

18th January 2013

**ASX ANNOUNCEMENT**  
**AMERSFOORT OPERATIONS RESUME**

- Pilot production drilling and exploration core drilling has recommenced on the Amersfoort Project in South Africa, following the holiday shutdown;
- The pilot rig has mobilised to the first pilot well (KA-03PTR) to drill the second stage to ~390m total depth, targeting deeper gassy sandstones and CBM beneath the shallower conventional gas, see figure 1.
- The second pilot well (KA-10PT) will recommence testing within 2-3 weeks;
- Gas flow data will be assessed by our O&G independent (Gustavson Associates) by mid March and Kinetiko are aiming to be hopeful of booking 3P/2P Reserves by April;
- The 2 exploration coring rigs have recommenced operations on the southern licence (38ER) and should complete 9 holes by early April; these will assist the JV in selecting future pilot production well locations.



Photo 1. pilot production well KA-03PT



Photo 2. pilot production well KA-10PT, December 2012

Three pilot production wells are to be drilled on the northern Amersfoort JV license (56ER) and the program is scheduled for completion early 2013. These will be followed by two to three more on the southern license (38ER) following regulator approval. The pilot production wells are being located in areas identified in exploration drilling to contain gassy coal measures and downhole geophysical log indications of conventional gas accumulations in the surrounding sandstones.

The pilot production well program at Amersfoort will determine gas flow rates and recoverability from which first gas reserves should be defined in Q1 2013.

### Snapshot of pilot production well progress

Date of Progress Report	17 <sup>th</sup> January 2012		
Tenure	Amersfoort Project (licence ER56)		
Kinetiko Interest	49%		
Targets	Permian Middle Ecca sandstone and coal bed methane		
Pilot Production Well	KA-10PTR	KA-03PT	KA-05PT
Total Depth (m)	440	370	tbc
Current Depth (m)	440	250	tbc
Status	Drilling completed & testing	Stage 1 tested, stage 2 to be drilled	To commence
Flow test completion est	February	February	April

In addition to Pilot production drilling and testing, two rigs continue to drill exploration core holes on the southern licence (ER38), 6 holes have been completed and 3 more core holes are expected to be completed by early April.

