

STRONG GAS RESULTS FROM CORE WELL 270-06C

HIGHLIGHTS

- **Wireline logging results have established 147m of gassy sandstone pay in the vertical profile, being even greater than that reported in the previous Majuba core well (~131m)**
- **Strong results from gas desorption testing from core hole 270-06C achieving gas content of nearly 7m³/t and rising**
- **Drilling of core hole 270-06C has intersected strong gassy sediments in targeted carbonaceous geology extending the potential contiguous gassy sandstone geology south from core well 271-23C by approximately 64km**

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 in South Africa, is pleased to provide the following update on its onshore gas exploration and production development activities.

Core hole 270-06C, spudded on [3 November 2022](#) in proximity to the gas markets around the steelmaking and manufacturing centre of Newcastle, South Africa and successfully completed in [mid-December 2022](#), has nearly completed gas desorption testing and wireline logging results that indicate strong potential for gas field development.

Kinetiko CEO, Nick de Blocq, commented:

“Our current coring campaign is continuing the trend of success across the extent of blocks ER271 and ER272. Following the record-breaking result of core hole 271-23C, our efforts in exploration block ER270 were well rewarded with a huge gas cut of the organic sediments, proving our theory that the deeper wells to the south would produce increased volumes for potential future production fields. We are currently drilling a core well at site 270-03C and will follow this borehole immediately with our third core hole in block ER270 and then move the rig into block ER272, to start our exploration program in our northernmost block, in the proximity of Sasol’s gas processing plant at Secunda. “

Growing Geological Potential

Core well 270-06C is approximately 64km south of the successful Majuba core well 271-23C and grows further confidence of the continuity of the intersected strong gassy geology and potential for gas production development through a fairway of approximately 125kms (Figure 1).

