



EXPLORATION AND PRODUCTION PROGRESS

HIGHLIGHTS

- Core well 270-05C has been spudded
- Second drill rig in final preparations for being mobilised to site in late April
- Tenders have been delivered for the provision of large rigs for H2 CY23 drilling campaign
- Petroleum Agency of South Africa (PASA) has granted first renewal on flagship Exploration Right 271 where pilot production wells are situated
- Activities towards Production Right application have commenced

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) an Australian gas explorer and developer focused on advanced onshore shallow conventional gas 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:

"We are very pleased to provide an update on our increasingly busy activities in South Africa. The recent exploration drilling success has been rewarding. We began the third of our three core well campaign in Block ER270 buoyed by the achievements we realised in 270-03C.

We are about to step up our drilling operations from one core rig to two, as we move into an unexplored part of our exploration rights. Northernmost Block ER272 is in the vicinity of Sasol's liquid fuels refinery at Secunda and they are watching with great interest as a potential source of much-needed gas for their conversion from coal to liquids (CTL) to gas to liquids (GTL).

From Q3 this year, we will be adding up to two larger rigs to the drilling fleet and tenders for the supply of these additional services has gone out to prospective contractors. These will provide us with at least nine wells under the initial contract scope - five being designed as producers and four as full appraisal wells capable of becoming producers. All of these are situated within our Block ER271, the initial target block for production.

In the meantime, globally respected environmental advisors SLR have been mobilised to start building a production right application. We are working with the regulators to achieve an expedited evaluation process, and the possibility of receiving our production right within this calendar year is something we are looking to achieve."

Third Core Well Spudded in ER270

The new core well is approximately 5km West of recently completed and successful core well 270-03C and is approximately 10km from South Africa's largest gas pipeline, the Lily Pipeline, which feeds the industries of the KwaZulu-Natal midlands and coastal cities. Core well 270-05C (Figures 1 and 2) is designed to test the potential of the sediments overlaying the southerly dipping basement structures. This core well is anticipated to provide deeper, higher-pressured gassy sands and coal sequences that potentially extend from successful core well 270-03C developing a new fairway for future gas production (Figure 3).

