

## **UPDATE ON RESTRUCTURE AND WAIVER APPLICATION**

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) refers to the notice of meeting dispatched to shareholders on 31 October 2022 (**Notice**) in relation to the Company's annual general meeting held on 30 November 2022 (**AGM**).

At the AGM, Company shareholders approved, among other resolutions, the restructure of Afro Energy (Pty) Ltd (**Afro Energy**), such that Afro Energy will become a wholly owned subsidiary of the Company and that the shareholders of Badimo Gas (Pty) Ltd (**Badimo Shareholders**) will become shareholders in the Company (**Restructure**). The Company received overwhelming Shareholder support of the Restructure at its AGM, with 95% of the votes by Shareholders in favour of approving the respective resolutions relating to the Restructure.

The Company also refers to its ASX announcement dated 1 March 2023, outlining that an application for a waiver of Listing Rule 14.7 was submitted with the ASX, to extend the time to issue the Transaction Shares (being up to 524,371,478 Shares pro-rata to the Badimo Shareholders pursuant to the Restructure) pursuant to Resolution 7 of the Notice, to 30 June 2023 (**Waiver Application**).

### **ASX Decision**

Listing Rule 14.7 provides that if an entity states in a notice of meeting that it will do something that the Listing Rules require it to do, the entity must do that thing. Accordingly, the Waiver Application was required as Resolution 7 of the Notice stated that the Transaction Shares would be issued within 3 months of the AGM (i.e. by 28 February 2023) which could not be contemplated by this date.

Unfortunately, ASX has advised that the Waiver Application has not been granted on the basis the Company's reasoning for not being able to conduct the Capital Raising (i.e. the \$6.5m placement) within the prescribed amount of time to be able to issue the Transaction Shares to the Badimo Shareholders within 3 months of the AGM, was not sufficient to enable ASX to grant a waiver of Listing Rule 14.7 (refer to the Notice or the ASX announcement dated 1 March 2023 for further information on the Restructure).

### **Implications and path forward**

The Company confirms that it will still be proceeding with the Restructure, however, as a result of the Waiver Application not being approved by the ASX, the Company will be required to

reconvene a meeting of its Shareholders to refresh the Restructure approvals. This will require the Company to issue a subsequent notice of meeting with an updated Independent Experts Report.

The Company is in the process of preparing the subsequent notice of meeting and intends to dispatch it to Shareholders shortly, which will contain further information for Shareholders in relation to the Restructure.

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

For more information visit: [www.kinetiko.com.au](http://www.kinetiko.com.au) or contact,

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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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