

## **STRONG GAS RESULTS FROM FIRST CORE WELLS ON ER272 NEAR LARGEST ENERGY INFRASTRUCTURE**

### **HIGHLIGHTS**

- The first two core wells in ER272 near the Secunda refinery has been successfully completed
- Wireline logging results have established significant sandstone gas intervals in both wells of over 100m
- Accelerated dual rig exploration continues with two further core wells expected to be spudded in ER272 this week.
- Core well situated only a few kilometres from major South African energy infrastructure

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 272-01C and 272-02C spudded in early May and in close proximity to both Sasol's Secunda refinery (potential gas off taker) and South Africa's largest gas pipeline the Lily pipeline, have been successfully completed with logging results indicating strong potential for gas field development (Figure 1).

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

*"It is always very rewarding to enter a new exploration block and have such an unexpectedly high level of success in the initial core holes. The TD (Terminal Depth) was shallower than what we encountered further south, just as predicted, due to the sloping nature of the Karoo basement structures; so the logged stratigraphy returning over 100m of gassy pay in both 272-01C and 272-02C was a most encouraging outcome. We are in the process of moving the two core rigs to sites 272-06C and 272-08C due to the logistical expedience of proximity, and we have no reason to expect anything but success*

*from these core holes as well. Of course, the strategical placement of the current exploration effort so close to Secunda is obvious. Sasol runs one of the world's biggest and best Coal-To-Liquids plant at Secunda, and they have stated their need to move towards a Gas-To-Liquids conversion as they reduce pollution whilst increasing the quantum of their fuels output going forward. We absolutely expect to be a large part of that positive evolution towards greener liquid fuels."*

### Gas Intersects in Core Wells 272-01C and 272-02C

The logging results from the first two core wells in ER272 are very promising establishing that ER272 has a higher ratio of gassy sandstone than the other areas the Company has explored. These results have yielded in both core wells another 100m plus net pay, just like many core wells in ER271, but with lower costs per well due to the shallower depth.

Core well 272-01C was the first gas exploration hole in Northern ER272, less than 100m from the Lily Gas Pipeline and results established a substantial sandstone gas interval of 101m. Figure 1 shows the sandstone intervals (pink shading) identified by gas effect of cross-over between the neutron porosity curve (blue line on right track) and the density porosity curve (red line on right track) (Figure2).