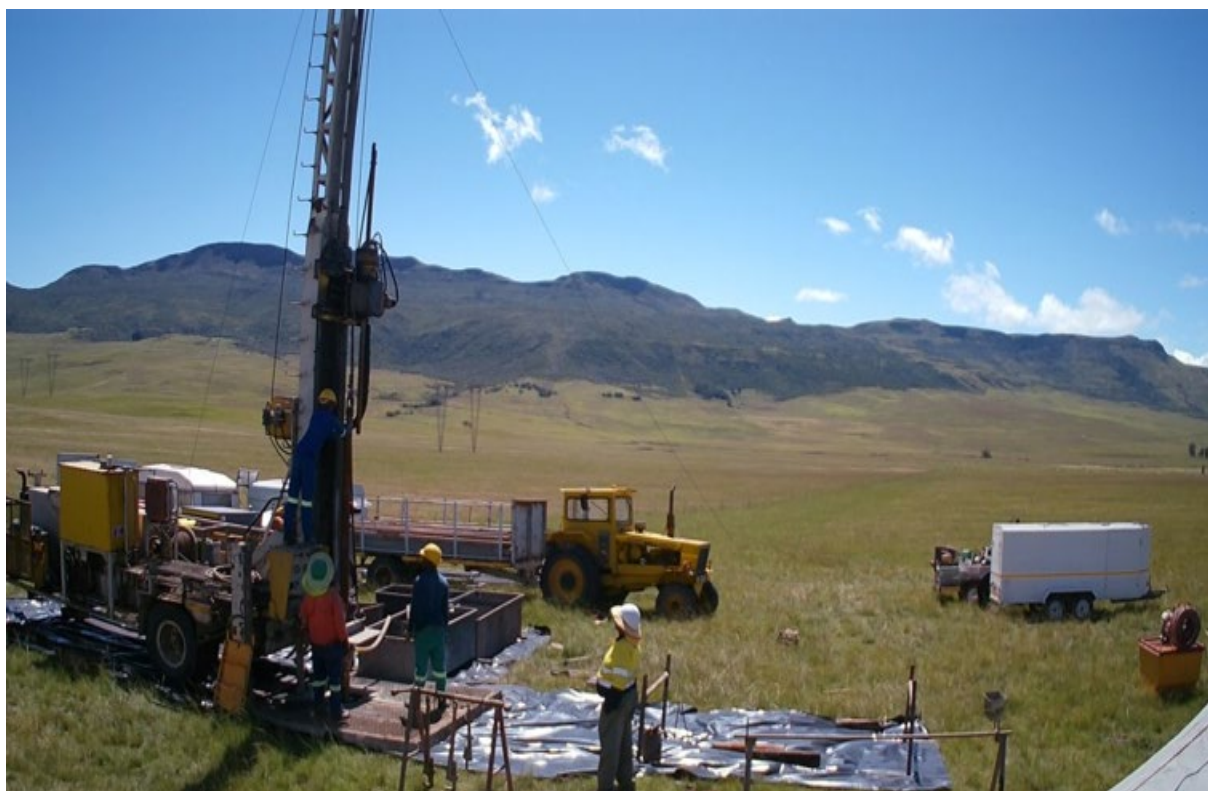


Figure 1 – Rigging up on core well location 270-05C

PASA Renews Flagship Exploration Right 271

The PASA renewal of Exploration Right 271 covers an area of approximately 1,288km² supporting the Company's flagship pilot production site at Amersfoort, the two Liquefied Natural Gas production projects and the planned development of the Industrial Development Corporation of South Africa joint venture program of exploration and production activities over the next 24 months.

Following the Minerals and Petroleum Resources Development Act of 2002, Section 81:(4), under which the Company is entitled to continue with exploration and appraisal operations, the renewal granted is for the first of potentially three (3) renewal periods of two (2) years. The company has commenced preparation of its application for a Production Right over this exploration right which would be valid for an initial period of 30 years and thereby negate the need to reapply for further renewal periods.

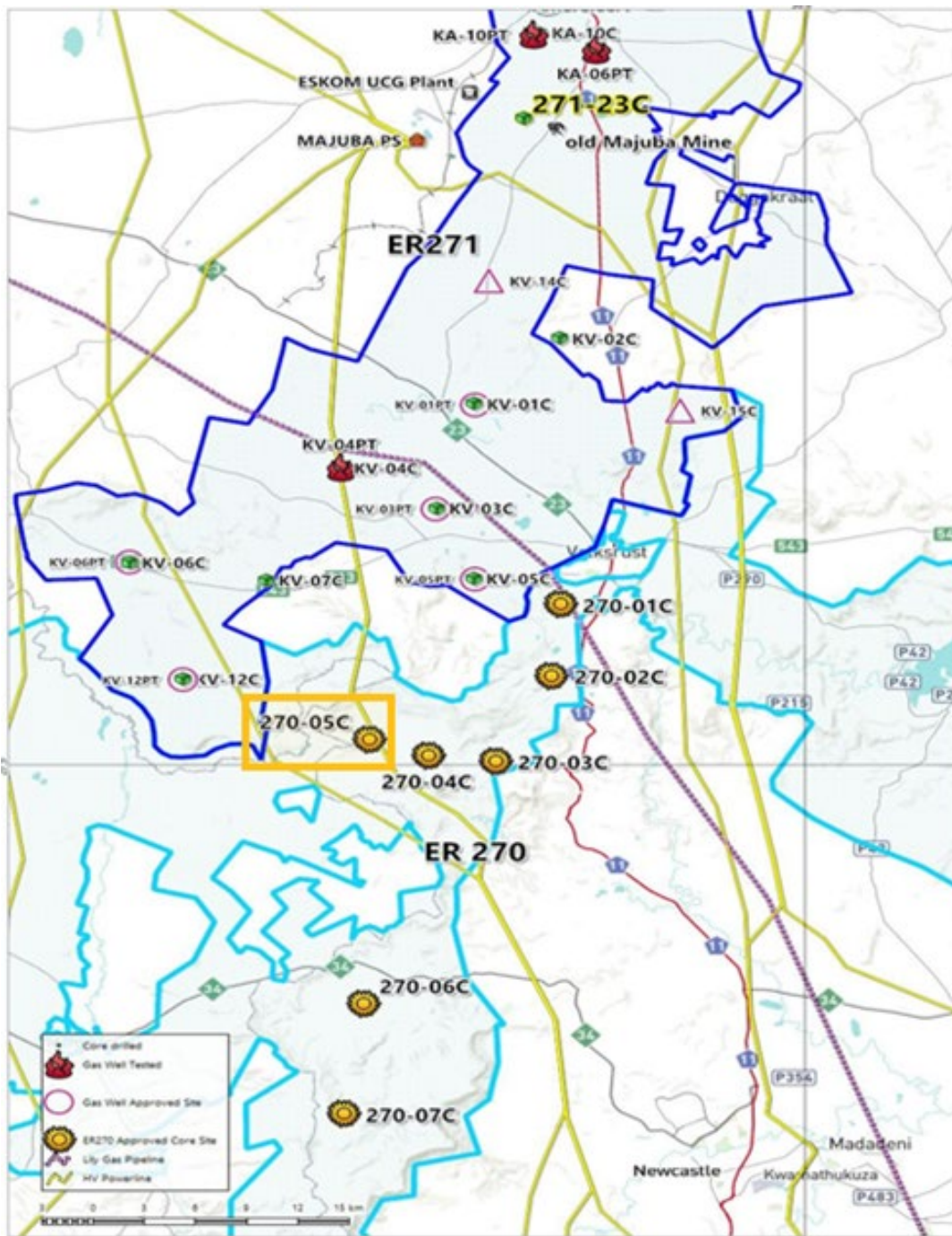


Figure 2 – location 270-05C in ER 270

SLR has commenced Production Right application activities

Kinetiko has contracted SLR Consulting (SLR), global leaders in environmental and advisory solutions, to lead the process for a Production Right application being submitted. The process includes, inter alia, studies in air quality, hydrogeology, surface environment and community engagements. Due to SLR’s experience and long relationship successfully advising the Company, there is confidence the production right can be obtained before the end of the year well inside the estimated timeframe for commercial production commencement. Kinetiko’s policy is one of great care towards the environment and local communities where it has already undertaken activities for over a decade.

