



Kinetiko Energy Limited
ACN: 141 647 529

Suite 10, Level 1, The Spectrum Building
100 Railway Road
SUBIACO WA 6008

Phone: +61 8 6315 3500
Fax: +61 8 9481 1947

Email: info@kinetikoenergy.com.au

Web: www.kinetikoenergy.com.au

ASX: KKO

17 February 2016

ASX ANNOUNCEMENT

INCREASED RESOURCE ESTIMATE ON AMERSFOORT PROJECT'S 56ER LICENSE

- **P₅₀ (2C) Contingent Resources increased to 655.7bcf of gas on Amersfoort project's 56ER**
- **Represents a 28% increase in GIP P₅₀ total resource estimate on 56ER and a 55% increase in the GIP P₅₀ of the gas contained in sandstones**
- **Resource estimate upgrade covers only a minor percentage (32%) of the total prospective geology of the Amersfoort Project exploration licences (56ER and 38ER)**

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 received an increase in the gas resource estimate on its 56 Exploration Rights ("56ER") license in the Amersfoort Project Area in South Africa. The independent assessment by Gustavson Associates LLC is an update on a 2012 Gustavson report which addressed both 56ER and 38ER licenses.

Analysis conducted for this study included additional gas production information and the results of a High Resolution Aeromagnetic Survey not previously available and resulted in a P₅₀ (2C) estimate of Gas Initially In Place (GIIP) for the 56ER License Area of 30.7 billion cubic meters (1,083.2 BCFG) and a P₅₀ (2C) estimate of total Contingent Resources of 18.6 billion cubic meters (655.7 BCFG) on 56ER.

A summary of the increased resource estimate on 56ER is as follows:

Resources	Resource Type	Billions of Cubic Feet			Billions of Cubic Metres		
		1C	2C	3C	1C	2C	3C
Gas In Place	CBM Adsorbed Gas	298.9	671.9	1,249.0	8.5	19.0	35.4
	CBM Free Gas	11.0	26.2	50.5	0.3	0.8	1.4
	Gas In Sandstone	194.7	384.7	654.7	5.5	10.9	18.5
	Arithmetic Total	504.5	1,083.2	1,954.3	14.3	30.7	55.3
Total Contingent Resources	CBM Adsorbed Gas	190.6	432.7	814.0	5.4	12.3	23.1
	CBM Free Gas	8.7	21.3	40.7	0.2	0.6	1.2
	Gas In Sandstone	99.8	201.8	361.9	2.8	5.7	10.2
	Arithmetic Total	299.2	655.7	1,216.6	8.5	18.6	34.5

The coals and sandstones in the 56ER License Area are known accumulations that have been drilled, logged, and some have been flow tested with positive indications of gas in sandstone reservoirs and CBM. The reasons for the increase in estimated resource according to Gustavson's renewed assessment on 56ER are:

- 1) Higher confidence in the producibility of the sandstone reservoirs has increased the fraction of the area included in the calculations; and
- 2) The coals in 56ER, which consists of 56,377 hectares (139,310 acres), are thicker on average than those in 38ER.

The increase in the 56ER gas resource estimate compared to the 2012 assessment can be summarised as follows:

