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ENERGY LTD

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ASX: KKO

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ASX Announcement

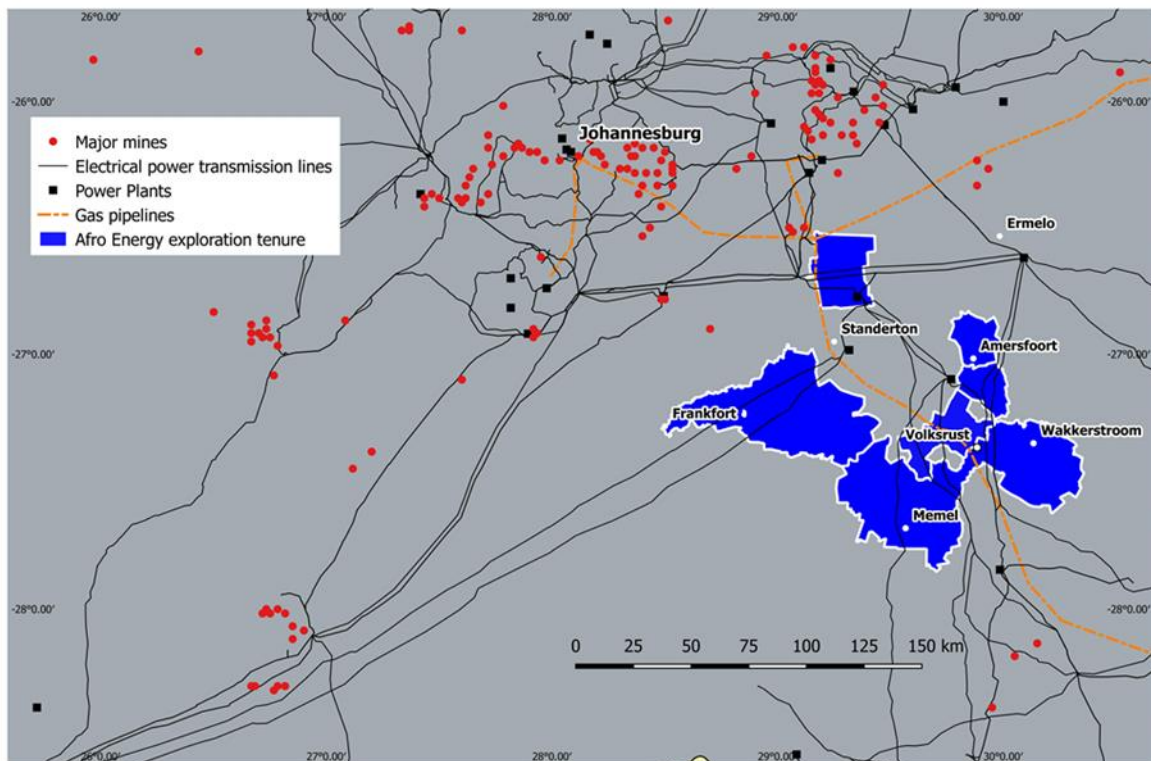
## STRATEGIC ALIGNMENT WITH JV PARTNER AND AUDIT COMPLIANCE ACHIEVED

- **Kinetiko and Badimo Gas have worked together to complete outstanding financial accounts relating to its incorporated JV Afro Energy.**
- **The collaboration between the parties has enabled Kinetiko's South African assets to be restated to a value of \$7.4m.**
- **The parties have agreed a work program for the exploration and exploitation of its existing and recently renewed and newly awarded exploration rights that have been approved by the DMR and PASA.**

Kinetiko Energy Ltd ("**Kinetiko**" or "**Company**") (ASX:KKO) is pleased to announce that on Wednesday, 22 January 2020, the 31 December 2019 half yearly report of Kinetiko was completed and has been lodged. This was achieved as result of over 12 months of cooperation between the Company and its joint venture partner in South Africa Badimo Gas (Pty) Ltd ("**Badimo**").

The collaboration between the parties has also facilitated an agreement for Afro Energy (Pty) Ltd ("**Afro**") to submit work programs for the continued development of the exploration rights recently renewed and newly awarded by the Department of Mineral Resources ("**DMR**") and the Petroleum Agency of South Africa ("**PASA**").

The Company has worked with Badimo to finalise the outstanding accounts and compliance statements for Afro for 2016, 2017, 2018 and 2019 that had resulted in Kinetiko impairing the value of its investment in Afro. As a consequence of the various financial statements being completed the value of the Company's South African assets have been restated to \$7.4m as Investment in Associate to the Kinetiko financial statements as at 31 December 2019.



**Figure 1 – The location of Kinetiko exploration rights**

**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 approximately 7000km<sup>2</sup> is under application or granted and being explored.*

*Afro Energy (Pty) Ltd. was incorporated as a joint venture founded in 2015 by Kinetiko Energy Ltd (49%) and Badimo Gas (Pty) Ltd of South Africa (51%) as a JV company to own the tenements and facilitate South African investment in order to continue to explore, develop, and market gas on the substantial exploration area.*

For more information visit: [www.kinetiko.com.au](http://www.kinetiko.com.au) or contact, Adam Sierakowski on 08 6211 5099 or Geoff Michael on 08 6315 3500.

This announcement is authorised for release to the market by the Board of Directors of Kinetiko Energy Limited