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4th of April 2014

ASX ANNOUNCEMENT

External review of Amersfoort Project data provides clear technical direction for the next stages of the project

- **A review of Amersfoort Project well data by coal bed methane well completions and engineering specialists General Petroleum Oil Tools has indicated a clear path to the next stage of appraisal wells and the potential for a 5 well pilot field development.**

General Petroleum Oil Tools (GPOT) of Brisbane has a team of CBM well completions and engineering specialists with extensive experience in CBM exploration and production in Eastern Australia and internationally including Africa. GPOT were asked to review Amersfoort Project exploration and well data. The main conclusions from the review were:

- Gas production from the Amersfoort test wells has largely been from gas in the sandstones not the coals.
- Sufficient depressurisation of the coals to properly release their known gas content has not yet been achieved.
- The open hole “barefoot” completion design of the test wells to date while effective in demonstrating the widespread distribution of gas in sandstones and high gas shut in pressures, is sub optimal for maximum gas flows from both the sandstones and the coals.
- Alternative well design and operation has the potential to maximise gas production and minimise water co-production.
- The wide distribution of gas in the sandstones warrants it being separately evaluated from the coal seam gas resource.

- Geophysical techniques such as aeromagnetic surveys will assist in definition of gas in sandstone reserves estimation as well as optimising placement of exploration or appraisal wells and pilot field design.
- Definition of reserves of gas in the sandstones and progression to production is likely to be cheaper and more rapid than definition of reserves and progression to gas production from the coals.
- The potential for initial field development based on gas in the sandstones should be investigated as this would then assist in the subsequent development of gas production from the coal.

Following from this review Kinetiko intends to proceed with the following technical initiatives for the Amersfoort Project.

HIGH RESOLUTION AEROMAGNETIC SURVEYS

As announced on the 1st of April Kinetiko has commissioned a 3,555 line kilometre high resolution aeromagnetic survey covering about 145km² of the northern Amersfoort exploration right, ER 56. The survey will be completed in April and the initial results available by the end of the month.

APPRAISAL WELLS FOR INTERVAL TESTING

GPOT has been asked to design two appraisal wells to test gas flows in the coal and sandstone intervals in isolation. These appraisal wells will be engineered to provide the flexibility for a range of interval tests. The information obtained will lead to optimal engineering and operating parameters on which production wells will be based.

Depending on regulatory approvals and the availability of suitable drilling and down hole equipment it is intended to begin drilling the two wells in June 2014.

PILOT FIELD DEVELOPMENT

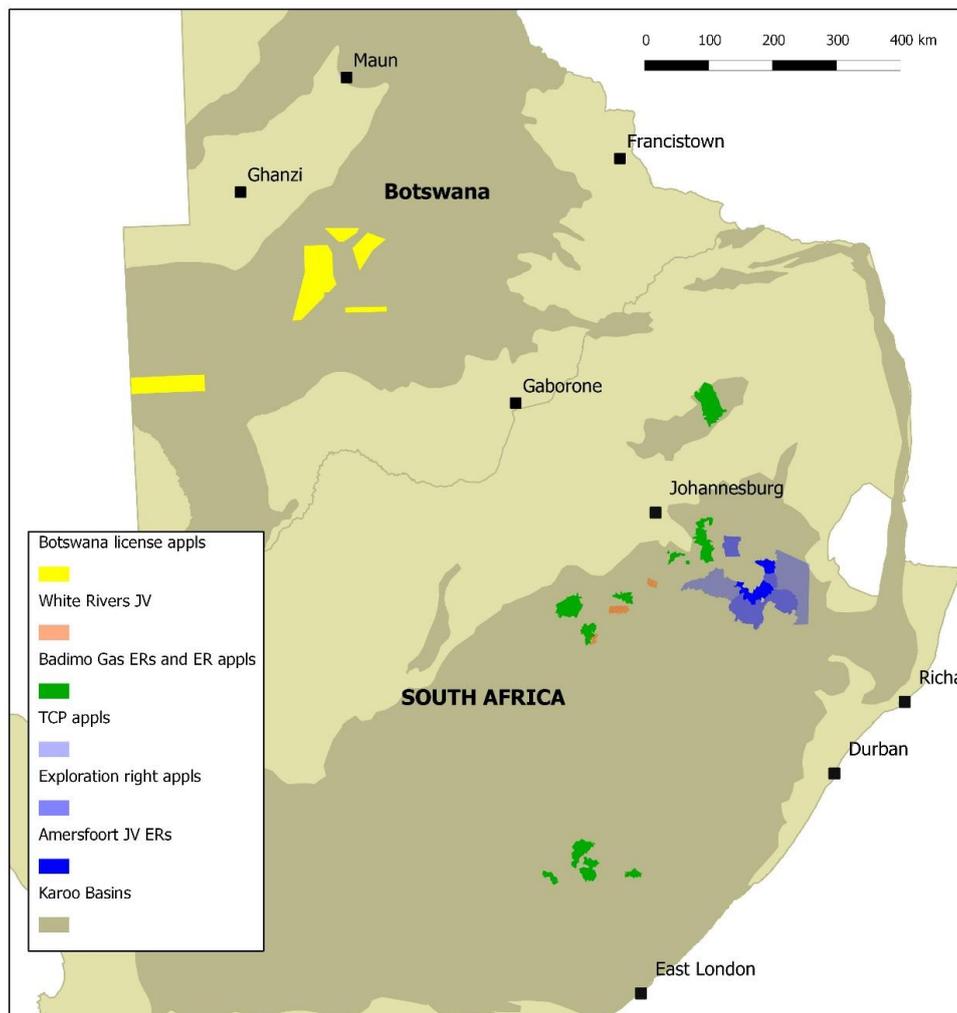
GPOT has also been asked to do a conceptual design for a 5 well pilot field in the vicinity of the Amersfoort KA-03PT well that achieved flow rates of up to 350,000scf/day, essentially from the sandstones as discussed above. The pilot field concept will focus at least initially on production of gas from the sandstone intervals. The concept design will include well specification, down hole equipment, surface equipment, gathering systems and compression. The pilot field conceptual design will enable Kinetiko to present the pilot field concept to regulators and potential commercial trial offtake partners.

Technical comments have been compiled by Dr James Searle, a Member of the Australian Institute of Mining and Metallurgy, and a non -executive 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.

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.



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