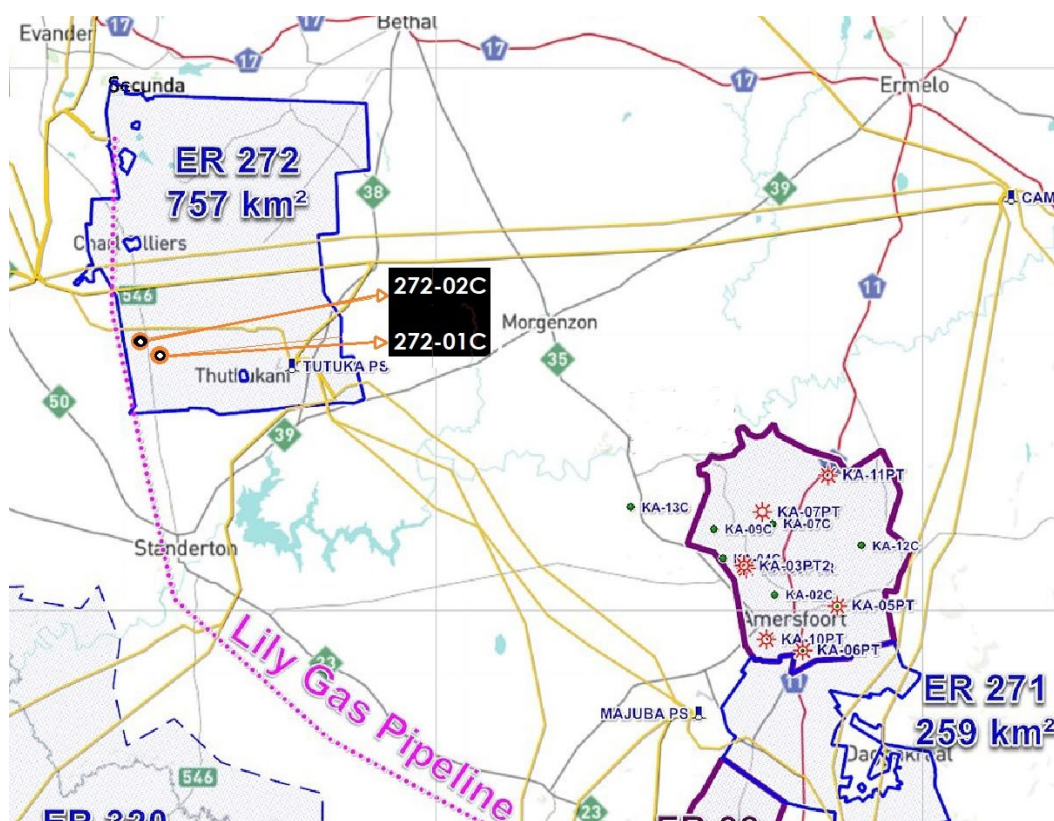


Figure 1: Locations of Core wells 272-01C and 272-02C in proximity to major energy infrastructure

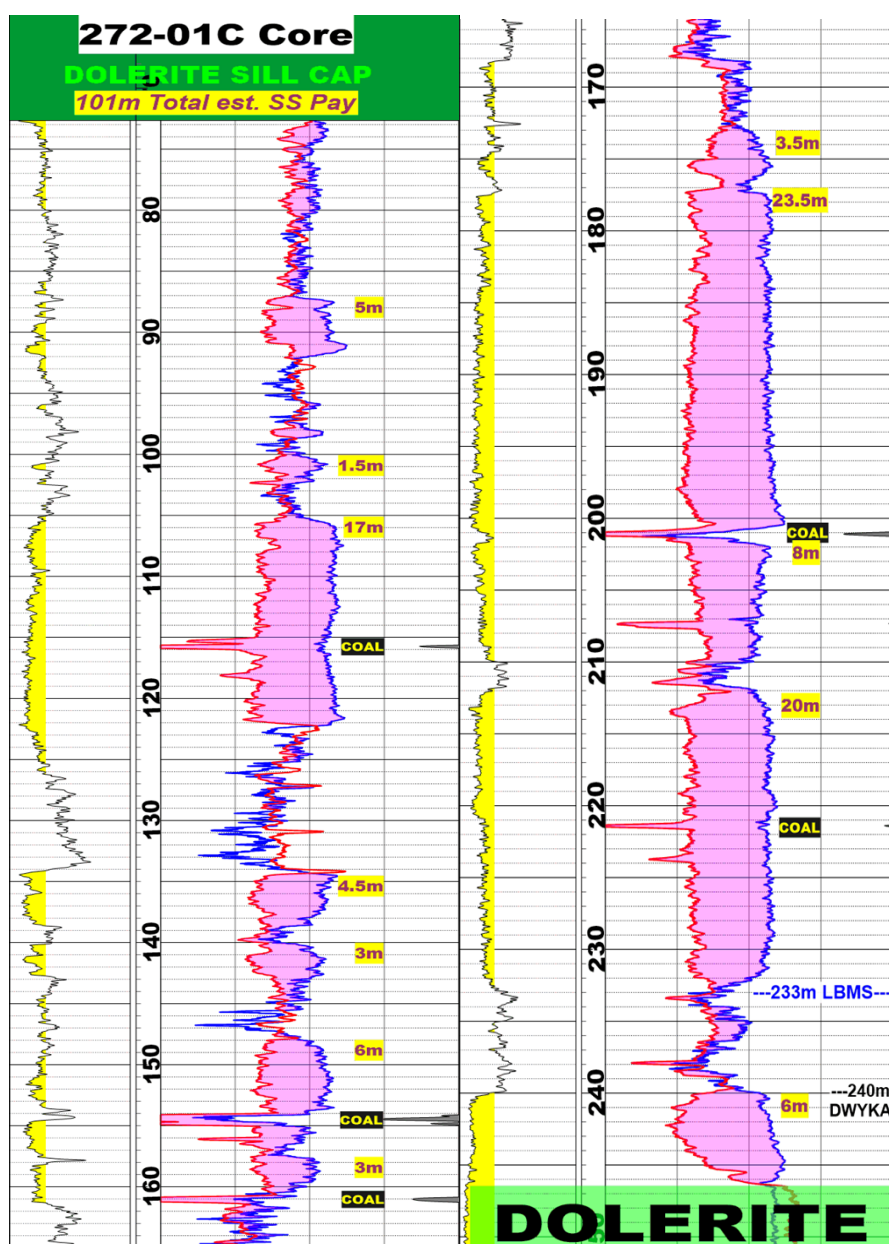


Figure 2: Core well 272-01C wire line logging results illustrating 101m gas pay zone

The logging results from core well 272-02C established greater sandstone intervals compared to core well 272-01C of 117m. Figure 2 shows (pink shading) identified by gas effect of cross-over between the neutron porosity curve (blue line on right track) and the density porosity curve (red line on right track). This is the second gas exploration hole in ER272 (Figure 3).

