



Kinetiko Energy Limited

ACN: 141 647 529

Suite 12, Level 1, The Spectrum Building

100 Railway Road

SUBIACO WA 6008

Phone: +61 8 6315 3500

Fax: +61 8 9481 1947

Email: [info@kinetikoenergy.com.au](mailto:info@kinetikoenergy.com.au)

Web: [www.kinetikoenergy.com.au](http://www.kinetikoenergy.com.au)

ASX: KKO

12 September 2018

#### ASX ANNOUNCEMENT

### **WELL, FLOW AND EQUIPMENT TESTING COMMENCED AT AMERSFOORT PROJECT**

- **Pressure and flow testing have commenced, intended to provide important data on reservoir recharge and productivity as well as the trial of innovative pumping and process control equipment**
- **Joint estimated cost of tests amounts to approximately US\$675,000 (AUD\$950,000)**
- **World leaders in the design and provision of process control and pumping systems Endress & Hauser AG and Franklin Electric Co. Inc have teamed up to provide an innovative pumping, separation and control package that is being trialled on the previously flow-tested well KA-03PT**
- **Previous flow and pressure testing on the well achieved stabilised flow rates of up to 330,000 scf/day and produced 26MMscf over a 6 month test period**
- **Kinetiko considers this undertaking, as a positive first step in the continued development of the Amersfoort project**

Kinetiko Energy Limited (ASX:KKO) (the "Company" or "KKO") is pleased to advise that it commenced with additional exploration and appraisal on its flagship Amersfoort project. The Company commenced its activities alongside two international experts, Endress & Hauser AG, a global leader in the design and marketing of systems that are used in pumping, separation and flow control in gas production and Franklin Electric Co. Inc., another global business that provides flow control instrumentation used in realtime measurement of gas, fluids and particulates.

KKO Chairman Adam Sierakowski commented "Despite years of delay due to the impasse with Badimo Gas the Company has successfully been able to work with both South African and international experts to create a plan for the future exploration of the Amersfoort project. KKO can once again look forward to providing exploration results in the near future."

Endress & Hauser AG, Franklin Electrical and LOG Industrial Automation of South Africa have been developing innovative flow skid instrumentation and separation packages for unconventional gas projects. These companies are trialling their advanced systems during a pressure and flow test on the Amersfoort KA-03PT well (Figure 1).

