



**KINETIKO**  
ENERGY LTD



Kinetiko Energy Limited  
ACN:141 647 529

Suite 10, Level 1, 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

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**ASX ANNOUNCEMENT**

**BULK GAS SAMPLING APPROVAL RECEIVED FROM THE DMR**

- **The DMR has granted bulk gas sampling permission to Badimo Gas (Pty) Ltd and Kinetiko Energy Limited.**
- **500 million standard cubic feet (mmscf) of gas per annum for 2 years allowed to be removed and disposed. This permit is the first of it's kind to be issued with respect to the removal and disposal of natural gas in the Republic of South Africa.**
- **Potential to generate first revenues as a result of this approval received**

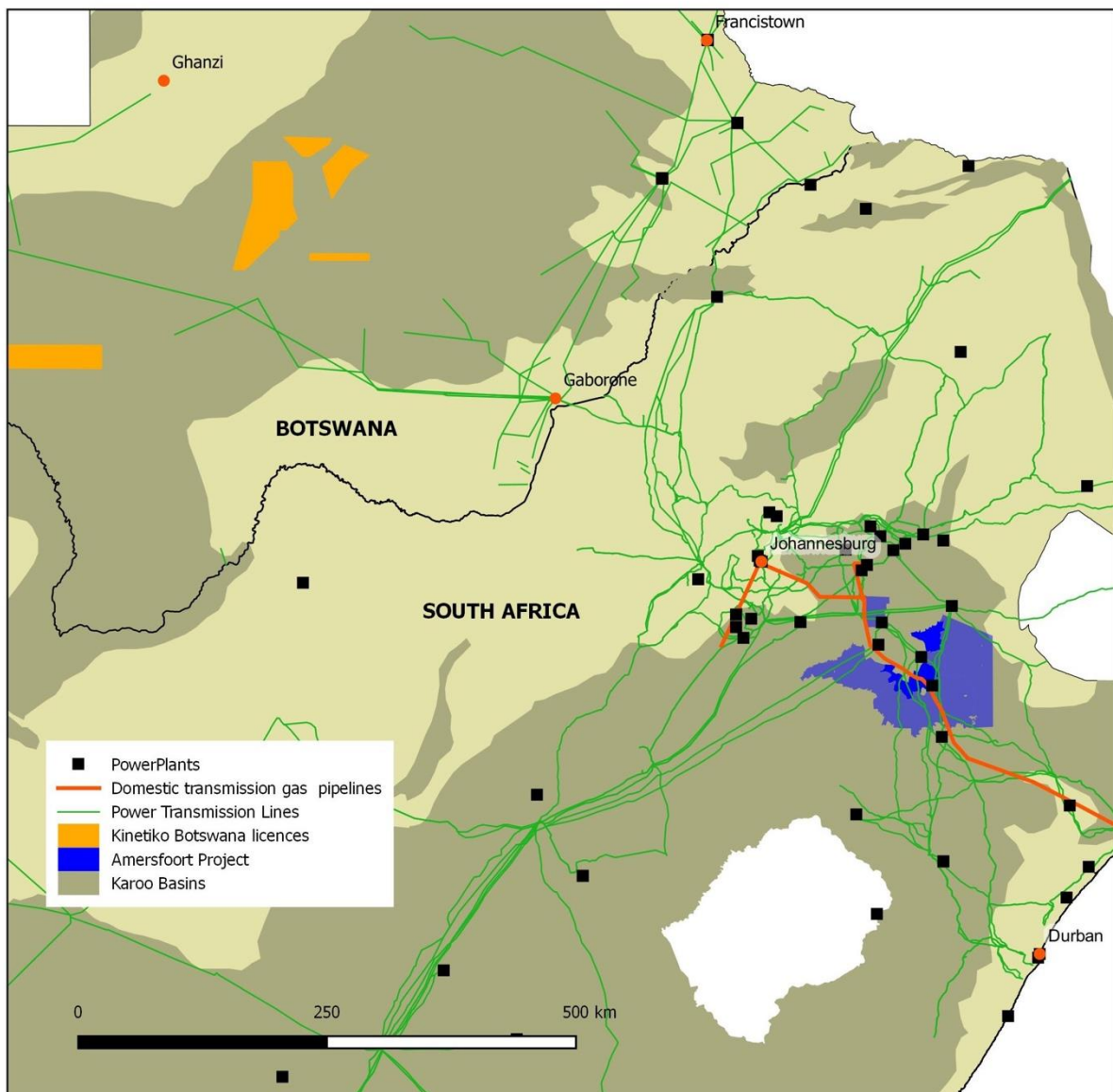
Kinetiko Energy Limited (ASX:KKO) ("Kinetiko") with its major shareholder in Afro Energy Pty Ltd ("Afro Energy"), Badimo Gas Pty Ltd ("Badimo"), is pleased to announce that they have received correspondence from the Minister of Mineral Resources of the Republic of South Africa ("DMR") in accordance with Section 20 of the Act to grant permission allowing the parties to remove and dispose of gas produced from it's ER56 and ER38 tenements at Amersfoort and Volksrust.

The correspondence from the DMR entitles both Badimo and Kinetiko to remove and dispose of gas found during the course of the Amersfoort project exploration activities. As previously announced on 28 July 2015 the approved bulk sampling permit allows Badimo and Kinetiko to sell the gas from existing producing wells in the areas designated for the establishment of an 8 spot test cluster of wells in close proximity to KA-03PT within the ER56 tenement.

The DMR has granted the parties permission to remove up to 500 million standard cubic feet of gas per annum for a 2 year period. If that volume of gas was produced from exploration activities in each of the 2 years and sold at prevailing domestic gas prices assumed to be US\$8/GJ, an amount of approximately US\$8m in revenue could be generated.

### About Kinetiko 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 9,491Km<sup>2</sup> is granted and being explored.*



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