

CORE WELL 270-05C INTERSECTS SIGNIFICANT GASSY ZONES

HIGHLIGHTS

- Core well 270-05C intersects significant gassy zones in targeted deeper carbonaceous geology
- The core well is approximately 10kms from South Africa's largest gas pipeline
- Ongoing exploration success supports potential for large scale production

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

Core well 270-05C spudded in March 2023 approximately 10kms from South Africa's largest gas pipeline, the Lily Pipeline, which feeds the industries of the KwaZulu-Natal midlands and coastal cities. The core hole started encountering intermittent gassy zones from a depth of 175m with strong visible gas emissions observed from core samples at depths below 220m with drilling continuing. (Figure 1)

Kinetiko CEO, Nick de Blocq, commented:

"Core hole 270-03C is the third of three sites we have planned in the current coring program. This will conclude our commitment work scope in this block prior to focusing our attention on as-yet undrilled Block ER 272 which connects Sasol's coal to liquids plant in Secunda. The results of these three core holes have been tremendous and, in some ways, beyond our expectations. We will follow exploration in this block to continue expanding our knowledge of the sub-surface in this region as we have further approved sites on which to drill and create further extensions to the huge gas fairway already proven."

Gas Intersects

Core well 270-05C is currently coring at below 350m meters having drilled through anticipated stratigraphy. Initial gas indications were encountered as shallow as 40m until top of first dolerite cap at 68m. Then again from 175m gas was significantly observed from zones within the cores until a second dolerite layer was encountered at 287m, through which the Company is still drilling.

The Company is aware, from aeromagnetic and gravimetry surveys, that the dolerite sill undulates and, in some cases like this one, creates multiple caps. However, recent and historic drilling gives the Company confidence that thicker cumulative sills can mean a combination of shallow and deeper sands and therefore the terminal depth (and potential associated gas pay cut in the profile) of this core hole could be similar to recent core holes (270-03C - 158m of gas-bearing sediments) with a similar terminal depth.



Figure 1: Core well 270-05C visible gas emissions observed from representative core samples at depths between 175-287m

Ongoing Exploration Success

The Company has now encountered significant gassy intersects on all three of its recent core wells drilled in exploration right 270. These core well sites were strategically selected to optimise the potential to interface with existing energy infrastructure and regional gas off takers. The consistent favourable exploration results have grown the Company’s confidence that the regional geology surrounding the three core wells is consistent and has the potential to host multiple production well clusters (Figure 2).

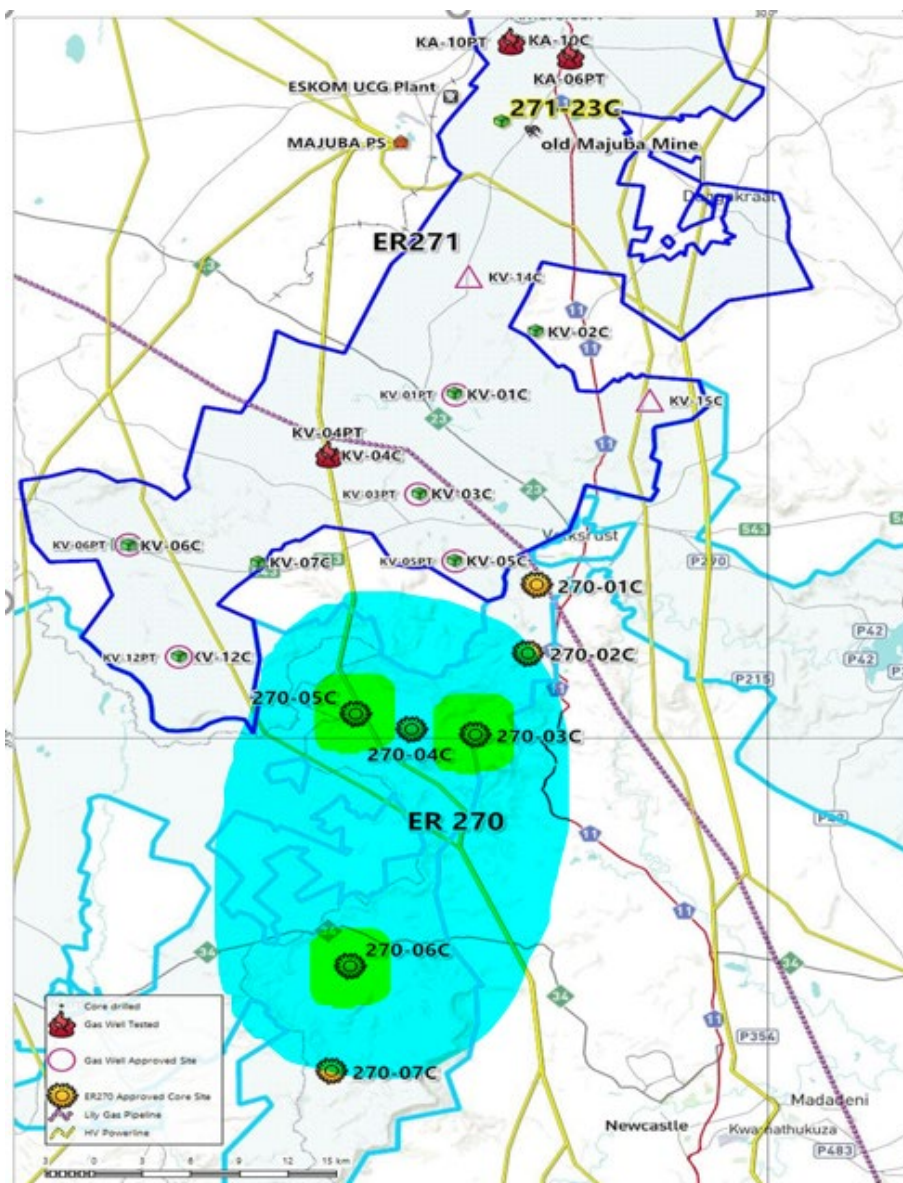


Figure 2 – location 270-05C, 270-03C and 270-06C in ER 270

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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