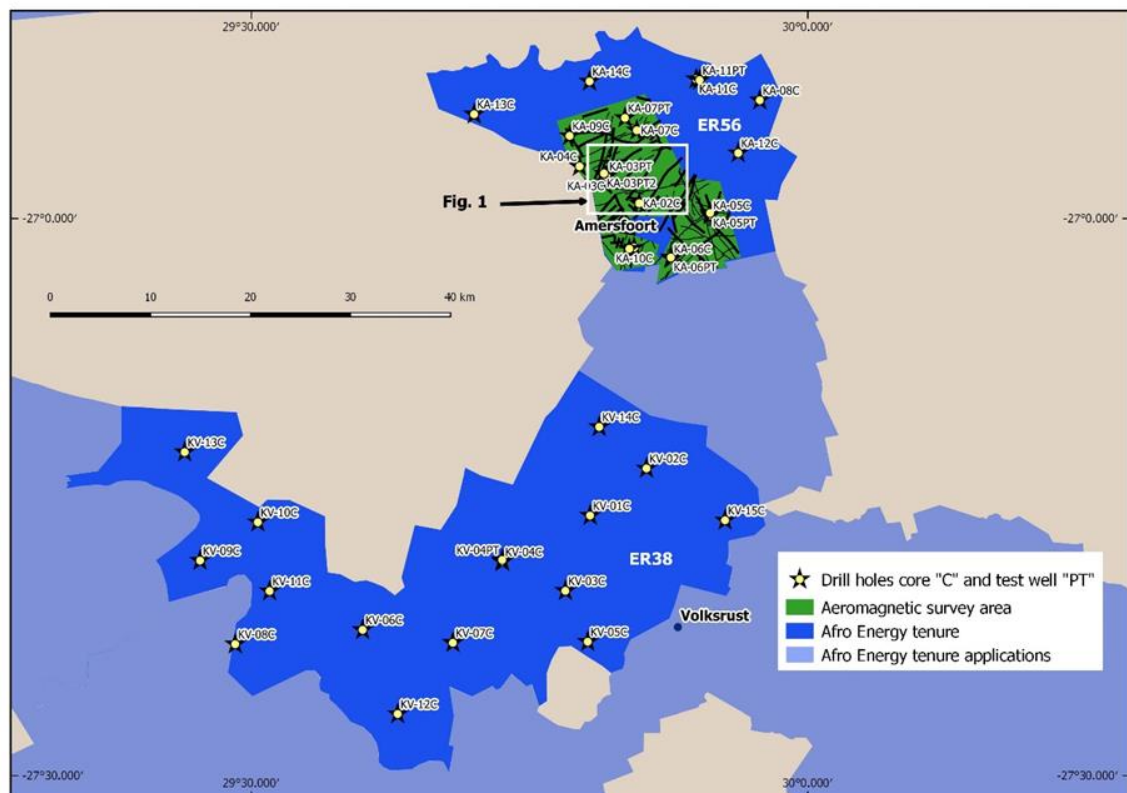
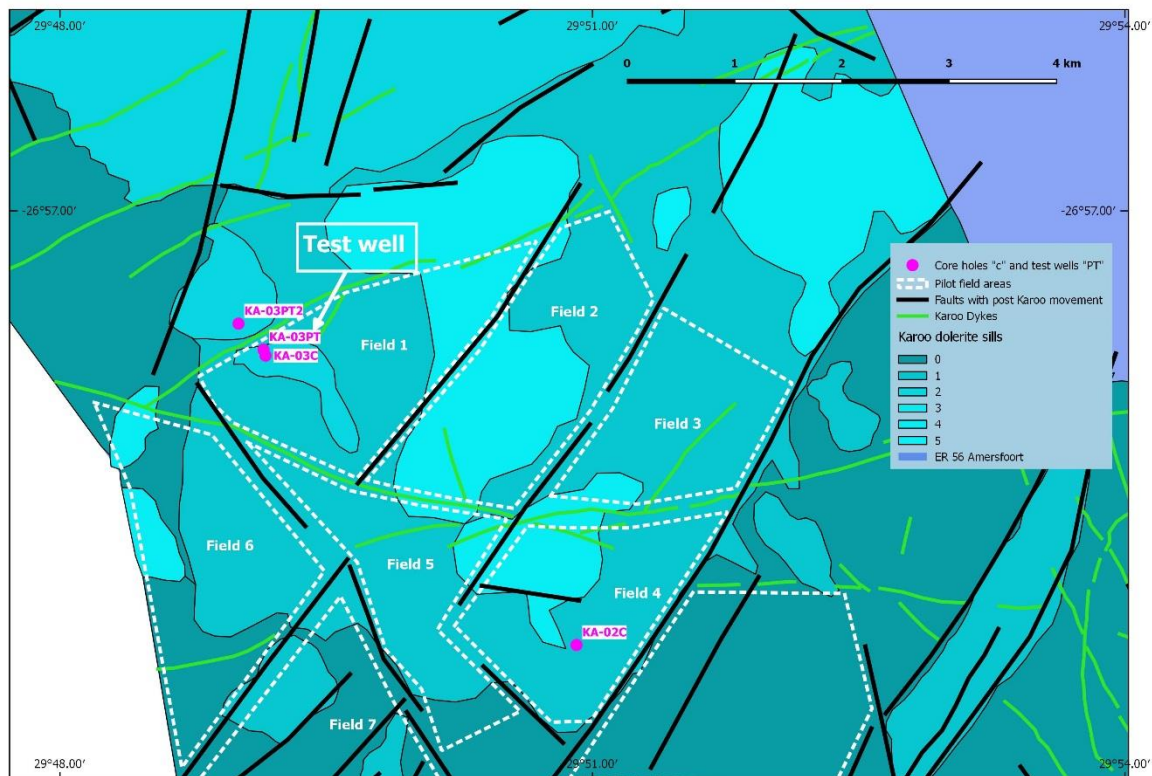


**Figure 1 Endress Hauser Test Equipment**

To do this they have undertaken the refurbishment of down hole electrical equipment, the manufacture and installation of their custom flow and separation equipment and instrumentation at the well head. Joint estimated costs for the tests amounts to approximately US\$675 000 (approximately AUD\$950,000) of which KKO contribute in excess of AUS\$35 000.

Previous flow and pressure testing of KA-03PT in 2014 and 2015 achieved stabilized gas flows of up to 330,000Scfs/d, and the well produced 26MMscf over the extended 6-months flow test (Figure 2). Production was considered to be principally derived from conventional gas accumulations in the sandstones as the coal sequences were not significantly depressurised by the single well. The well has been shut in since 2015.

Clear indications are that the gas prone sandstones and coal measures demonstrated by down hole electrical logging and flare tests extend across much of the Amersfoort (ER56) and Volksrust (ER38) licences (Figure 3). Aeromagnetic data shows that the gas prone sequences are compartmentalised to varying degrees by faults and dolerite dykes and dolerite sill that provide extensive and multiple reservoir caps. The typical field compartment sizes are around 3 square kilometres (Figure 2). Understanding the interconnectivity of the compartments is important for field development strategies.





