

SUBSTANTIAL GAS RESULTS FROM CORE WELL 270-03C NEAR LILY PIPELINE

HIGHLIGHTS

- Significant results from gas desorption testing from core well 270-03C achieving gas content of over 10m³/t and rising
- Wireline logging results have established 153.5m of sandstone pay zones, with coal seams of combined 5.75m thickness encountered
- First well where reservoir quality sandstone in the glacial Dwyka formation (below 561m) has been observed
- Core well situated only a few kilometres from South Africa's largest gas pipeline

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 well 270-03C, spudded on 24 January 2023 approximately 7 km from the South Africa's largest gas pipeline the Lily pipeline, is undergoing gas desorption testing and wireline logging results indicating strong potential for gas field development (Figure 2).

Kinetiko CEO, Nick de Blocq, commented:

"The second of our three core hole campaign in Block ER270 has reinforced our deliberate mapped out drill program in a big way! Yet another record breaker, in fact. Cutting over 150m of gas pay, finding reservoir sands in the Dwyka formations a group of one of four geological groups that compose the Karoo Supergroup and samples heading north of 10 after only a month in the lab are wonderful indicators of a very commercial field on the doorstep of both the Lily pipeline and the thermal industries and GTP engines within Newcastle itself. We honestly could not be happier with the outcome!"

Gas Testing Results 270-03C

10 coal samples are continuing to desorb in test canisters with one now over 10m³/tonne and rising after 1 month. Coals of combined 5.75m thickness continue to be desorption tested.

Such a high content is caused by proximity to a dolerite dyke, which was hot, molten rock when it intrudes the sedimentary section. The intense heat altered the amount of gas the coal can hold in an adsorbed state, and increases the amount of gas coals which will add to the production from the primary sandstone reservoirs. This anomaly has been observed in a number of wells completed on the project

The strong gas-effect crossover of the density and neutron porosity curves (red shading Figure 1) between 288 to 574m adds up to 153.5m in combined gassy sandstone thickness. This does not include sandy zones with a weak effect or zones less than 1m thick, which may also contribute gas in a producing well.

The average depth of these sandstone reservoirs is 150m deeper than the Korhaan production wells to the north. This added depth should increase the pressure and volume of gas flow in a future production well in this new area, relative to the Korhaan area.

This is the first hole where the Company has seen reservoir quality sandstone in the glacial Dwyka Formation (below 561m). It has always been poorly sorted and tight in the other wells, but adds a deep additional pay zone in this area.