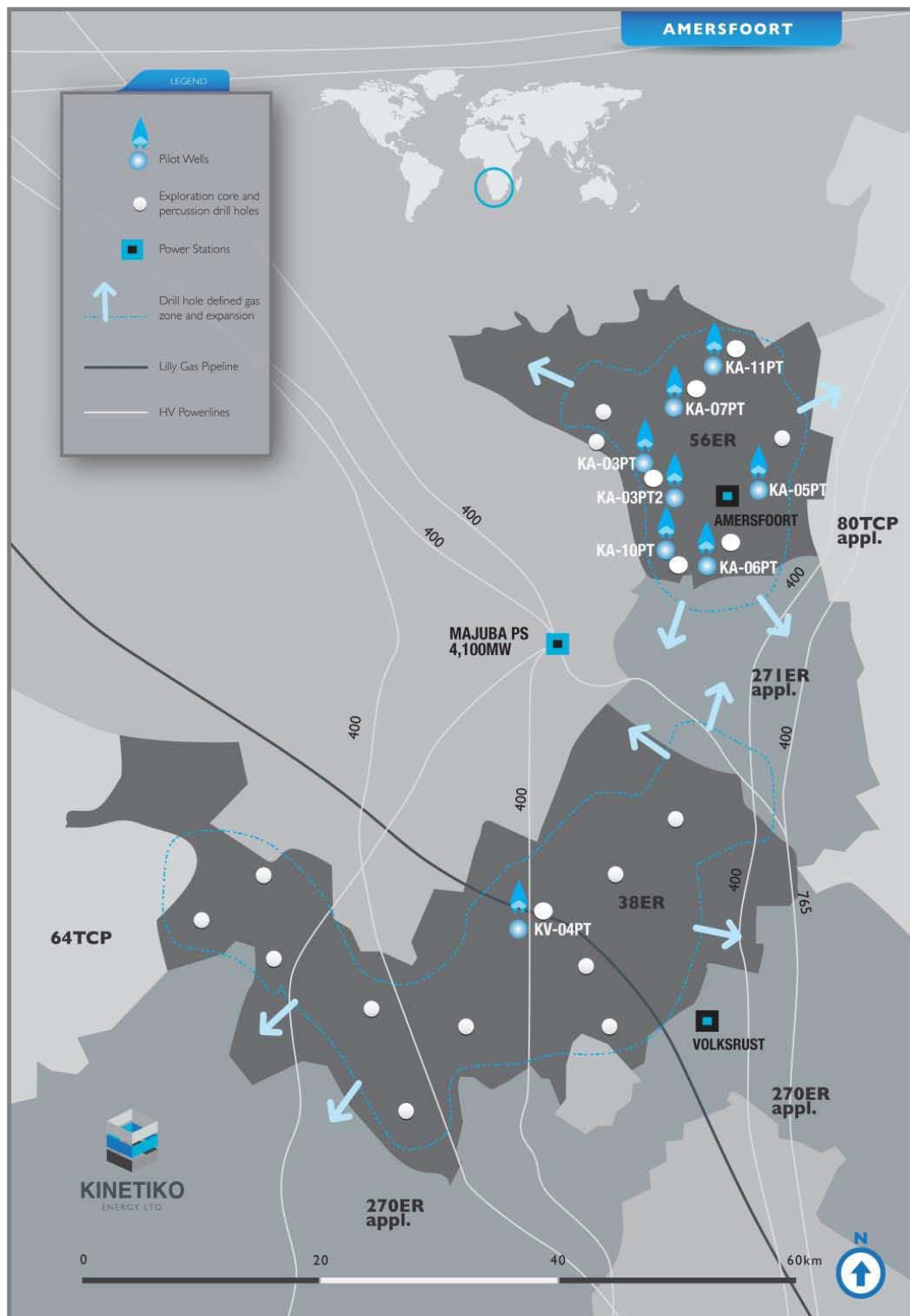
Summary of Resources per Square Kilometre

Sandstone Resource	BCF/km ²	% increase from 2012 estimate
GIP P10	1.161	28
GIP P50	0.682	55
GIP P90	0.345	89

Total Resource	BCF/km ²	% increase from 2012 estimate
GIP P10	3.466	36
GIP P50	1.921	28
GIP P90	0.895	14

Resource Statement Competent Persons: *The resource estimates used in this announcement have been compiled by Letha Chapman Lencioni, a member of the Society of Petroleum Evaluation Engineers with more than 30 years' experience in oil and gas fields. Ms Lencioni is an employee and Vice President, Petroleum Engineering, of Gustavson Associates LLC. As such Ms Lencioni qualifies as a competent person as defined by clause 20 of the VALMIN Code and under ASX listing rule 5.11. Ms Lencioni and Gustavson Associates have consented in writing to the use of their resource estimates in the form that it appears here.*

Except where indicated above in relation to resource statements, technical comments and descriptions in this announcement above have been compiled by James Searle BSc (hons), PhD, a Member of the Australian Institute of Mining and Metallurgy, and a Director of Kinetiko Energy Ltd with over 30 years experience in metallic and energy minerals exploration and development, including over 5 years experience in petroleum exploration. Dr Searle consents to the inclusion of this technical information in the format and context in which it appears.

