



18 May 2020

The Company Announcements Office  
ASX Limited Via E Lodgement

### **Investor Presentation**

Kinetiko Energy Ltd (**Company**) refers to the Investor Presentation which was lodged with ASX on the morning of Monday 18 May 2020. The Company attaches a corrected presentation including the required statements in relation to the resource tables shown on slide 5.

Stephen Hewitt-Dutton  
Company Secretary  
Kinetiko Energy Ltd.



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# SOUTH AFRICA'S SOLUTION FOR CLEAN ENERGY SUPPLY

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**ASX:KKO**

**WWW.KINETIKO.COM.AU**

**May 2020**

**KA – 06PT**

- Spontaneous gas flow through water column post flow testing
- Majuba power station – Second largest in South Africa, can be gas co-fired

# STRATEGIC ENERGY RESOURCE

## AMERSFOORT PROJECT - INDEPENDENT CERTIFIED 2C RESOURCE OF 1.5TCF

### DOMINANT LAND POSITION

#### *largest continuous landholder*

- Project area covers 7,000km<sup>2</sup> with 4,604km<sup>2</sup> of granted exploration rights
- Proven and highly prospective Permian Age Coal Fields
- Equating to approximately 2% of South Africa's total land mass

### SOUTH AFRICAN ENERGY CRISIS

#### *constant widespread power blackouts*

- December 2019 - highest recorded load shedding/power outage
- Country wide rolling power outages for up to 10 hours a day
- No energy substitute or augmentation on the horizon

### GOVERNMENT SUPPORT

- Government Integrated Resources Plan 2018 – Energy sector focus
- Prioritising domestic gas sector development
- Current moratorium on granting of gas exploration rights - significantly reduced competition

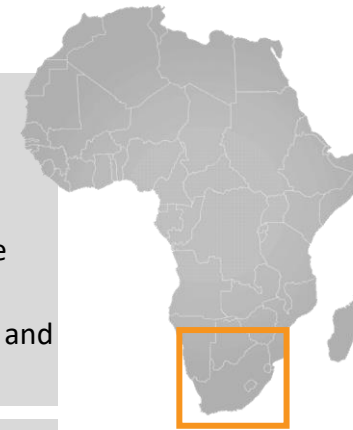
### SIGNIFICANT INFRASTRUCTURE IN PLACE

#### *gas to market*

- Power stations, gas pipelines, high voltage transmission lines, road and rail
- All adjacent to exploration rights, existing and available

### RAPID DEVELOPMENT PLANS FOR PATHWAY TO PRODUCTION

- Advanced negotiations underway to fund and commercialise a pilot gas production field
- Engagement with several South African energy institutions and utilities
- Current approved exploration program fully funded for the next 12 months+



**Dominant land position in the heart of the Permian Age Coal Fields**





# EARLY MOVER

## ADVANCED PROJECT IN PREMIER CBM GEOLOGY



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- Approximately AUD\$10.3M spent to-date on project
- Recent government regulator approvals obtained secure substantial exploration rights
- 20 exploration core holes drilled to-date with gas shows in all holes
- Seven gas flow permeability test wells completed  
- strong flow rates achieved
- Low exploration costs with shallow drilling (~USD\$200,000/well)
- Easy access with long standing land owner relations and support
- No fracking, environmental approvals obtained
- Nominal amount of water production with potential agriculture uses
- Significant upside - only 15% of prospective geology tested



Well head and flow skid



Control and separator



Monitoring detail

### KA – 03PT Flare and Infrastructure



## Adam Sierakowski

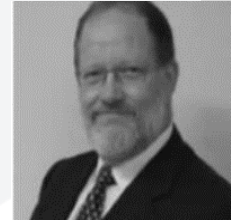
### Non Executive Chairman



- Lawyer and founder of Price Sierakowski and Trident Capital focusing on corporate transactions from private to listed public entities
- Extensive experience in capital raising, ASX transactions including developing assets and corporate structures for major companies both in Australia and overseas
- Over 20 years experience as Director of ASX listed companies

