

## EXPLORATION COMMENCES NEAR SASOL'S SECUNDA REFINERY

### HIGHLIGHTS

- Two drill rigs have been mobilised to ER272 - adjacent to Sasol's liquid fuels refinery at Secunda which is partially converting from coal-to-liquids (CTL) to gas-to-liquids (GTL)
- The first core well site 272-01C has been spudded after its location was agreed in consultation with Sasol
- Core hole 270-05C within ER270 has been successfully completed having intersected significant gassy zones in targeted carbonaceous geology before reaching terminal depth of 597m in Southern deeper geology
- Significant gas bearing geological sequences were intersected with log analysis completed and assessment of gas desorption underway
- 3 wells completed in ER270 established new gas prone zones with preliminary results supporting potential for multiple production well clusters

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.

**Kinetiko CEO, Nick de Blocq, commented:**

*"We move into ER272 with plenty of excitement due to the proximity of our coring efforts to Sasol's liquid fuels plant outside Secunda. We anticipate that our historical success rate of 100% gas strikes versus core wells drilled will continue and therefore place us favourably to assist Sasol to convert a large portion of its current CTL plant into a much cleaner GTL facility.*

*The strong finish to our pilot exploration campaign of three core wells within reach of the industrial city of Newcastle in KwaZulu-Natal has been most rewarding as our plans to supply gas to both the regional offtakers and the Lily Pipeline gas consumers further south have become well aligned to the geological response. All three of our core wells encountered gas in very substantial sections of our core well profiles and we look forward to returning soon to drill some test wells to prove the productivity potential of ER270."*

### **Exploration on ER272 to commence**

The Company has mobilised two rigs to accelerate core well drilling in the underexplored ER272 which is adjacent to Sasol Limited's (JSE:SOL) liquid fuels refinery at Secunda which is planning to convert a substantial portion of its coal-to-liquids operations into gas-to-liquids production due to an unacceptable emissions issue. The first core well 272-01C was spudded on 04 May 2023 after its location was agreed in consultation with Sasol to avoid interference with Sasol's existing coal mining activities.

The acceleration in exploration operations from one core rig to two, accompanies a move into an unexplored part of the Company's exploration rights. The northernmost exploration right (ER272) is located in the vicinity of Sasol's liquid fuels refinery at Secunda which is one of the world's largest synthetic fuels and chemicals production facilities, with a capacity to produce over 150,000 barrels per day of liquid fuels and other products. Gas discovered by Kinetiko will be in a prime location and a potential source of much-needed feedstock as they partially convert from coal-to-liquids (CTL) to gas-to-liquids (GTL).

### **Core Well 270-05C successfully completed**

The 270-05C exploration core hole within ER270, in some of Kinetiko's southern-most geology and approximately 7 kms from recent successful core well 270-03C(Figure 1). 270-05C was drilled and cored to a depth of 597m. The core well intersected intermittent dolerite sills whilst encountering inter-laid gassy sandstones, coal and carbonaceous siltstones and mudstones. Gas desorption analysis is being completed on the core samples of the coal intervals and wireline logs have shown a 134.5m cumulative gas intersect in the borehole profile.

Core well 270-05C is the third core hole the Company has drilled in ER270 and it encountered the expected deeper sandstones and coals, typical of the region. This most recent success extends the already lengthy gas fairway to which we hope to add substantially once we encounter success in the northernmost block, ER272. The success of 270-05C provides further confidence for exploratory drilling adjacent to the Lily Gas Pipeline where multiple drill sites have already been approved.

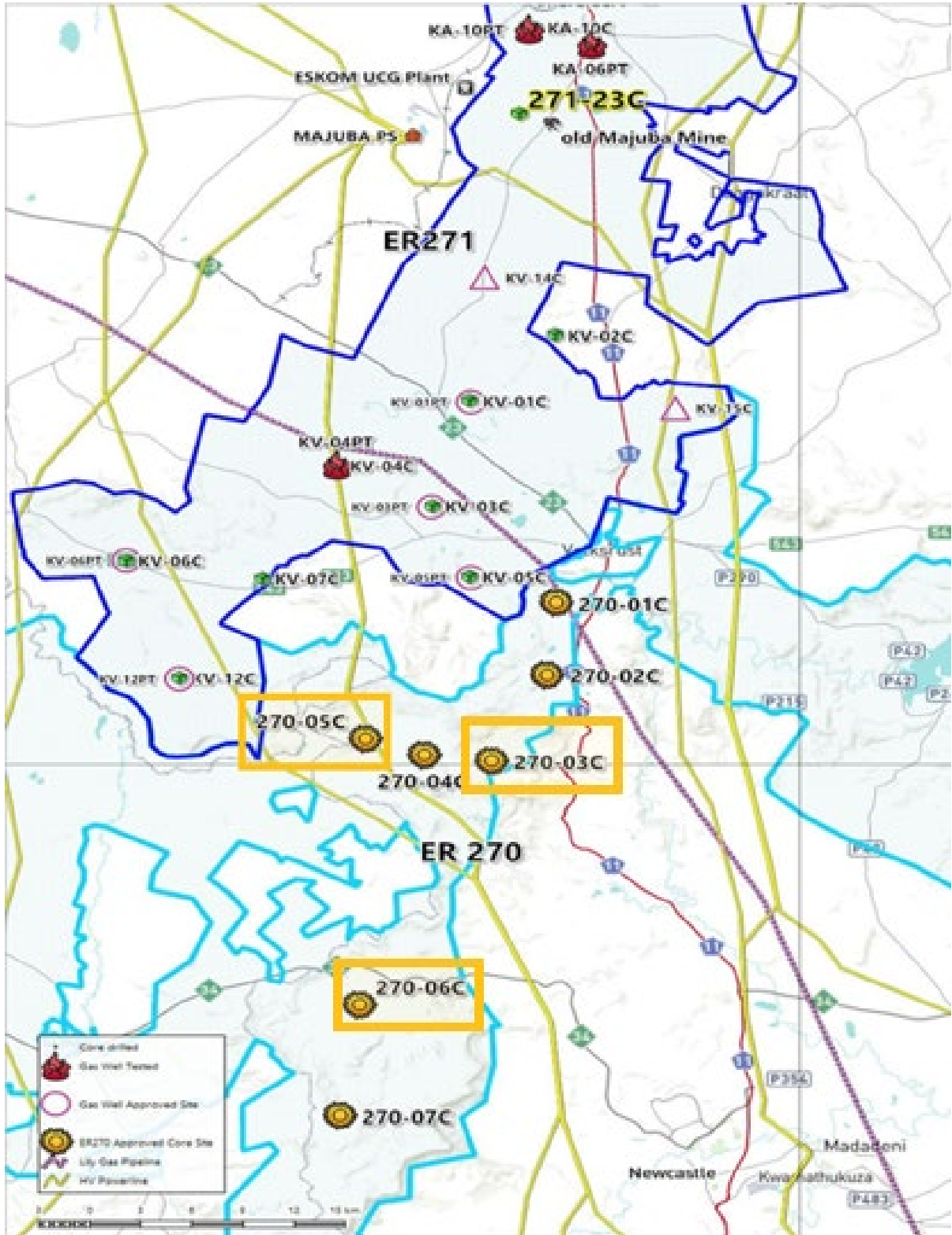


Figure 1: Exploration success establishing a potential gas production zones

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 7000km<sup>2</sup> is granted and being explored.

The Company's vision is to continue to explore, develop, and commercialise gas production.

