 2C 2.4 TCF - refer slide 12 Resource Specifications

## Mpumalanga

South Africa

# 4.9\*

2C TCF

International on shore gas resource comparisons

**Elixir (EXR)<sup>1</sup>**  
Mongolia

# 0.06

2C TCF (net)  
EV \$115m

**Jade Gas (JGH)<sup>2</sup>**  
Mongolia

# 0.15

2C TCF (net)  
EV \$80m

**Renergen (RLT)<sup>3</sup>**  
South Africa

# 0.4

2P TCF (net)  
EV \$390m

**Invictus (IVZ)<sup>4</sup>**  
Zimbabwe

# 16.0

2U TCF (net)  
EV \$222m

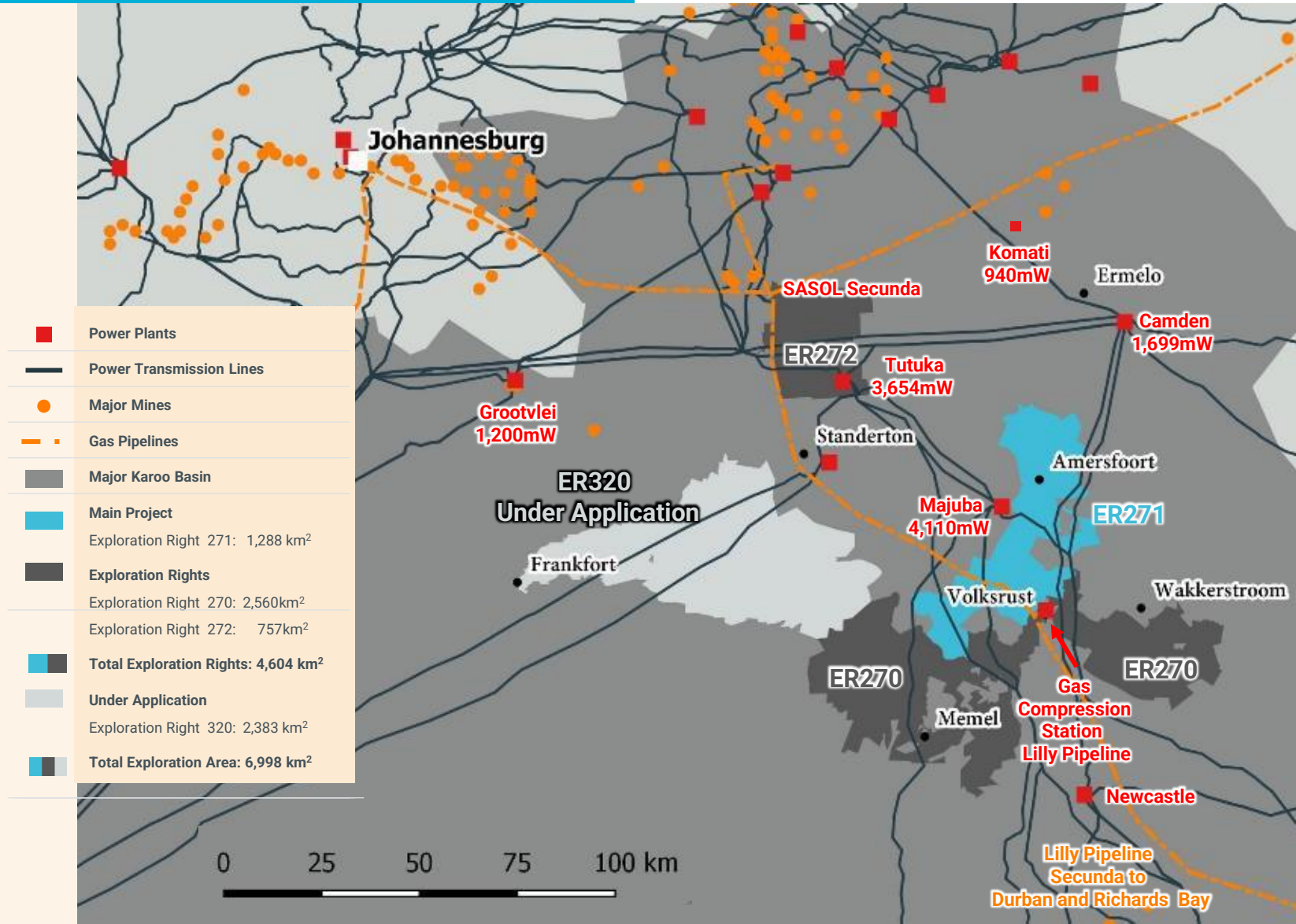
**Pure Hydro (PH2)<sup>5</sup>**  
Botswana

