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ASX: KKO

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ASX ANNOUNCEMENT

THE NEXT PHASE OF DEVELOPMENT TO BE CARRIED OUT BY BADIMO AND KINETIKO IN THE AMERSFOORT PROJECT

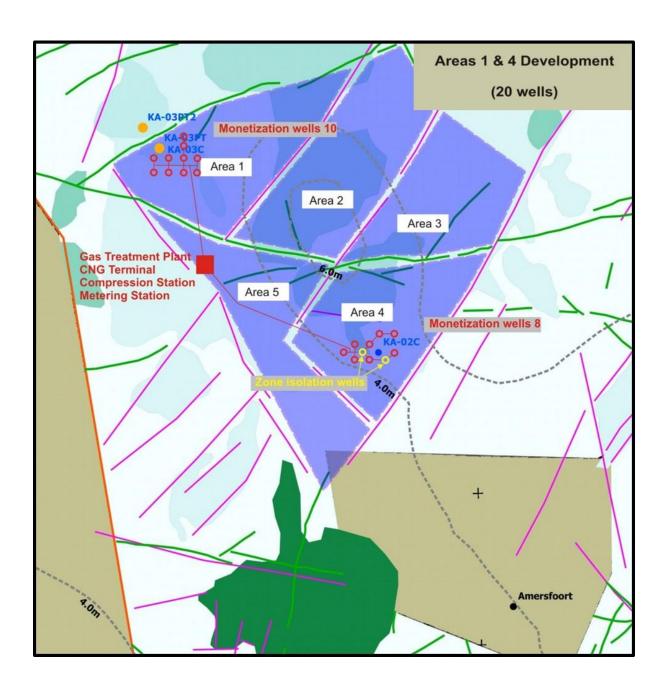
- The South African regulatory authority has granted the approval to develop a further 8-wells in close proximity to KA-03PT in the Amersfoort Project.
- The renewal of ER56 and ER38 has been granted in the Amersfoort Project.
- The granting of these approvals enables third party investments in the Amersfoort project.
- The 'Bulk Sampling Permit' allows for the sale of gas and the commencement of the monetization of the project.

Kinetiko Energy Limited (ASX: KKO) ("Kinetiko") with its major shareholder Badimo Gas (Pty) Ltd ("Badimo") in Afro Energy (Pty) Ltd ("Afro") is pleased to announce that the next phase of development in the Amersfoort Project is ready to commence following the granting of:

- The development of a 10-well gas field in Area 1 of ER56 (figure 1); and
- The renewal of exploration right ER56 and ER38 for a further two years.

It is planned to develop a 10-well gas field in Area 1 of ER56 in close proximity to KA-03PT. The completion of such a 10-well field requires the approval of an additional well. It is further planned to secure the approval of an additional 8 appraisal/production wells in conjunction with two zone isolation wells in Area 4 of ER56 in close proximity to KA-02C (Figure 1).

Figure 1: Proposed Work Programme for Areas 1&4 in ER56



Development of ER56

Completing the work programmes over a six-month period commencing the first quarter of 2016 would enable gas sales from the Amersfoort project in terms of the granted bulk sampling permit. The work programme covers a small percentage of the total prospective geology over which the rights are held. The successful completion of the work programme is a major steps towards further field development.

Further to Kinetiko's announcement dated 28 July 2015 negotiations to fund the development of the Amersfoort project continues with the Industrial Development Corporation ("IDC") which is currently conducting a due diligence on the project.

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