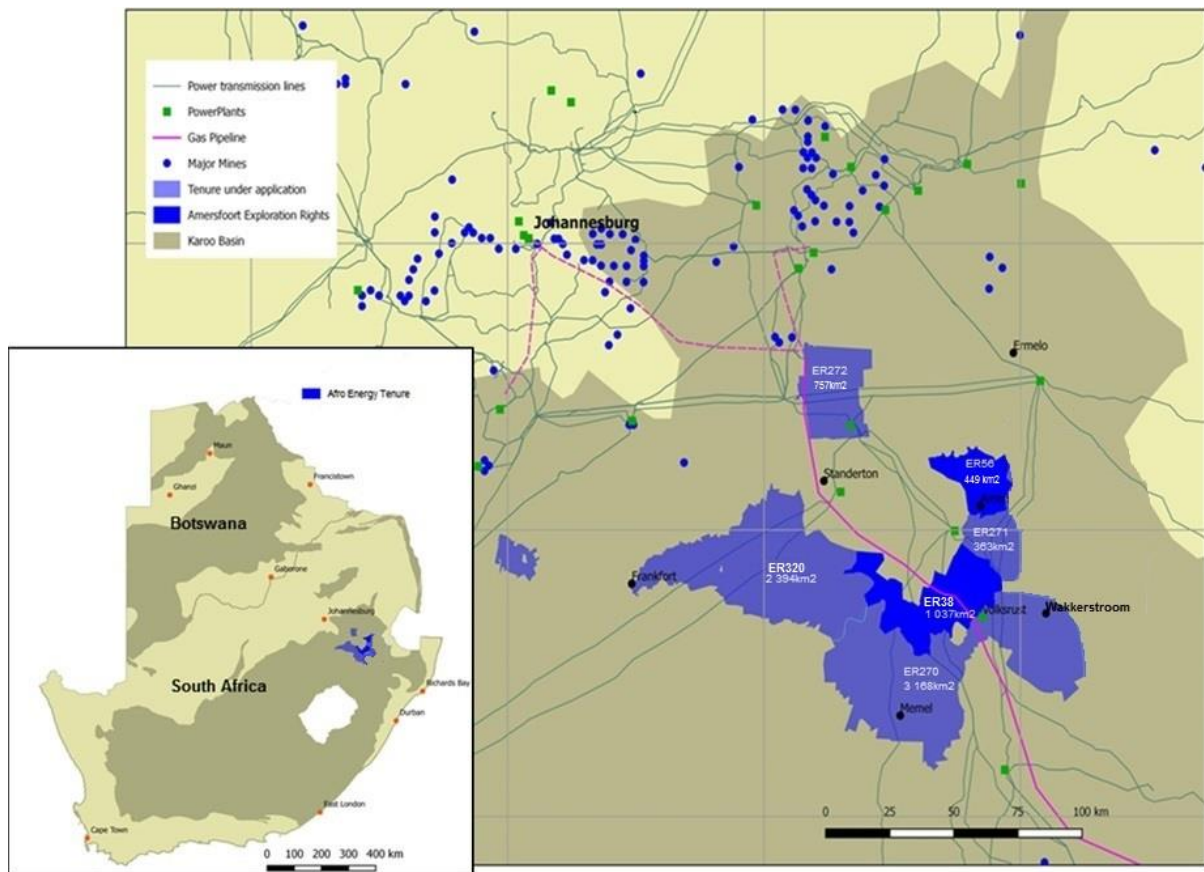
**Figure 4 Test well KA-03PT flaring gas.**

#### **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, extensive energy infrastructure and a growing gas demand, making it an attractive area for investment. The Company has a large potential exploration area, of which 1 486Km<sup>2</sup> is granted and being explored with another 6 702 Km<sup>2</sup> under various stages of application for exploration rights.*

*Afro Energy (Pty) Ltd. was incorporated as a joint venture founded in 2015 by Badimo Gas (Pty) Ltd of South Africa as majority owner (51%) and Kinetiko Energy Ltd (49%) in order to continue to explore, develop, and market gas from several Exploration Rights licenses and Technical Corporation Permits in the Amersfoort and adjacent Volksrust areas of South Africa. Afro Energy is the operator of the subject license.*





For more information visit: [www.kinetikoenergy.com.au](http://www.kinetikoenergy.com.au) or contact, Kinetiko Energy Limited on 08 6315 3500