# 0.3

2C TCF (net)  
EV \$100m

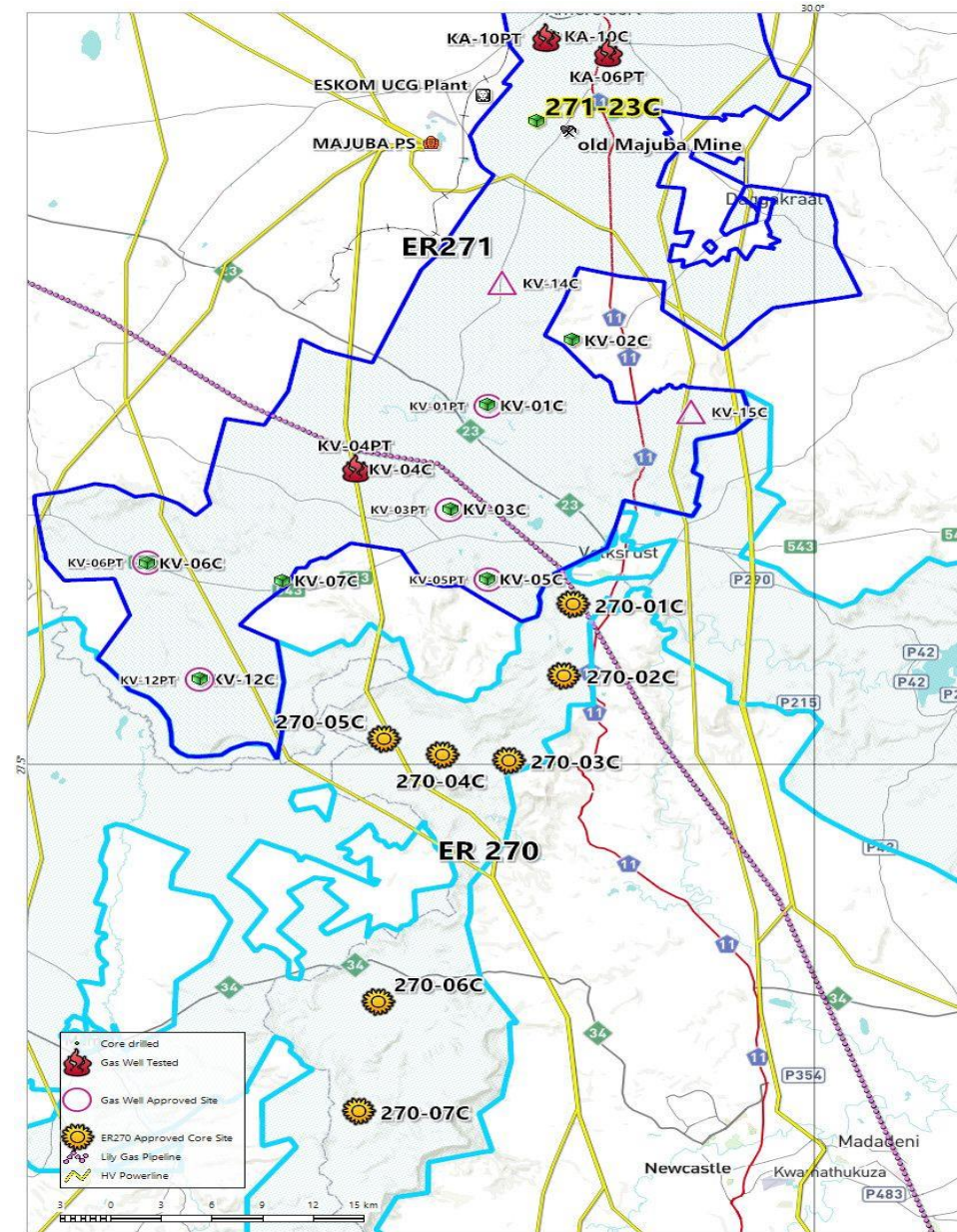
# Infrastructure Rich with Close Market Access