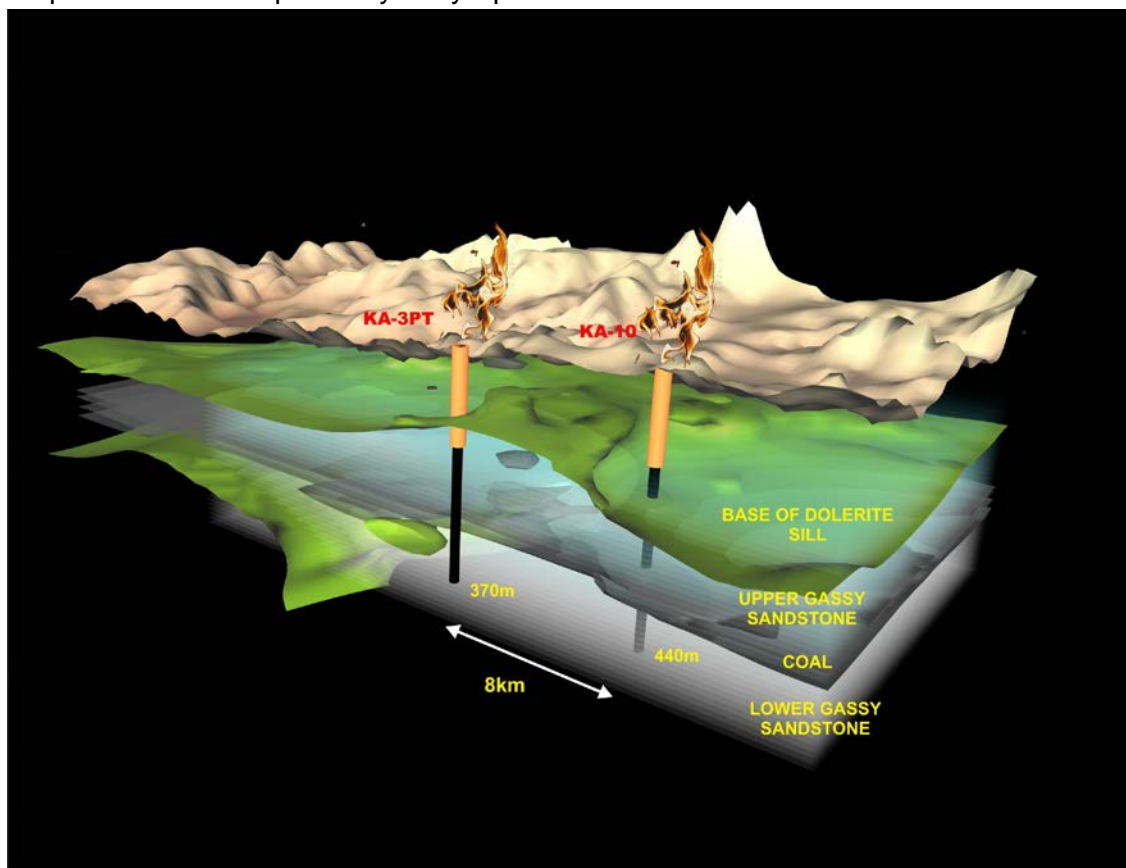
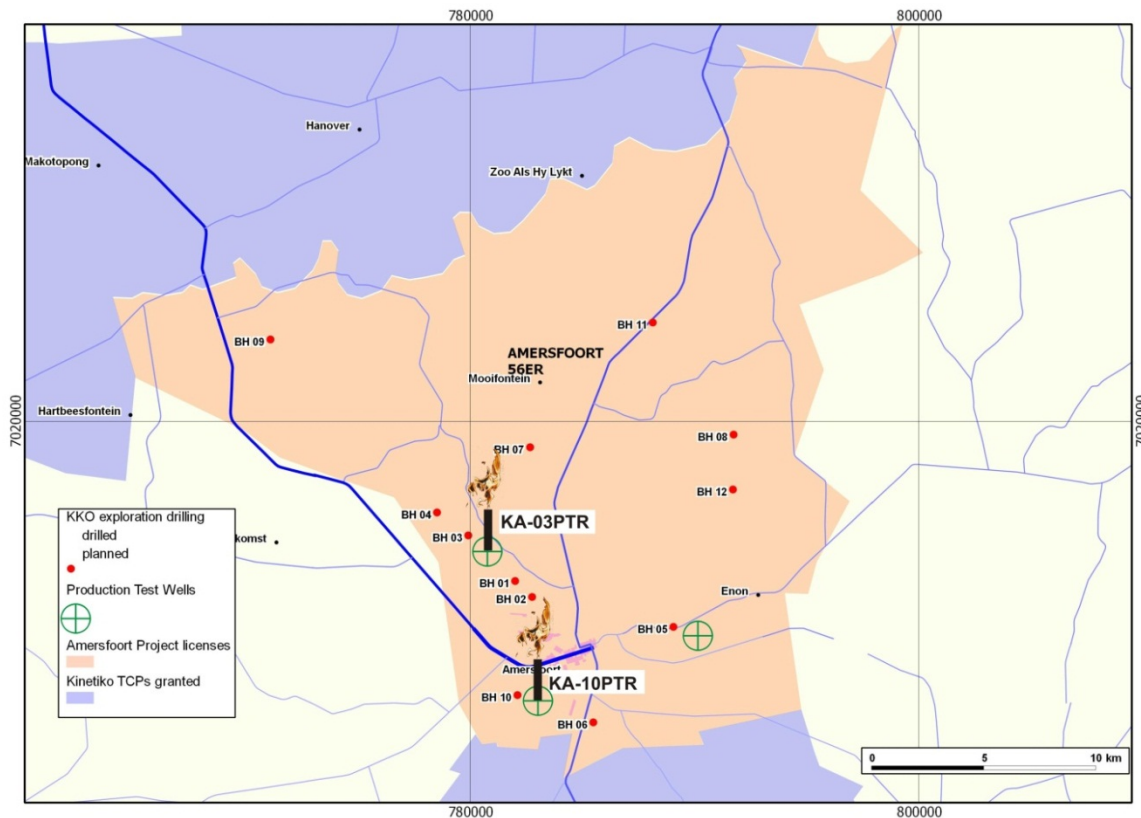


Figure 1: Schematic section of pilot production well KA-03PT & KA-10P



**Figure 2- Location of Amersfoort Project production test wells**

## About Kinetiko Energy

Kinetiko Energy Limited (ASX: KKO) is an Australian gas explorer focused on advanced 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 which make it an attractive area for a rapidly emergent CBM industry. Kinetiko is an early mover in the region and is pursuing new gas projects that will help supply clean energy and create jobs.

