



## CONTINUED HIGH GAS DESORPTION RESULTS FROM CORE WELL 270-05C NEAR LILY PIPELINE

### HIGHLIGHTS

- Significant results from gas desorption testing from core well 270-03C achieving gas content of over 10m<sup>3</sup>/t and rising
- Wireline logging results have established 134.5m of sandstone pay zones, with coal seams of combined 4.19m thickness encountered
- Core well situated only a few kilometres from South Africa's largest gas pipeline
- Completes strong gas desorption results from all three core wells drilled this year on southernmost ER270

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 270-05C, spudded on 24 January 2023 approximately 7km from the South Africa's largest gas pipeline, the Lily pipeline. The core well is now undergoing gas desorption testing and wireline logging results indicating strong potential for gas field development (Figure 2).

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

*"The first four of our current seven core hole campaign have had the most rewarding results. With the placement being strategic for the potential of supplying both the power and thermal industries, we now move into a new exploration area at ER272, and our next three core holes are designed to prove our ability to provide a substantial part of the upcoming gas needs of Sasol, who have a liquid fuels plant located within our Rights area.*

*The fact that every hole we have drilled in this campaign has returned extremely high gas cuts in the logged profiles, including amazing desorption levels in the lab, all adds substance to our claim that we have a world-class asset on our hands. It is a very exciting time for us as a company and we are looking to the future with huge anticipation!"*

## **Gas Testing Results 270-05C**

11 coal samples are continuing to desorb in test canisters with the highest establishing a significant level of just under 12m<sup>3</sup>/tonne and rising. Coals of combined 4.19m thickness continue to be desorption tested.

The intrusive dolerite sills above, in between and below the sedimentary section are angled barriers trapping gas and have divided the gassy sandstones into two major zones. Lateral barrier dolerite feeder dykes are parallel to the well bore and complete the gas compartments in a honeycomb-like architecture.

The wireline log of the 270-05C core hole below the capping dolerite is illustrated in figure 1. The strong gas-effect crossover of the density and neutron porosity curves (red shading) adds up to 134.5m 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.

This new exploration core is 15km from the Lily Gas Pipeline.

The strong gas-effect crossover of the density and neutron porosity curves adds up to 134.5m in combined gassy sandstone thickness. As explained above, there are also almost certainly other contributors in the profile to eventual production which can be added to this cumulative production interval.

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.

## **Prospective Gas Production Fields discovered**

This most recent success in core well 270-05C along with the strong gas desorption results produced from 270-03C and 270 06C provide growing confidence of the consistent gas laden geology in the region. The Company can now progress plans to develop gas production fields in a variety of locations that will best service local off takers and broader gas markets adjacent to the Lily Gas Pipeline.