- Power stations, gas pipelines, high voltage transmission lines, road and rail
- Majuba Power station (4k+MW) which is capable of using gas to co-fire power generation is only kilometres from planned drilling
- Sasol's Secunda refinery the largest gas consumer in South Africa is situated on the Northern boundary of ER 272 where drilling is scheduled for 2023
- Lilly pipeline intersects four of the Company's exploration rights



# Exploration Success – Drives Development

- › 24 core wells drilled in ER 271 each intersecting gas
- › 7 pilot production wells successfully drilled
- › First five well cluster set for production in early 2023
- › Korhaan 3-well drilling program confirmed geological lithological correlations with adjacent existing wells. Logs showed an average of over 100m of pay per well.
- › Recently completed 271-23C core intersected 247m of gas bearing geology. Logs show 131.5m of SS pay with six coal seams.
- › Next core well 270-06C recently spudded in most Southern geology where basement is anticipated to be deeper with potential for thicker gassy zones



# *Gas* Market Penetration

# Evolution to Production

- › First **Gas-to-Power** joint venture established with South African Vutomi Energy to produce electricity to the grid
- › Eskom approved electricity production for up to 5MW with plant and equipment to be on site Q1 2023
- › IDC R70m investment to co-fund proposed 20 well gas field with right to increase to 80 wells
- › Multiple approaches from potential gas off-takers support four pillar market strategy

**Sasol** - South Africa's largest gas consumer has forecast a domestic gas price rise from **\$6/GJ** to **\$11.5/GJ** \*

