



Kinetiko Energy Limited
ACN: 141 647 529

Suite 10, Level 1
Spectrum Building
100 Railway Rd
SUBIACO WA 6008

Phone: +61 8 6315 3500
Fax: +61 8 9481 1947

Email: info@kinetikoenergy.com.au

Web: www.kinetikoenergy.com.au

ASX: KKO

3 October 2017

ASX ANNOUNCEMENT
KINETIKO PURSUES DEVELOPMENT OF AMERSFOORT PROJECT
AND DEBT RECOVERY

- **Renewal applications for the Amersfoort project and a further bulk sampling permit has been made to the South African regulators**
- **The Company has approached the South African regulators seeking approval to an exploration work program to continue development on the Amersfoort project**
- **Work continues with respect to exploration rights other than the Amersfoort project covering 6 702 Km²**
- **KKO has commenced recovery of debt proceedings against Badimo Gas for in excess of \$370,000**
- **KKO now owed approximately of \$2,250,000 by Afro Energy and Badimo Gas**

Kinetiko Energy Limited (ASX:KKO) is pleased to announce that it has been working with major stakeholders and interested third parties in South Africa which enabled a series of applications to the South African regulator the Petroleum Agency of South Africa ("PASA") seeking approval to continue exploration on the Amersfoort project and sole fund the next stage and work program of the projects development.

Plan for Amersfoort Project Development

The Company has made application for the renewal of exploration rights 38ER and 56ER which together comprise the Amersfoort project. These exploration rights, which cover a substantial area of 1486 Km², have been developed over the previous renewal periods since they were initially granted to Kinetiko/Badimo and subsequently renewed on 15 September 2015 (ER38) and 06 October 2015 (ER56). The application seeks renewals of the exploration rights for a further period of 2 years.

The proposed works programs will involve pilot well drilling and testing as well as the drilling and operating of wells designed to provide optimisation designs for production from multiple gas prone horizons encountered in previous pilot well campaigns. Further high resolution aeromagnetic surveys will be undertaken to further refine geological modelling prior to drilling to ensure optimal well placement, drilling, development and subsequent reservoir reserve modelling.

The Company also made an application, dated 13 September 2017, for the granting of another bulk sampling permit to enable Afro Energy to produce and dispose 500 MMScf (million standard cubic feet) per year for a two-year period of gas from the Amersfoort project which the Company plans to undertake during 2018.

The successful outcome of these application enables the Company to develop the Amersfoort project with the vision of achieving first reserves, first production and first revenues in 2019.

Proceedings Commenced to recover Debt from Badimo Gas (Pty) Ltd ("Badimo Gas")

Kinetiko is now owed approximately \$2,250,000 by Afro Energy and Badimo Gas. Kinetiko has commenced proceedings to recover monies owed to it by Badimo Gas totalling approximately \$370,000. These proceedings have been undertaken by means of a Letter of Demand in compliance with Sections 344 and 345 of the South African Companies Act, Act 61 of 1973 claiming recovery of a debt with in a strict time frame. The time required for Badimo Gas to repay or dispute the validity of the debt to Kinetiko expired on 18 September, and Kinetiko is in the process of making an application for the liquidation of Badimo Gas. As soon as the company is aware of the timetable for the liquidation application it will update the market.

Kinetiko's Chairman, Adam Sierakowski, commented, "The Company has for a long time worked tirelessly with its South African partners in Afro Energy and Badimo Gas, to overcome all impasses to continue development of the Amersfoort project. However despite the introduction of several South African financial institutions willing to fund the Amersfoort project, Badimo Gas has been the cause of the demise of each proposal. It became clear Kinetiko had to act to protect its rights and seek to recover amounts owing to it which it is now doing and taking affirmative steps to act in the interest of shareholders and stakeholders to continue to develop the Amersfoort project."

For more information visit: www.kinetikoenergy.com.au or contact Geoff Michael or James Searle, Joint Managing Directors, Kinetiko Energy Limited +618 6315 3500