Exploration Acceleration

A second coring rig is being prepared to accelerate the Company’s exploration program across the two blocks, ER270 and ER272. Once the current approved exploration program of three core wells in each block is completed, the rigs will move to ER 272 to commence drilling near Sasol’s liquid fuels refinery at Secunda. In addition, tenders have been delivered for the provision of larger rigs for the second half of the year drilling program in ER 271 focused on completing nine wells - five being designed as producers and four as full appraisal wells capable of becoming producers, all of which have already been approved by PASA.

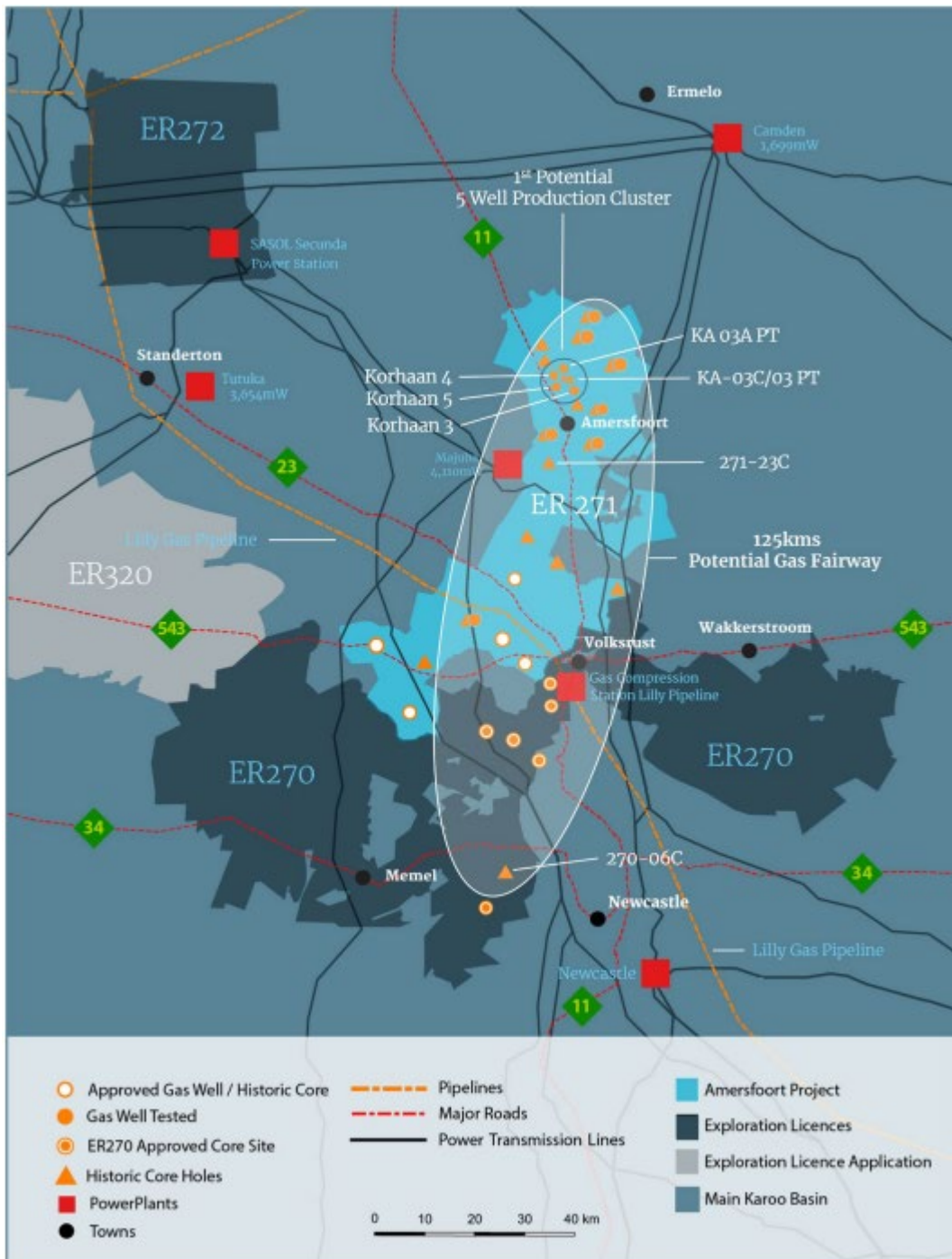


Figure 3: Exploration Rights 270, 271 and 272 and exploration activity

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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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