## Donald James Searle

### Non Executive Director



- Geologist with over 35 years experience in exploration, project management, project financing and development in both the minerals and energy industries.
- Over 20 years in executive and non executive capacities of ASX listed companies in Australia, Africa and Europe

## Johan Visage

### In-Country CEO, South Africa



- Over 30 years experience as an Engineer in the oil and gas industry in senior roles with extensive expertise in mid and downstream gas engineering, field development economics and gas sales and purchase agreements
- Johan provides upstream petroleum consulting services in the areas of geosciences, operations, petroleum economics, and related areas. He provides advisory and management services to South African and international investment banks, junior and major petroleum companies and has extensive experience with energy and petroleum regulatory bodies in South Africa, including the Petroleum Agency of South Africa (PASA), the National Energy Regulator of South Africa (NERSA) and Department of Energy

## Agapitos Marcus Geoffrey Michael

### Non Executive Director



- 25 years of experience as a company director and executive along with 10 years experience as a director of ASX listed companies.
- Extensive experience in investment, project delivery and enterprise development across a range of sectors and asset classes in Australia, Europe, Asia and Africa; resources and energy, engineering, property and technology.
- Practical experience of managing project teams and specialists required to drive an enterprise or project to its full potential or delivery

# AMERSFOORT PROJECT ER38 AND ER56 GAS RESOURCE

2C (P50) CONTINGENT RESOURCE OF 1.5 TCF\*



## CURRENT CERTIFIED RESOURCE DERIVED FROM

- Significant exploration upside - approximately 15% of total land package
- Conventional sandstone reservoirs adjacent to the coals

## HIGH QUALITY GAS RESULTS FROM 2018 INDEPENDENT GAS FLOW TESTING

- 95% recovery of gas from produced groundwater
- 99.5% methane content

## ISOLATED COAL MEASURES REMAIN UNTESTED FOR CBM POTENTIAL

- Isolation testing as part of next development phase
- Potential upside as only sandstones tested to-date

- Possible elimination of gas treatment due to high quality
- Evidence of strong gas reservoir recharge over time

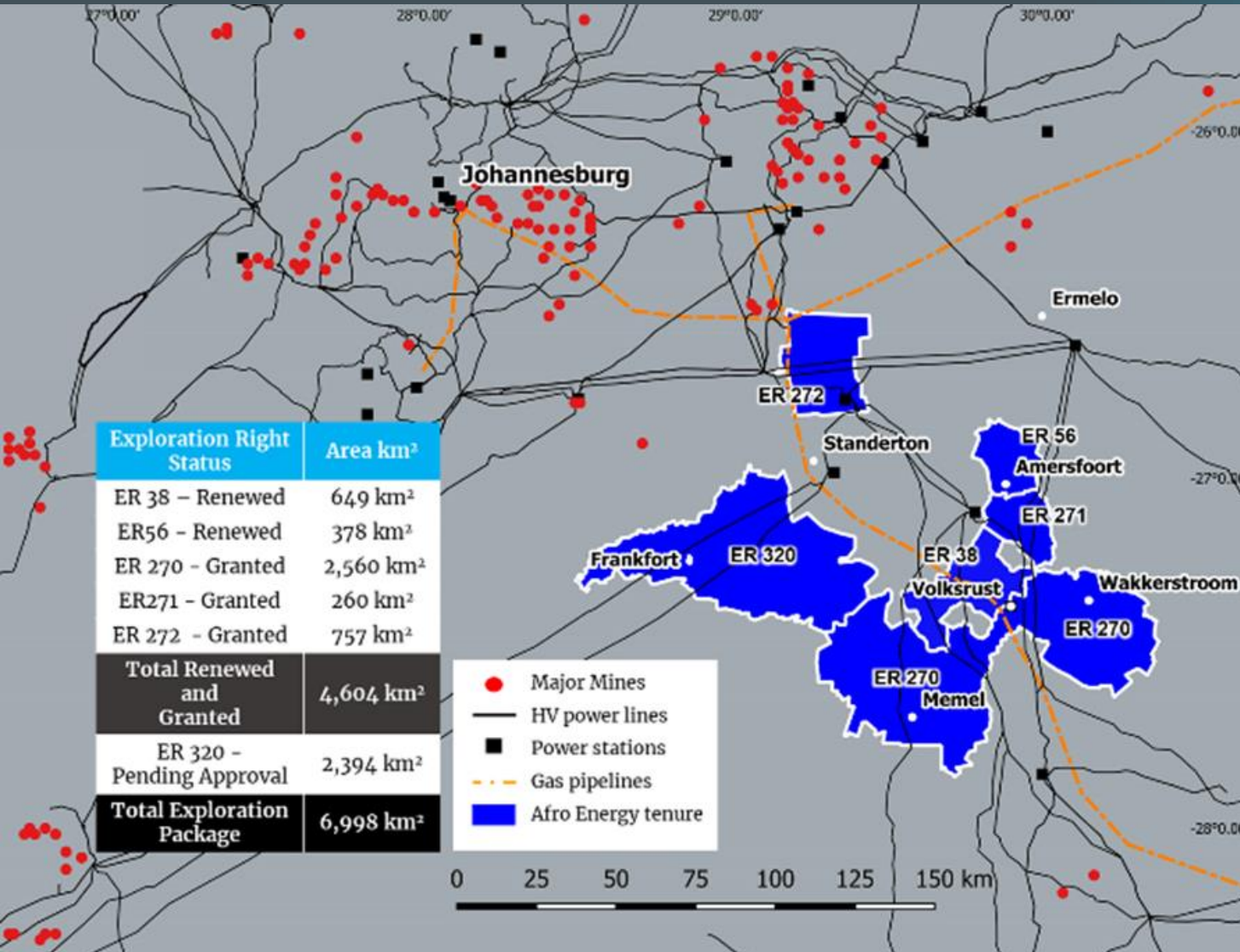
Contingent Resource 2C (P50) (100% Gross)	1C (Bcf)	2C (Bcf)	3C (Bcf)
CBM	627.5	1,110.2	1,726.7
Gas in Sandstone	150.7	372.5	791.0
<b>Total</b>	<b>778.1</b>	<b>1,482.7</b>	<b>2,517.7</b>

