



KINETIKO
ENERGY LTD



Kinetiko Energy Ltd

Perth, PPR O&G Investor Forum

Presentation on 14th March 2013

ASX: KKO

www.kinetikoenergy.com.au

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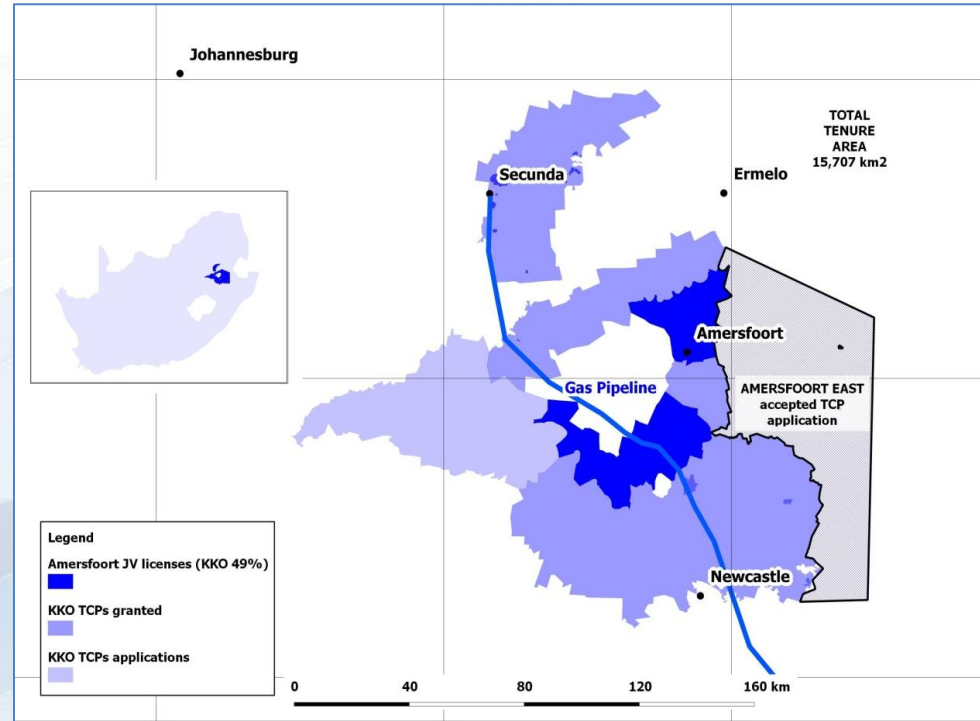
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Company's Projects

- ◆ Kinetiko Energy Limited (ASX code: KKO) is an Australian listed gas company focused on the exploration and development of gas in South Africa
- ◆ Goal is to achieve first Reserves on the Amersfoort Project in April 2013, then build a balanced portfolio.

Current Projects:

- ◆ Amersfoort JV Project (KKO 49%)
 - ◆ Local partner Badimo Gas – 51%
 - ◆ Resource estimate by Gustavson Associates:
 - ◆ Gas in place (GIP) - **2.4tcf**
 - ◆ Contingent Resource - **1.5tcf 2C**
 - ◆ Targets are conventional and coal bed methane (CBM)
- ◆ Technical Cooperation Permits (TCP's) (KKO 100%)
 - ◆ Exclusive right to apply for exploration rights over TCP's
 - ◆ 7,890 km² near the Amersfoort project, plus 6,217 km² under application



Company's Projects – Early mover and scale

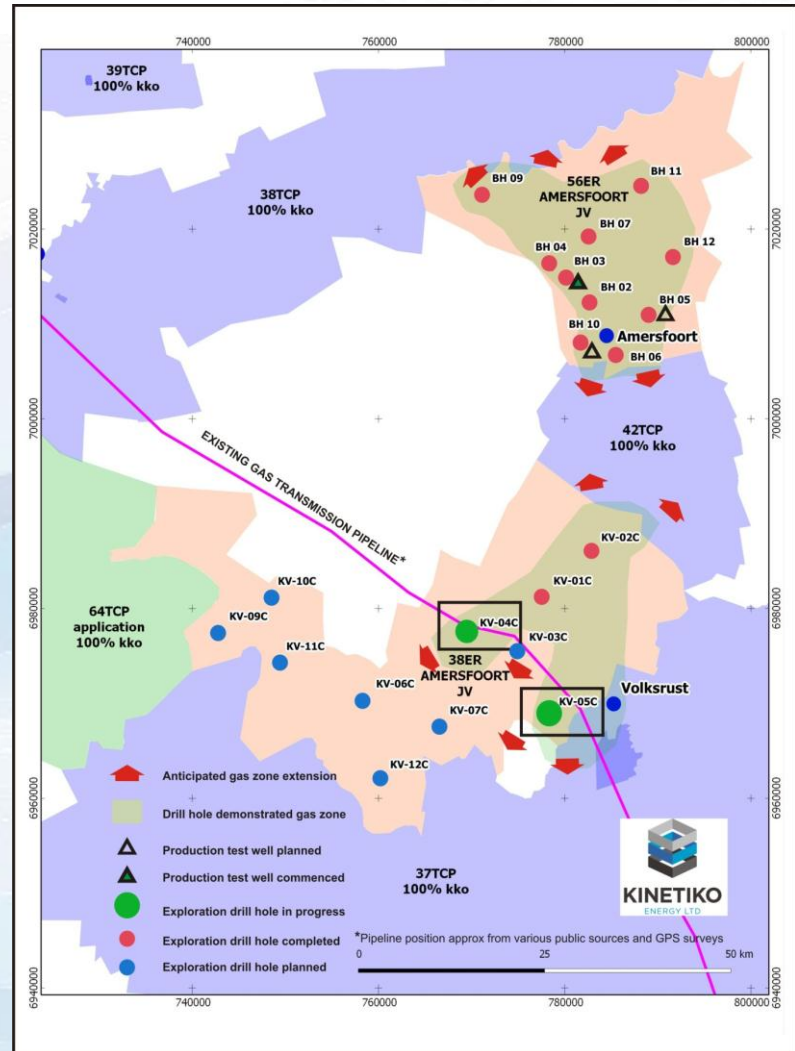
Kinetiko's potential exploration area (granted and applications)*					
Exploration Projects in South Africa	Kinetiko Interest %	Size Km ²	Prospective Resource GIP (P ₅₀) Tcf	Contingent Resource 2C (P ₅₀) Tcf	Reserves 3P,2P,1P
Amersfoort Project JV with Badimo Gas)	49%	1,601	2.4	1.5	TBD
Technical Cooperation Permits (TCP)**	100%		9.3		
37TCP Certified GIP		4,329		TBD	TBD
38TCP Certified GIP		1,437		TBD	TBD
39TCP Certified GIP		1,761		TBD	TBD
42TCP Certified GIP		363		TBD	TBD
64TCP application		2,394		TBD	TBD
Amersfoort East TCP application		3,823		TBD	TBD
Sub total potential		15,707	11.7	1.5	-
MOU with Badimo Gas***	0%	7,086	TBD	TBD	TBD
Notes * Certifier Gustavson Associates, Denver Colorado. Approximate land size before further relinquishment, before state participation, taxes, royalties ** TCP allows the holder the right to apply for Exploration Rights over the same area *** Badimo awaiting Government approval of their 100% Exploration Right applications					