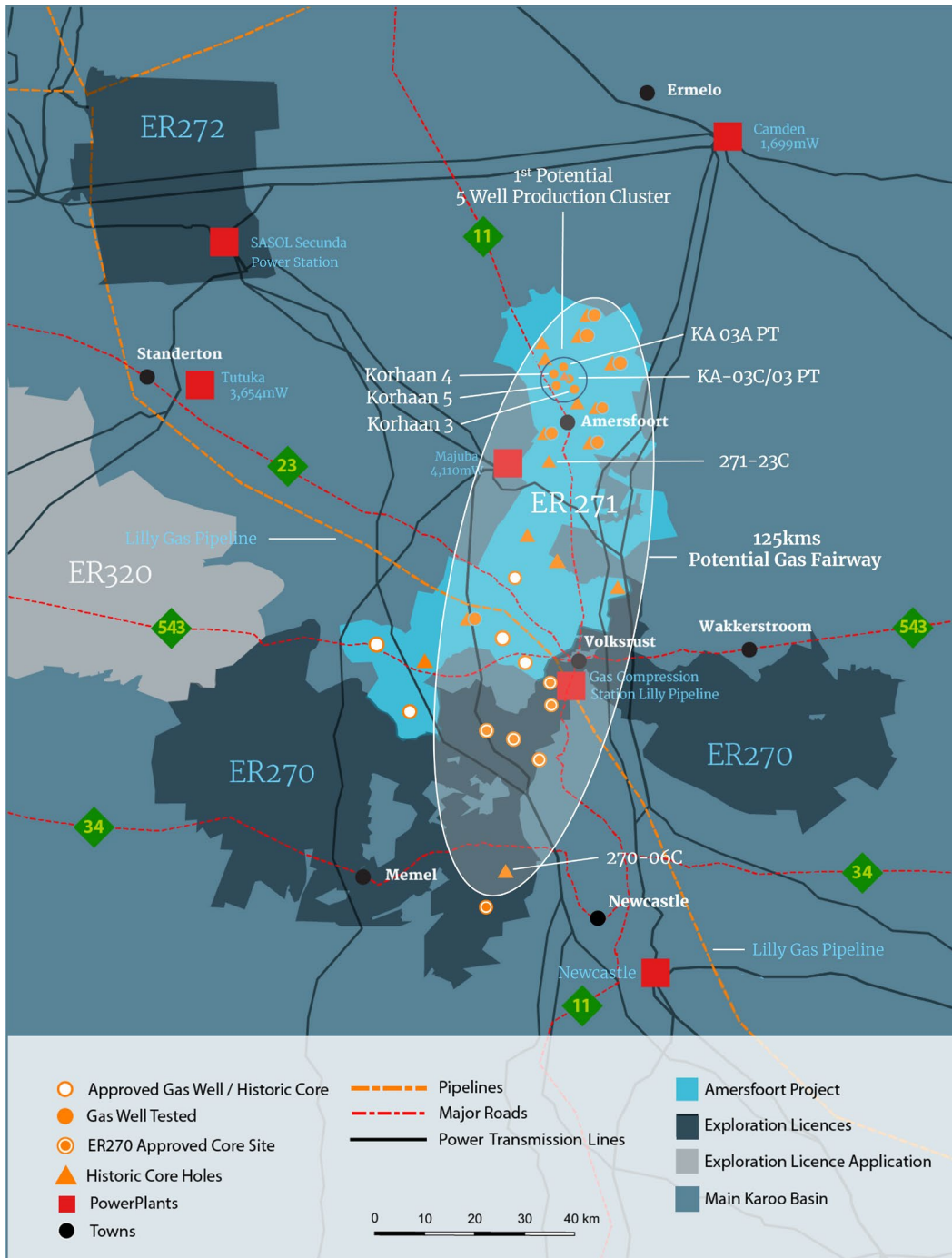
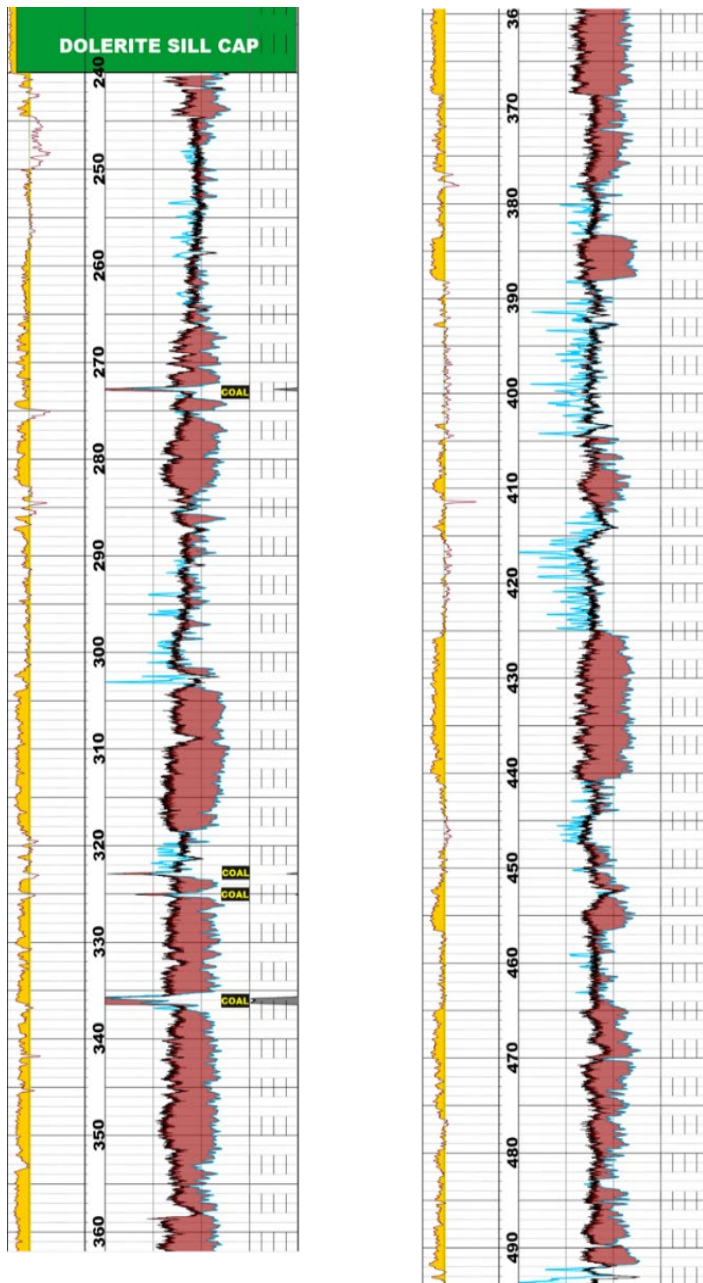


Figure 1 – Exploration success establishing a potential gas fairway through ER271 and 272

Gas Testing Results 270-06C

The geophysical wireline log overlays the density (black) and neutron (blue) curves at depth.