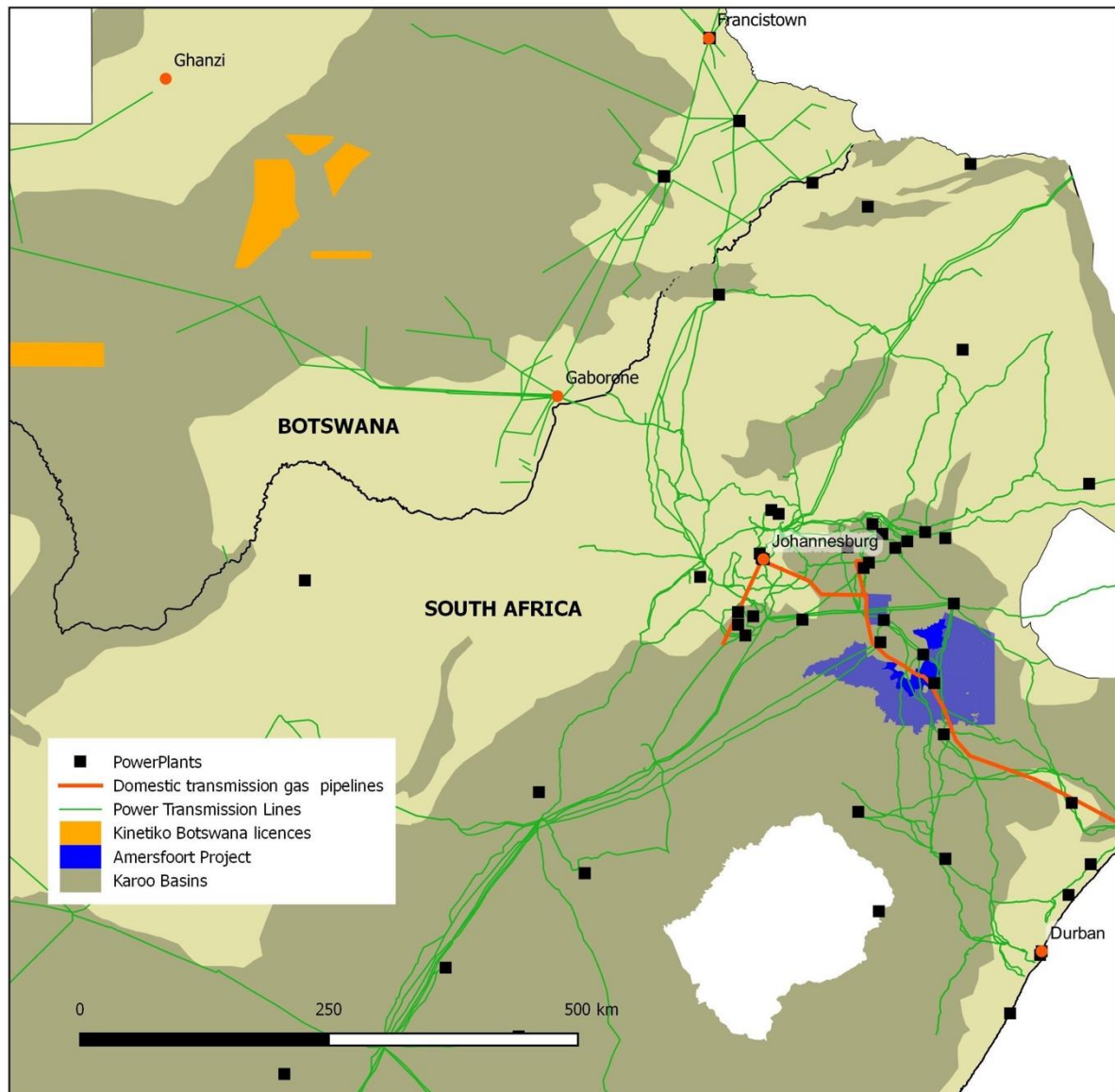


Amersfoort Project 56ER and 38ER licenses

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 9,491Km² is granted and being explored.

Afro Energy (Pty) Ltd. was incorporated as a joint venture founded in 2015 by Badimo Gas (Pty) Ltd of South Africa as majority owner (51%) and Kinetiko Energy Ltd (49%) in order to continue to explore, develop, and market gas from several Exploration Rights licenses and Technical Corporation Permits in the Amersfoort and adjacent Volksrust areas of South Africa. Afro Energy is the operator of the subject license.



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