



KINETIKO
ENERGY LTD

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ASX: KKO

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ASX ANNOUNCEMENT
COMPLETION OF \$1.7 MILLION CAPITAL RAISING

- **Placement to institutional and sophisticated investors raising approximately \$1.7 million**
- **Proceeds will primarily fund pilot and core hole drilling programs**
- **Offer price of 15.0 cents per share, representing a 22% discount to the 5 day volume weighted average price**

Kinetiko Energy Limited (ASX:KKO), a gas company focused on the exploration and development of coal-bed methane (CBM) in South Africa, is pleased to announce that it has successfully completed a placement to institutional and sophisticated investors to raise gross proceeds of approximately \$1.7 million. Proceeds from the placement will be used to fund the Company's pilot 5 spot production field and core hole drilling programs at the Amersfoort Project (49% KKO interest), structural studies, and investment in the preliminary appraisal of its Technical Cooperation Permits and additional working capital.

The placement was priced at 15.0 cents per share, representing a 22% discount to the 5-day VWAP¹ and will result in the issue of approximately 11.34 million new shares.

Kinetiko's Managing Director, Andrew Lambert, commented, "This capital raising enables us to drill and appraise a small pilot test field (up to 5 wells) on the Amersfoort Project, following a technical review by mid January. If these wells are successful, the Company should secure early monetisation and maiden 3P reserves, which will set the Amersfoort Project on a rapid path towards commercial production planning".

Argonaut acted as sole lead manager to the placement.

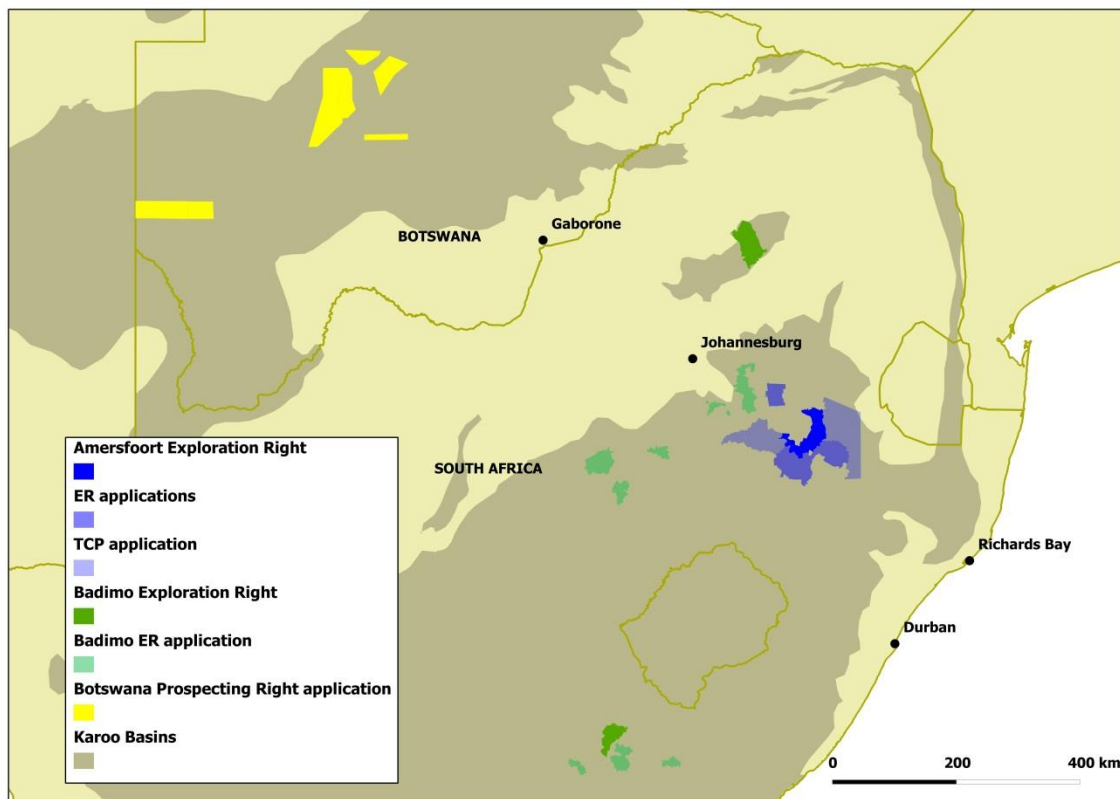
¹ 5 day volume weighted average price up to and including 3 December 2013 of 19.2 cents per share.

Settlement of the placement is expected to occur on Thursday 19 December 2013 with quotation of the new shares expected on Friday 20 December 2013.

About Kinetiko Energy

Kinetiko Energy is an Australian gas explorer focused on advanced 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.

Kinetiko has applied for two Technical Co-operation Permits (TCPs) over 6,217Km² of prospective tenure and its Joint Venture (JV) partner Badimo Gas has approximately 7,086Km² of applications pending.



For more information visit: www.kinetikoenergy.com.au or contact Andrew Lambert, Managing Director, Kinetiko Energy Limited 08 6315 3500