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ASX ANNOUNCEMENT

AFRO ENERGY EXECUTES MEMORANDUM OF COOPERATION WITH POTENTIAL GAS OFF-TAKER GIGAJOULE INTERNATIONAL (PTY) LTD

- **Gigajoule and Afro Energy to work together to investigate opportunity for Afro Energy to supply methane rich gas from ER56 to Gigajoule.**
- **Parties intend to undertake a pre-feasibility study.**
- **Successful and approved pre-feasibility designed to lead to gas sales agreement.**

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 it has executed a memorandum of cooperation ("MOC") with Gigajoule International (Pty) Ltd ("Gigajoule") to investigate and pursue an opportunity for the supply of methane rich gas by Afro Energy from within certain areas on the ER56 tenement at Amersfoort.

The parties intend to undertake a pre-feasibility study under the direction of a working group that shall be established with a representative from both Gigajoule and Afro Energy.

Provided the outcome of the pre-feasibility study is positive and recommendations to proceed with the project are approved by the respective boards of both parties, then both Afro Energy and Gigajoule intend to conclude a gas sales agreement.

The Agreement is for a period of 3 years, and may be extended by mutual agreement. During the term of the MOC and for a period of 1 year after termination neither of the parties shall pursue opportunities that are similar to the project or would prejudice either parties confidential information.

About Gigajoule International

Gigajoule International (Pty) Ltd through its subsidiary Matola Gas Company SA, is the second largest natural gas transmission, distribution and trading company in Southern Africa supplying gas to over 30 industries, public transport and several power stations. It is also a major shareholder in, and promotor of Gigawatt Mozambique SA, currently completing a 117 MW natural gas fuelled power station at Ressano Garcia in Mozambique.

For more information visit: www.gigajoule.co.za

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 9,491Km² is granted and being explored.

For more information visit: www.kinetikoenergy.com.au or contact, Kinetiko Energy Limited on 08 6315 3500