Kinetiko has a potential exploration area, of which 9,491km<sup>2</sup> is granted and being explored. Kinetiko has applied for TCP 64 (Technical Co-operation Permits) over 2,394km<sup>2</sup> of prospective tenure and Badimo Gas has approximately 7,086km<sup>2</sup> of applications pending for which Kinetiko has an MOU. Gustavson Associates estimate Kinetiko's four (100% interest) TCP areas to have Prospective resources of Gas In Place (GIP) of 9.3tcf (P<sub>50</sub>). TCPs allow evaluation and a right to apply for exploration licenses.

## The Amersfoort Project

The Amersfoort Project is located at the heart of South Africa's energy infrastructure in Mpumalanga in South Africa, 250km east of Johannesburg. Mpumalanga is a highly prospective area for coal-bed methane (CBM) with well documented, gassy coal measures and with gassy sandstones overlying the coal horizons. Kinetiko is the operator of two gas licences in the Amersfoort Project (49% interest) covering 1,601km<sup>2</sup> under an agreement with South African partner: Badimo Gas Ltd. US based independent, oil and gas consultant: Gustavson Associates estimates the Amersfoort Project to have Prospective resources "Gas In Place" of **2.4tcf** (up from 1.7tcf in 2011) and Contingent Resource of **1.5tcf**. The aim of the exploration program is to classify Reserves.

Exploration drilling at Amersfoort commenced late 2011 and current programs are scheduled to continue to mid-2013. Drilling of the first production test wells commenced Q4 2012 and will continue into 2013. Kinetiko aims to book first reserves in Q1 2013.

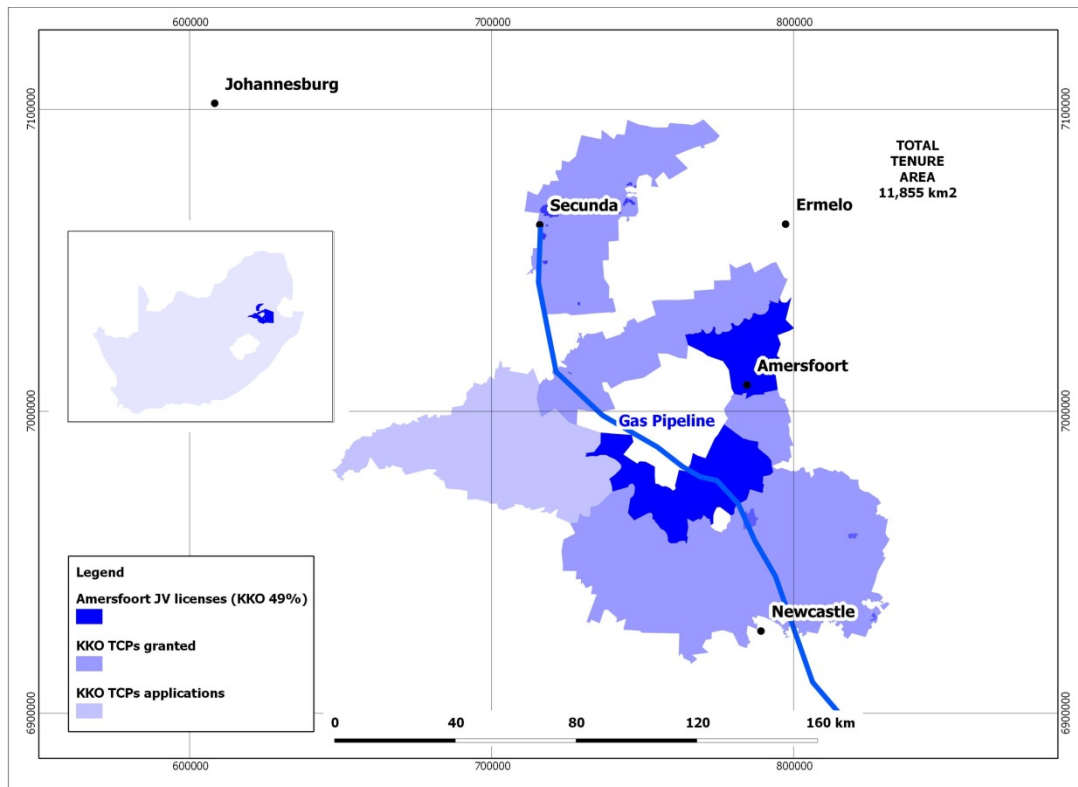


Figure 3: Kinetiko's exploration tenure; granted and under application

For more information visit: [www.kinetikoenergy.com.au](http://www.kinetikoenergy.com.au)

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