\* Sasol CEO Fleetwood Grobler – Mining Weekly Article dated 23 August 2022



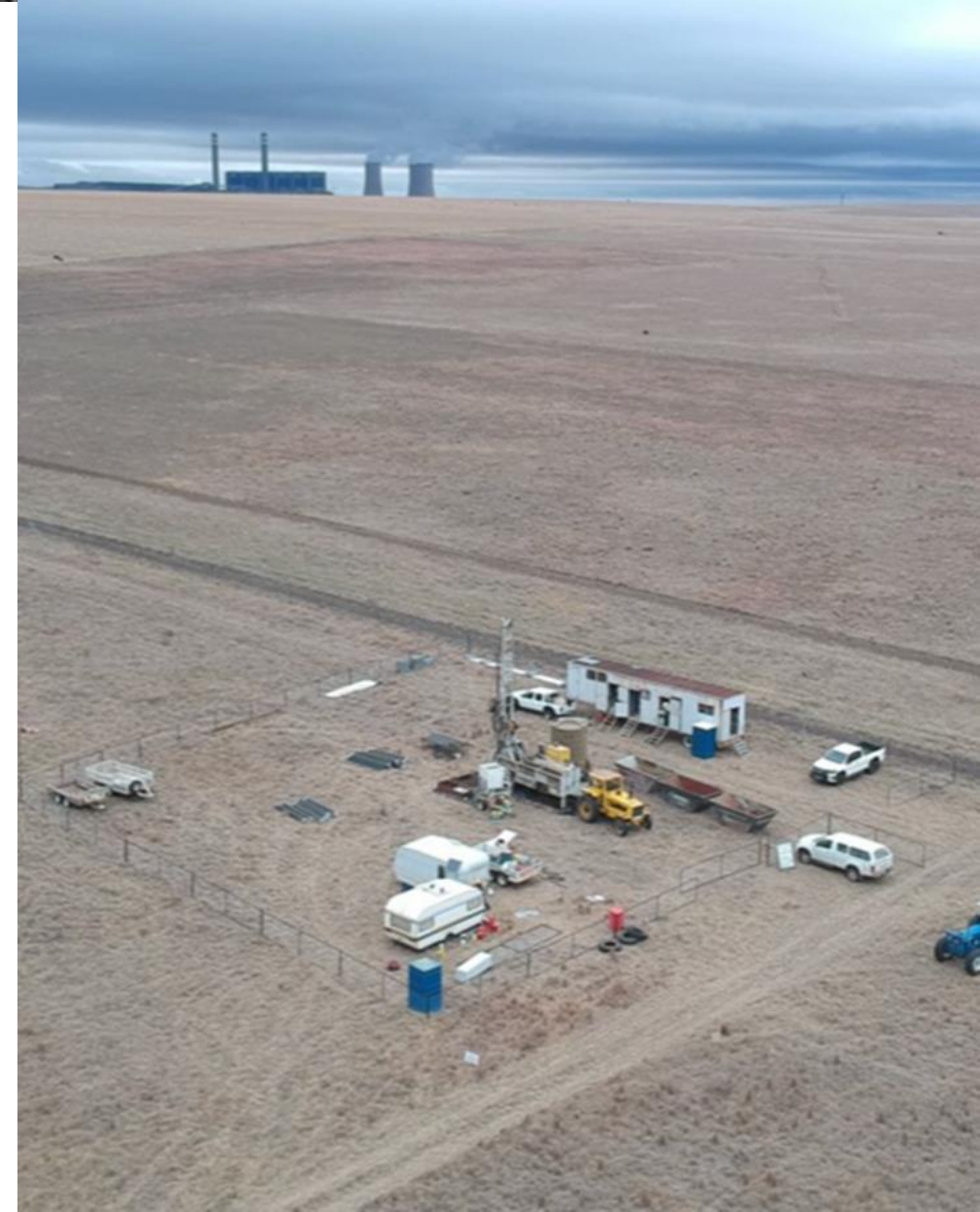


# Corporate Strategy



# Activities and Opportunities

- › \$6m funding received from SA strategic investors
- › Obtain maiden gas reserves certification (Sproule report due November 22)
- › Aggressively expand gas exploration throughout approx 7,000km<sup>2</sup> of exploration rights and increase gas reserves
- › Grow joint ventures such as with the IDC to co-fund exploration and development of multiple gas fields
- › Complete the merger to acquire 100% of Afro Energy (only KKO shareholder approval on 30 November 2022)
- › Be a leader in the decarbonisation of South African energy and ESG accomplishments



# Capital Structure

**740,651,746**

Current Shares

**\$0.09**

Share Price (1 Nov 2022)

**\$67m**

Market Cap

**\$5.4m**

Cash (1 Nov 2022)