The wireline log in Figure 2 (left) shows four (4) major features of the 270-06C exploration hole:

- The dolerite sill cap rock provides a vertical gas seal down to 240m above the sedimentary rock below
- The low natural gamma radiation on the left sides is highlighted yellow to emphasise the sandstone reservoir layers
- On the right sides, the seams of coal are displayed with low density
- And the best feature of all is in the middle, the gas-effect crossover in the sandstones, shaded red, interbedded with carbonaceous layers without the gas effect

Below the dolerite, most of the formations are either gas source rock or gas reservoir rock.

Figure 2 : Wireline log results of core hole 270-06C

The curves diverge in the presence of gas-filled porosity (red shading). Between 240-490m, below the dolerite intrusive cap rock, there is about 147m of sandstone which strongly exhibits this gas effect. This was confirmed by observations of residual gas in the core as it came out of the hole (Figure 3 and 4).

Only 2 coal zones were thick enough to desorb, from about 273m and 337m. They are still being measured for gas content but are approaching 7 and 5 m³/tonne respectively, and still climbing. The coals are very thin here, but the siltstone and mudstone zones between the sandstones are quite carbonaceous and are the source of most of the gas.

The gassy sandstones in this hole compare very favourably to Kinetiko's other project areas, where test wells have produced commercial rates of gas flow. This proves that the assessed "Sandstone Resource Play" extends much further to the south. Other Resource Plays (CSG and shale gas) target low-permeability unconventional reservoirs which require fracking. This project combines traditional sandstone reservoirs, interbedded carbonaceous siltstones and mudstone source rock and the unconventional trapping mechanism of igneous dolerite dykes and sills. This has produced an area of thousands of km² underlain by shallow sandstone gas deposits, tapped by low-cost wells without fracking.



Figure 3 : Core well 270-06C visible gas emissions observed from core sample at depths between 277.75-280.75m

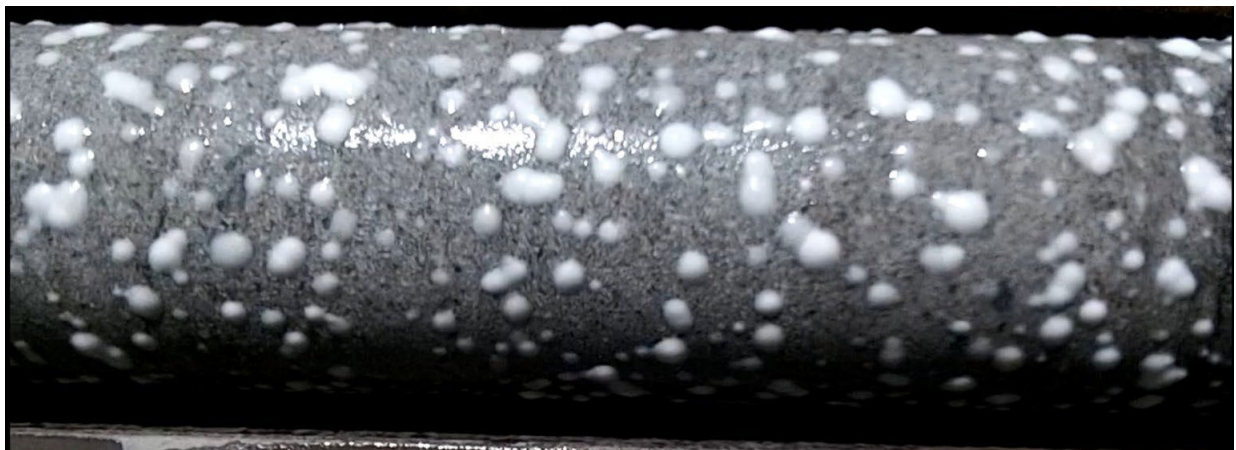


Figure 4: Core well 270-06C visible gas emissions observed from core sample at depths between 409.75-412.75m

This announcement is authorised for release to the market by the Board of Directors of Kinetiko Energy Limited.

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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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