Gas in Place (100% Gross)	1C (Bcf)	2C (Bcf)	3C (Bcf)
CBM	967.1	1,689.4	2,616.7
Gas in Sandstone	292.6	706.3	1,450.6
<b>Total</b>	<b>1,259.7</b>	<b>2,395.8</b>	<b>4,067.3</b>



# AMERSFOORT PROJECT - PATHWAY TO PRODUCTION

UNIQUELY POSITIONED TO CAPITALISE ON GROWING ENERGY DEMAND



- Work program approved by government which will progress the development of an initial 20 well pilot production gas field
- Advanced negotiations underway with two major South African institutions to fund development
- Pilot gas field could be producing in 12 months from commencement given positive historic gas flow test results
- A large number of potential off-takers for the gas
- First production could deliver maiden certified gas reserves and revenues within 18 months

# AMERSFOORT PROJECT - MARKET ON ITS DOORSTEP

## MULTIPLE COMMERCIALISATION OPTIONS



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### HEAVY ENERGY DEMAND DRIVING RAPID DEVELOPMENT

- A region of existing energy infrastructure and very high energy demand
- Energy crisis deepened by no capacity to increase gas imports
- Domestic gas pricing some of the highest in the world at between USD\$7 – 10 per GJ



### POTENTIAL PURCHASERS - MAJOR DOMESTIC OFFTAKE MARKET

- Gas sales into the existing coal powered generation plants
  - Flame modulation
  - Co-generation of gas and coal
- Ten power stations within 300km + HV power infrastructure
- Transnet's Lilly pipeline which runs through ER38, 270 and 272



### INDEPENDENT POWER PRODUCTION (IPP)

- Gas fired power generation to couple with the substantial surrounding electricity network
- Direct to a major customer i.e. local industrial plant or mine



### VIRTUAL NETWORKS

- CNG production and distribution by road and rail
- Direct to mining, industry, manufacturing, transport and domestic customers