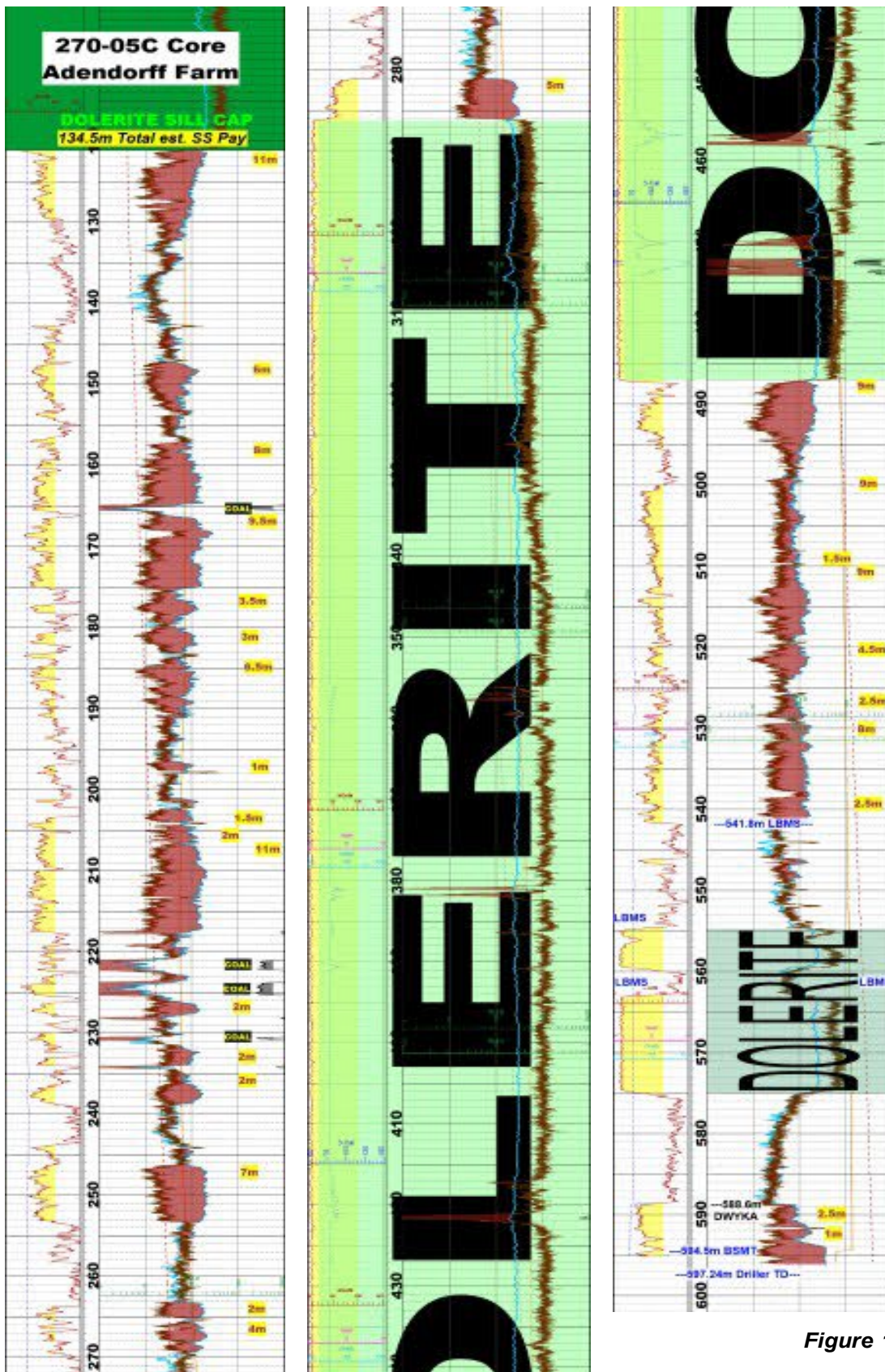


Figure 1

Figure 1: Core well 270-05C wire line logging results illustrating 134.5m gas pay zone

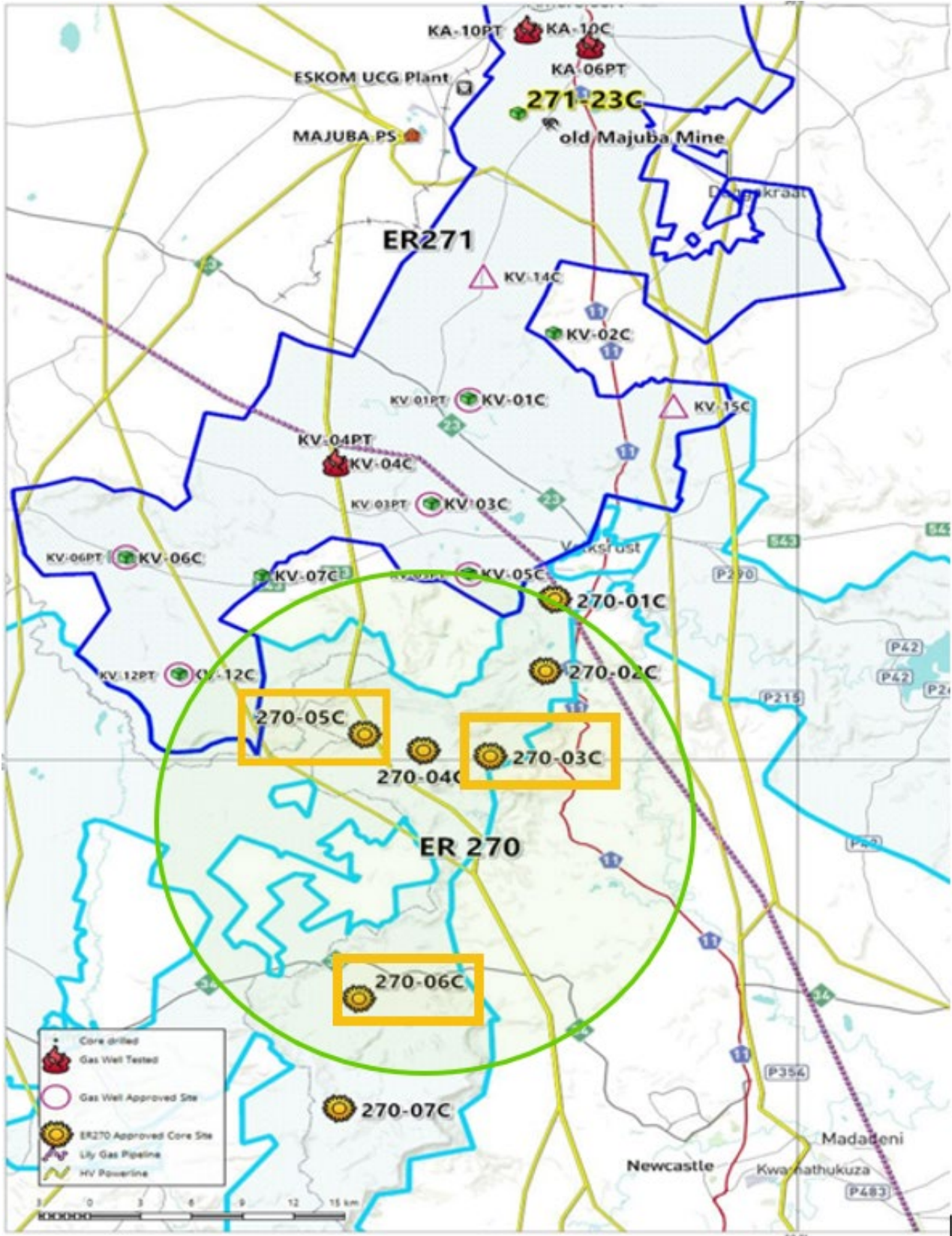


Figure 2: High gas desorption results in the three ER 270 core wells

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.

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