**\$62m**

EV

**\$13m**

KKO Historic Exploration

**3m**

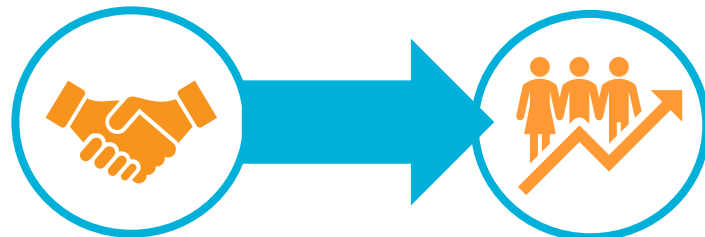
 Unl Options @ 0.13  
 Exp 07/07/2023

**687,073,969**

Fully Diluted

**1,311,778,781**

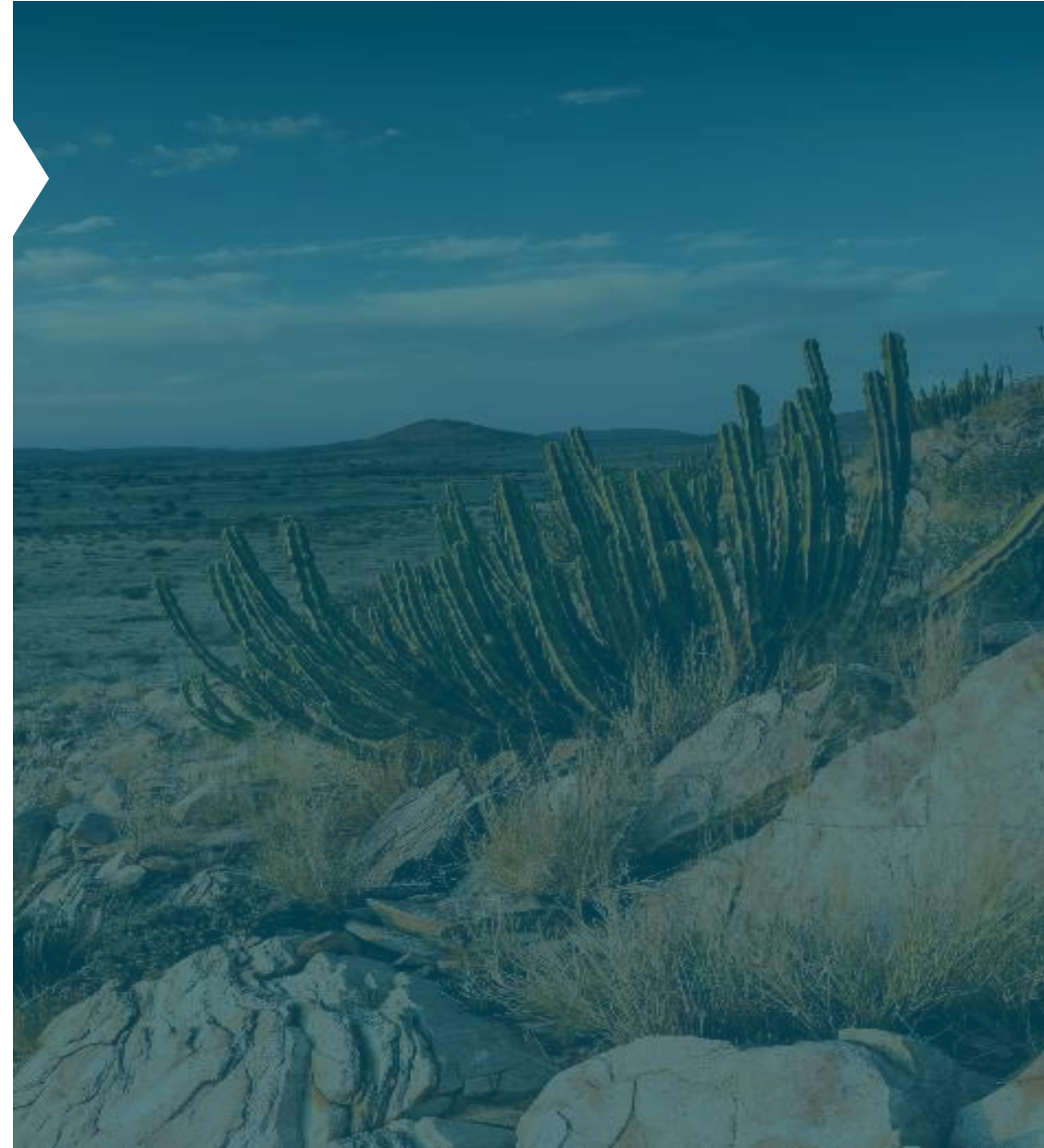
Shares Post Merger


**Merger**

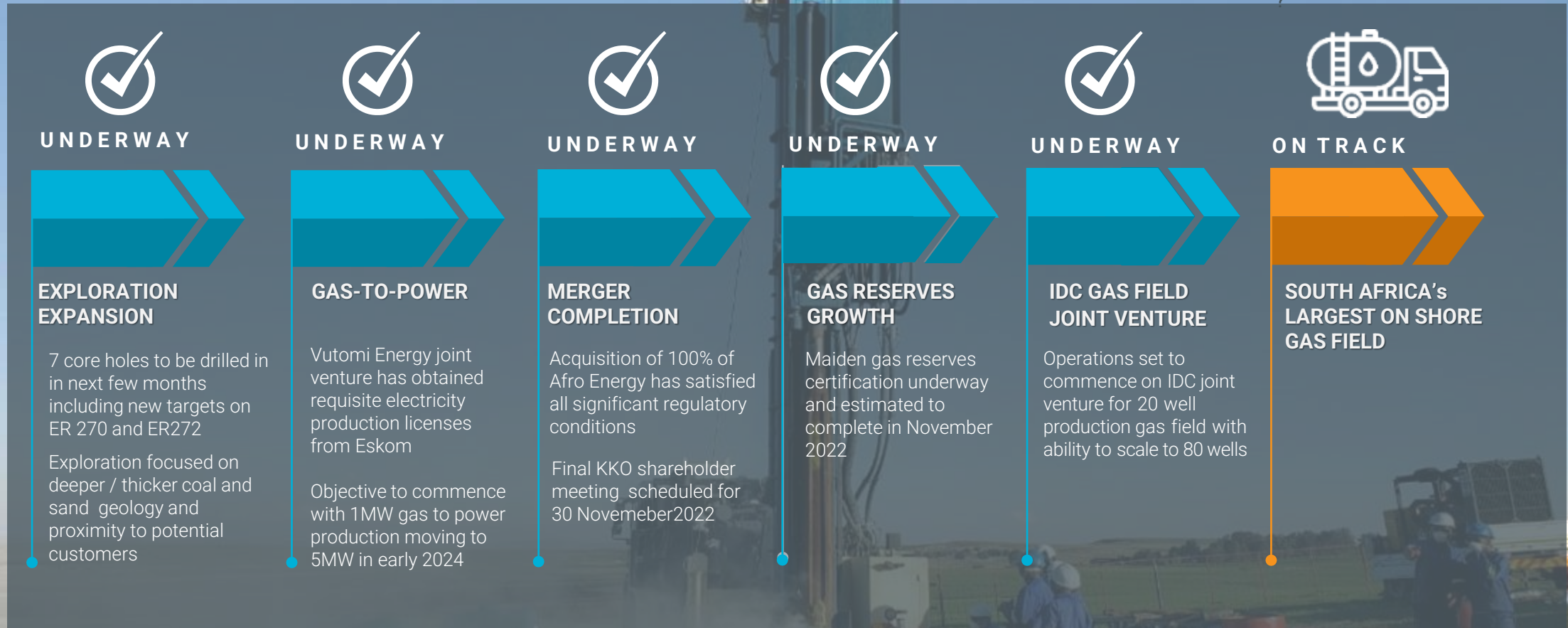
- › Kinetiko Energy Limited
- › Badimo Gas

**100% Interest**

- › Afro Energy Pty Ltd



# Near Term Milestones to Drive Shareholder Value



# Disclaimer

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Unless otherwise specified, information in this report relating to exploration and related technical comments have been compiled by Nick de Blocq, CEO of Kinetiko Energy Ltd with over 34 years experience in oil & gas exploration and development. Mr de Blocq consents to the inclusion of this information in form and context in which it appears.





# KINETIKO

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This presentation was approved for release  
by the Board of **Kinetiko Energy Limited**.