# DE-RISKED VALUE PROPOSITION

## LEVERAGED FOR SIGNIFICANT GROWTH



**PROJECT AND CORPORATE**  
*Advancement*

**JOINT VENTURE**  
*Conflict Resolved*

**PROJECT AREA**  
*437% Increase*

**ASX REINSTATEMENT**  
*De-Risked & Revalue*

## 2020

### SITUATION IS NOW STRONGER IN TERMS OF COUNTRY, PROJECT & CORPORATE

- Political change in May 2019 provides energy strategy confidence
- New field technology and advanced exploration techniques increase gas and potential
- Maintained South Africa management and consultants to fast track development

### CONFLICT/FINANCIAL IMPASSE IS NOW RESOLVED

- Opportunity for revaluation, monetisation and reinvestment
- Collaboration achieved and joint strategy approved

### LAND PACKAGE NOW RENEWED, GRANTED & PENDING ~7,000KM<sup>2</sup>

- Increase of 437% in project area with more to come
- Exploration upside through well understood geology

### AFRO ENERGY IS FUNCTIONAL & COMPLIANT WITH RESPECT TO REPORTING & REGULATORS

- KKO restated audited accounts enable listing and asset reinstatement
- Ratified Afro Energy loan accounts for both KKO and Badimo. KKO owed ~AUD\$3M
- The closest ASX company comparison is Renergen Limited (ASX:RLT), has grown its market capitalisation by over 40% since listing 11 months ago

# CORPORATE

CAPITAL STRUCTURE 18 MAY 2020

**543,264,256**  
**Current Shares**

**\$0.02**  
**Share Price**

**\$10,865,285**  
**Market Cap**

**\$1,500,000**  
**Cash** (at 18/5/2020)

**\$9,365,285**  
**EV**

**36,518,022**  
**Options \$0.03**  
(Dec 2021)

**579,782,278**  
**Fully Diluted**



49%  
Economic  
Interest



51%  
Economic  
Interest





## Dominant exploration ground package

- Right Location
- First mover - competitive exploration advantage
- 7,000 km<sup>2</sup> – Scale and exploration upside



## Current Resource 2C (P50) – 1.5 Tcf

- Targeting maiden reserves within twelve months



## Significant near term exploration

- Aeromag, drilling and pilot fields
- Additional Exploration Permits granted
- Work Program approved for pilot production to commence



## Proven geology

- Gas flowing from all permeability test wells,
- High levels of gas in logging and core desorption



## Infrastructure

- Close to existing infrastructure and market
- Pipeline, end users and major power stations



## Monetisation and gas sales

- Multiple pathways to commercialisation and value
- Negotiation with multiple parties to fund Pilot Field Program
- No immediate capital requirements



## 18 month target

- Reserves
- Production
- Revenues



## Robust project economics

- Low cost exploration, well completion and production.
- Strong gas demand and pricing \$7 - \$10USD /GJ



## RSA Government

- Committed to clean energy solutions
- Building a South African onshore gas industry
- Sustainable and efficient energy supply



## Community and environment

- Low impact on people, property and the environment.
- Strong relationship with farmers and local stakeholders





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## DISCLAIMER

This document should be read in conjunction with any other available information on Kinetiko Energy Ltd.

This document is a summary only and does not include all information about the Company's assets and liabilities, financial position and performance, profits and losses, prospects and the rights and liabilities attaching to the Company's securities.

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Although the Company believes that its expectations reflected in forward looking statements or implications are reasonable, such statements and implications involve risk and uncertainties, no assurance can be given that actual results will be consistent with the forward-looking statements and implications.

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Unless otherwise specified information in this report relating to exploration and related technical comments have been compiled by Dr James Searle, a Member of the Australian Institute of Mining and Metallurgy, and a non -executive Director of Kinetiko Energy Ltd with over 30 years experience in metallic and energy minerals exploration and development, including over 9 years experience in hydrocarbon exploration. Dr Searle consents to the inclusion of this information in form and context in which it appears.

Note 1. The Company is not aware of any new information or data that materially affects the information included in the announcement 13 August 2012 and all the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

This presentation was approved for release by  
Adam Sierakowski, Non Executive Chairman

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