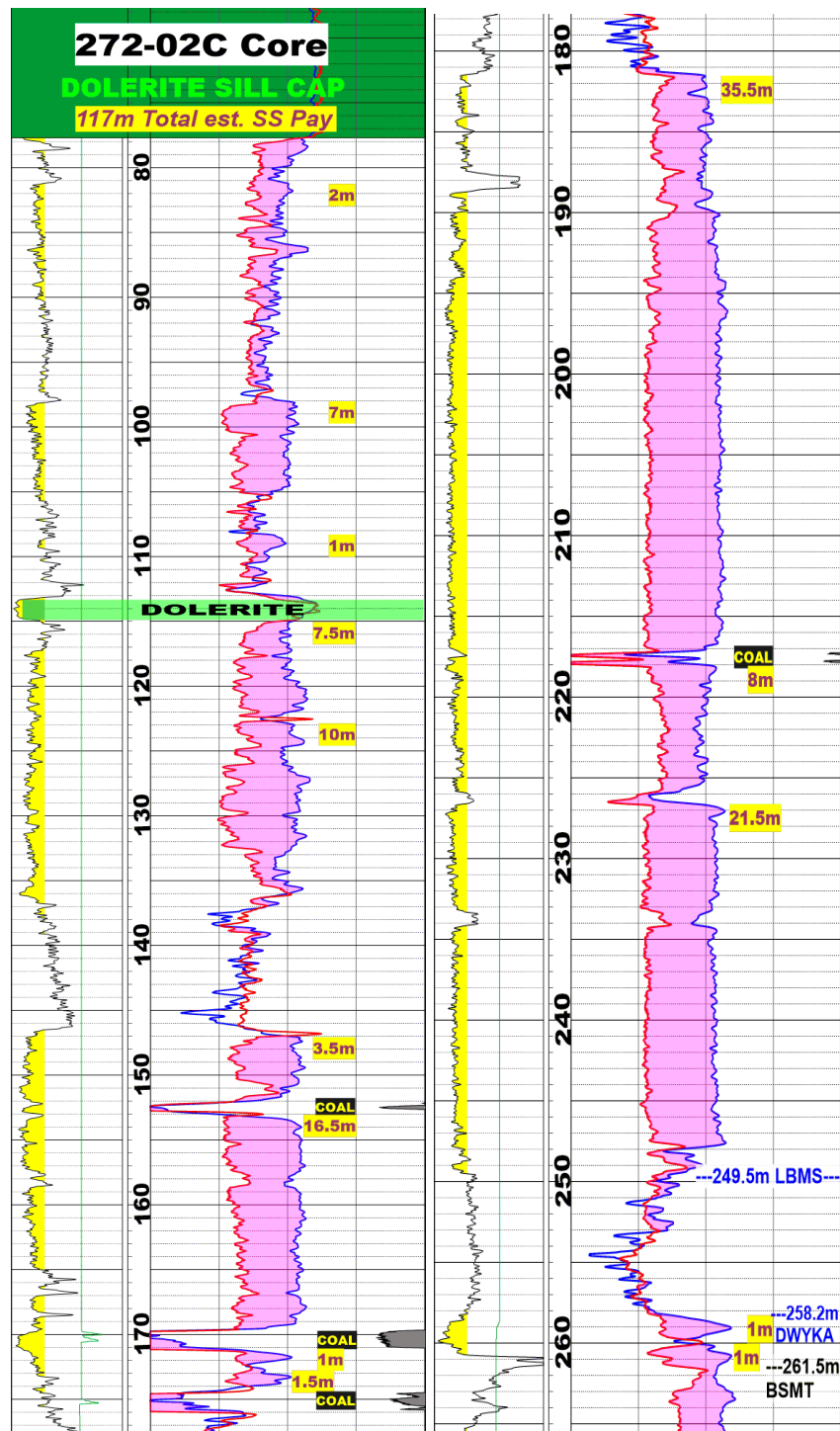


Figure 3: Core well 272-02C wire line logging results illustrating 117m gas pay zone

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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