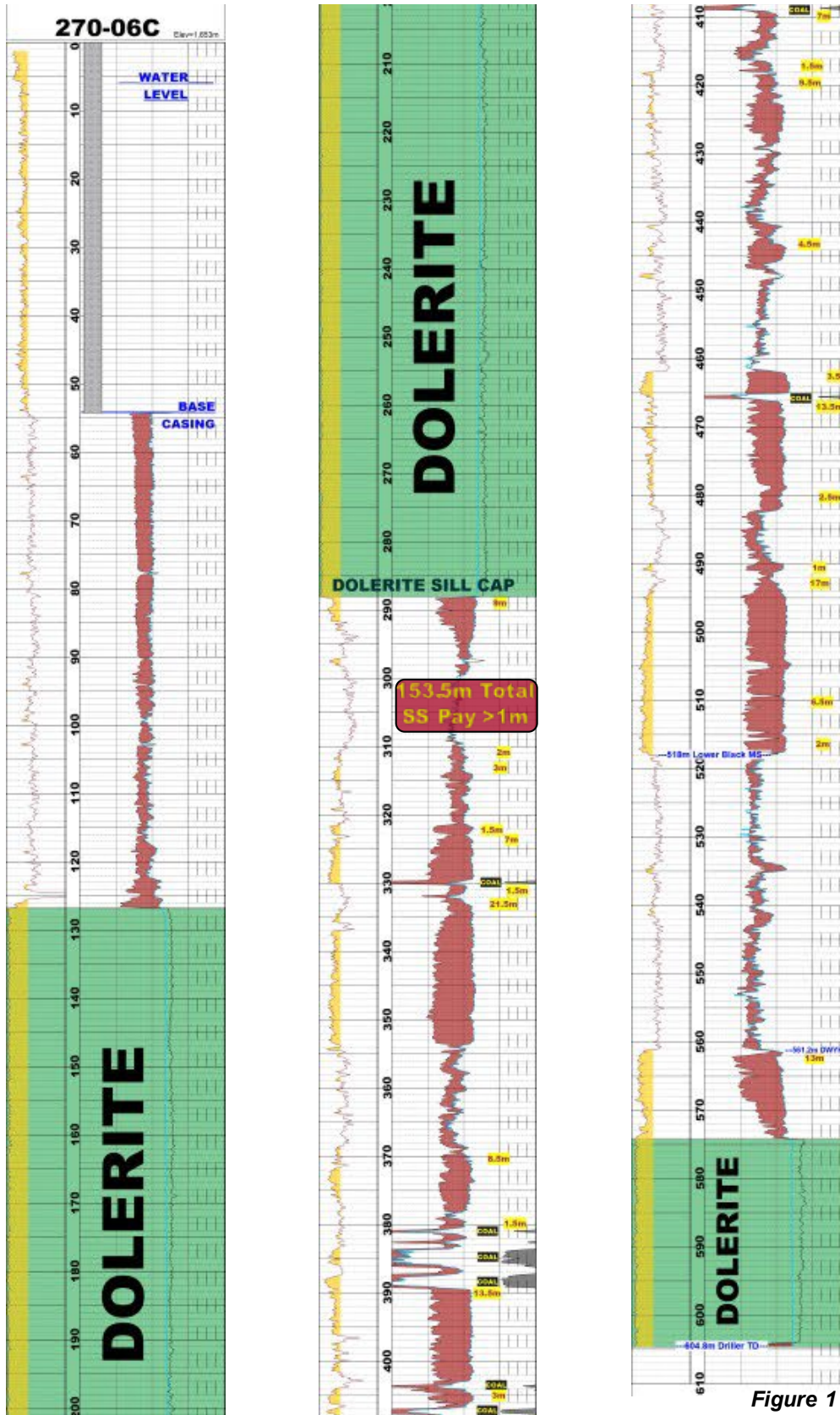


Figure 1: Core well 270-03C wire line logging results illustrating 153.5m gas pay zone

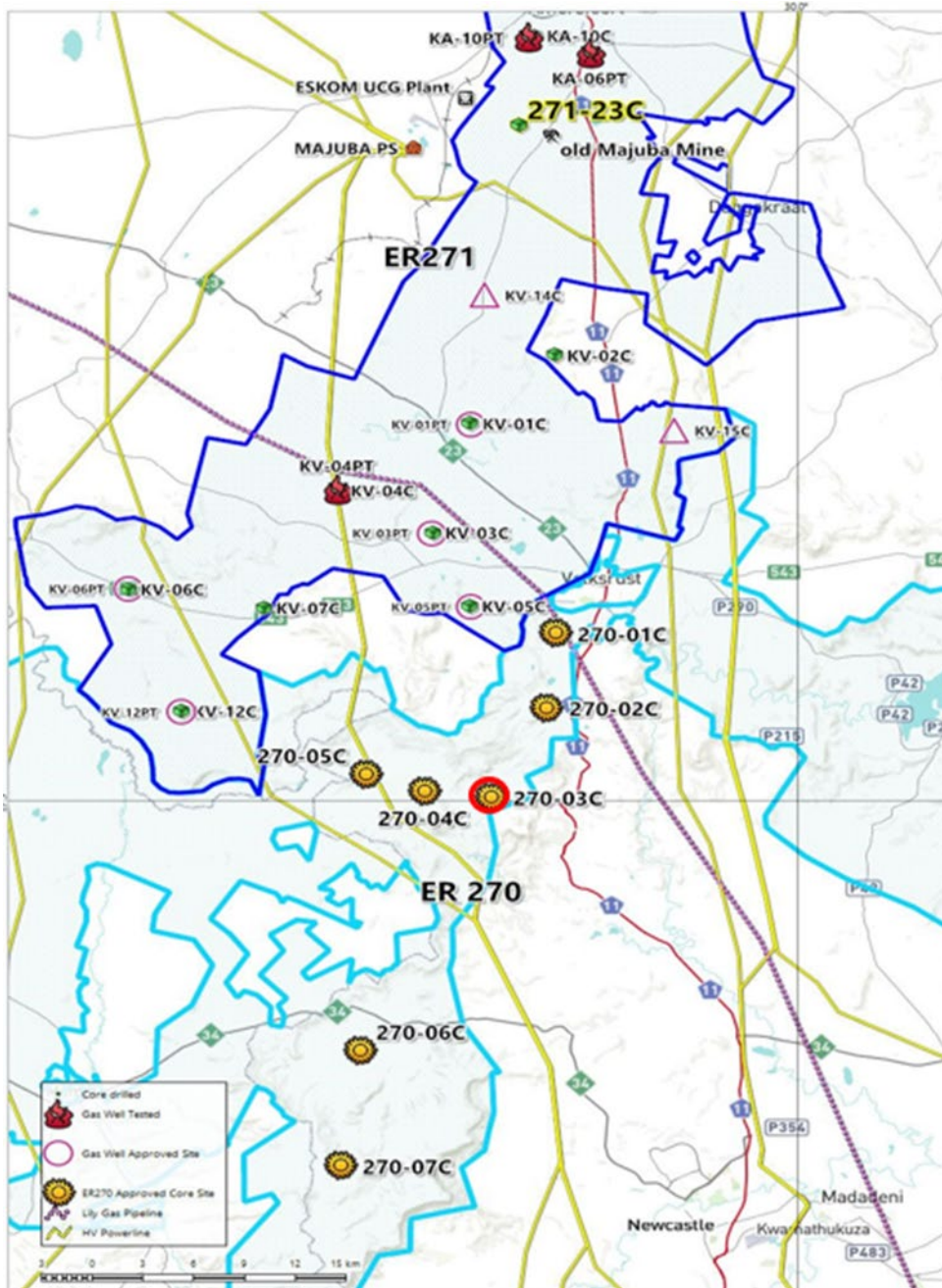


Figure 2: Location 270-03C in ER 270

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 or contact,

Adam Sierakowski
Executive Chairman
08 6211 5099
adam@kinetiko.com.au

Evy Litopoulos
Investor Relations
ResolveIR
evy@resolveir.com

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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