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BRINING GAS TO MARKET

ASX:KKO

# Rich Geological Setting

## 100% Owner and Operator of Afro Energy

### High quality results from gas flow testing

- › 98% methane content
- › Possible elimination of gas treatment due to high quality
- › Evidence of strong gas reservoir recharge over time

### Isolated coal measures remain untested for CBM potential

- › Isolation testing as part of next development phase
- › Potential upside as only sandstones tested to-date

### Significant exploration upside

- › Approximately 20% of total land package
- › Conventional sandstone reservoirs adjacent to the coals
- › Long term development potential

- › Project area covers 7,000km<sup>2</sup> with 4,604km<sup>2</sup> of granted exploration rights
- › Proven and highly prospective Permian Age Fields
- › Equating to approximately 9% of Mpumalanga's total land mass



## KKO Gas Project: Independently certified gross contingent 2C gas resource of 4.9 TCF\*

### Resource Statement Gas Gross

Gas In Place	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	3114.2	6883.8	13097.2	88.2	194.9	370.9
<b>Gas in Sandstone</b>	1089.8	2422.8	4367.8	30.8	68.6	123.7
<b>Total</b>	<b>4204.0</b>	<b>9306.6</b>	<b>17465.0</b>	<b>119.0</b>	<b>263.5</b>	<b>494.6</b>

Prospective Resource	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1U	2U	3U	1U	2U	3U
<b>Gas in Sandstone</b>	361.0	902.5	1766.7	10.2	25.6	50.0

Contingent Resources	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	2047.1	4492.0	8621.2	58.0	127.2	244.1
<b>Gas In Sandstone</b>	189.8	369.8	629.4	5.4	10.5	17.8
<b>Total</b>	<b>2236.9</b>	<b>4861.8</b>	<b>9250.6</b>	<b>63.4</b>	<b>137.7</b>	<b>261.9</b>

### Resource Statement Gas Net to Kinetiko Energy Limited

Gas In Place	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	1526.0	3373.1	6417.6	43.2	95.5	181.7
<b>Gas in Sandstone</b>	534.0	1187.2	2140.2	15.1	33.6	60.6
<b>Total</b>	<b>2060.0</b>	<b>4560.2</b>	<b>8557.9</b>	<b>58.3</b>	<b>129.1</b>	<b>242.4</b>

Prospective Resource	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1U	2U	3U	1U	2U	3U
<b>Gas in Sandstone</b>	176.9	442.2	865.7	5.0	12.5	24.5

Contingent Resources	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	1003.1	2201.1	4224.4	28.4	62.3	119.6
<b>Gas In Sandstone</b>	93.0	181.2	308.4	2.6	5.1	8.7
<b>Total</b>	<b>1096.1</b>	<b>2382.3</b>	<b>4532.8</b>	<b>31.1</b>	<b>67.5</b>	<b>128.3</b>

\* ASX announcement 29 July 2020



# Powered by a proven and experienced board and management team



**Adam Sierakowski**  
**Executive Chairman**

- › Lawyer and founder of Price Sierakowski and Trident Capital focusing on corporate transactions from private to listed public entities
- › Extensive experience in capital raising, ASX transactions including developing assets and corporate structures for major companies both in Australia and overseas
- › Over 20 years experience as Director of ASX listed companies



**Nick de Blocq**  
**CEO In-Country**

- › Over 34 years of experience as an Engineer and Manager in the Upstream Oil and Gas industry in various senior roles, including Multi-Country Operations & Functions Management and Regional Business Development with Schlumberger, Africa VP with an American corporate and COO with a Regional Solutions supplier in West Africa.
- › Nick has consulted to the SA Government on the localisation of industry and sat on the National Ports Authority advisory panel to bring an oil and gas aspect to their marketing strategies..



**Tom Fontaine**  
**Non-Executive Director**

- › A professional engineer with over 25 years' technical and commercial experience in the international oil and gas industry including start-up, running and building resource companies.
- › He co-founded Pure Energy Limited which successfully drilled over 40 wells in CBM acreage in Queensland to prove over 1 trillion cubic feet of gas, which enabled the company to be sold to British Gas for over AUD\$1 billion in 2009.



**Agapitos Marcus Geoffrey Michael**  
**Non-Executive Director**

- › 25 years of experience as a company director and executive along with 10 years experience as a director of ASX listed companies.
- › Extensive experience in investment, project delivery and enterprise development across a range of sectors and asset classes in Australia, Europe, Asia and Africa; resources and energy, engineering, property and technology.