

## Chairman's Letter to Shareholders

### HIGHLIGHTS FOR 2024

#### Exploration

- **3 core wells drilled all encountering gas confirming the geological potential across Kinetiko's 6,000km<sup>2</sup> acreage**
- **Deepest core well (270-08C) to date drilled to 746m, intersecting substantial gassy sandstone intervals**
- **Results from core well ER270-11C confirm extensive gas-bearing zones and suggest significant potential for increased resource estimates**
- **Two production test wells commenced in ER271, with drilling completed on the first (ER271-23PT) and spudding of the second (271-KV06PT)**

#### Development

- **First demonstration of gas-to-power from onshore gas in South Africa, achieved through the Korhaan-1 well in partnership with FFS Refiners**
- **ER383, expected to increase exploration rights by 40%, remains on track for approval in H1 2025**
- **Planning and work advanced in IDC Joint Venture, targeting a 20-well pilot production gas field at Amersfoort, with potential first gas sales in 2026**

Dear Shareholders,

As we close out 2024, I am pleased to report on a year of significant milestones and progress at Kinetiko Energy Ltd (ASX: **KKO**) (**Kinetiko** or the **Company**). Our team has demonstrated exceptional commitment to advancing exploration and laying the foundations for scalable energy production, aimed at supporting South Africa's energy future.

This year saw the successful drilling of 3 core wells, with key highlights including 270-08C, the deepest well drilled to date, intersecting substantial gassy sandstone zones ([See ASX announcement 26 March 2024](#)). Additionally, results from ER270-11C confirmed multiple significant gas-bearing zones, strengthening confidence in the geological potential across our tenements ([See ASX Announcement 8 August 2024](#)).



Our production test well program commenced with ER271-23PT, which, despite encountering geological anomalies, provided valuable data for future drilling strategies ([See ASX Announcement 23 October 2024](#)). The second well, 271-KV06PT, was successfully spudded and is strategically located adjacent to key infrastructure such as the Lily pipeline ([See ASX Announcement 29 October 2024](#)).

One of the most exciting developments was the **first-ever demonstration of gas-to-power from onshore gas in South Africa**, achieved through the **Korhaan-1 well**. This milestone highlights the commercial viability of our gas reserves and underscores Kinetiko's role in addressing South Africa's energy crisis ([See ASX Announcement 14 May 2024](#)).

### **CEO Transition**

This year also marks a leadership transition. Our CEO, Nick de Blocq, has stepped down for personal reasons to be closer to family at the end of this year after three years of dedicated service. Nick's contributions have been instrumental in advancing our exploration and operational goals, and we extend our gratitude for his leadership.

Director Rob Bulder has stepped into the role of Interim CEO, ensuring continuity as we prepare for the next phase of growth. Discussions with highly experienced candidates for the permanent role are well advanced, with a focus on securing leadership that can guide Kinetiko through accelerated exploration programs leading to initial production and beyond.

### **Looking Ahead**

2025 promises to be a transformative year for Kinetiko, with plans to:

- Scale drilling operations across key exploration targets.
- Advance the IDC Joint Venture towards gas production and revenue generation.
- Progress ER383 to approval and integrate it into our long-term resource development strategy.

Our team remains focused on delivering sustainable, responsible, and commercially viable energy solutions for South Africa. With your continued support, we are confident in our ability to deliver significant shareholder value and contribute meaningfully to the region's energy security.

Regards



Adam Sierakowski  
**Executive Chairman**

## About Kinetiko Energy

Kinetiko Energy is a gas exploration company with a focus on advanced onshore shallow conventional gas opportunities in South Africa. Kinetiko's tenements are located in South Africa's primary power-producing region, near aging coal-fired power stations and infrastructure. As South Africa shifts towards modern power solutions, the gas from Kinetiko's deposits is expected to provide base load power and act as backup to renewables as part of the country's long-term energy future.

The Company has achieved maiden gas reserves with positive economics and has 6 trillion cubic feet (Tcf) of 2C contingent resources (alternatively described as having 2.8 Tcf of 1C contingent resources),<sup>2</sup> establishing a substantial world-class onshore gas project.

Kinetiko's vision is to commercialise an energy solution for South Africa.

**ASX: KKO | [KINETIKO.COM.AU](https://www.kinetiko.com.au)**



<sup>2</sup> Refer to the Company's announcement dated 21 August 2023 titled '*Maiden Gas Reserves & Major Increase in Contingent Resource Confirms Positive Economics & Enormous Scalability*'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 21 August 2023 and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.