Potential Gas Field in a Great Neighbourhood

- ◆ Resources to Reserves focus on Amersfoort project , ~200kms from Johannesburg.
- ◆ Amersfoort project and granted TCP's in the heartland of infrastructure and energy markets.
- ◆ 17 exploration holes completed, average depth 500m with coal bed methane and natural gas identified in every hole.
- ◆ Four pilot test wells continue with encouraging initial gas results, these test permeability.
- ◆ South Africa's existing gas supply via Mozambique's Temane gas field, pipeline approaching capacity.
- ◆ Projects are next to customers, roads, pipelines.



Overall Kinetiko had an 588 % increase in GIP since IPO , from 1.7tcf to 11.7tcf



Amersfoort Project progress and potential gas zone extension in the area

Amersfoort Project exploration photos



Gassy core on Volksrust

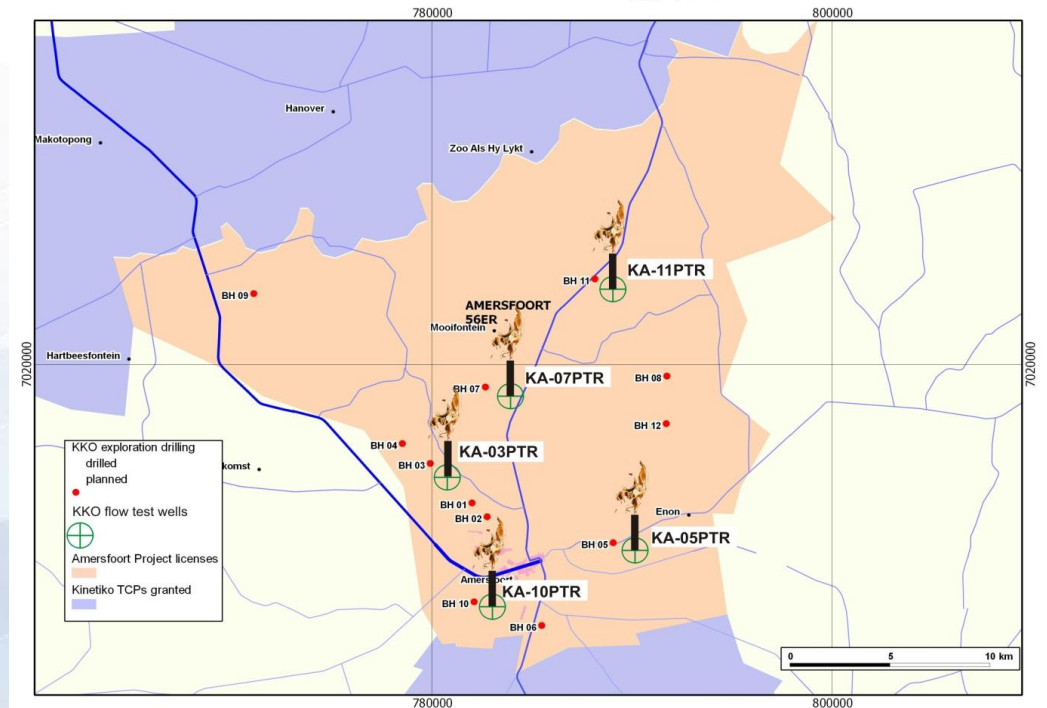


Initial Pilot Test well flare KA-03

We twin our pilot test wells at our exiting coring locations, it improves success !

Amersfoort Project - Exploration pilot test well program

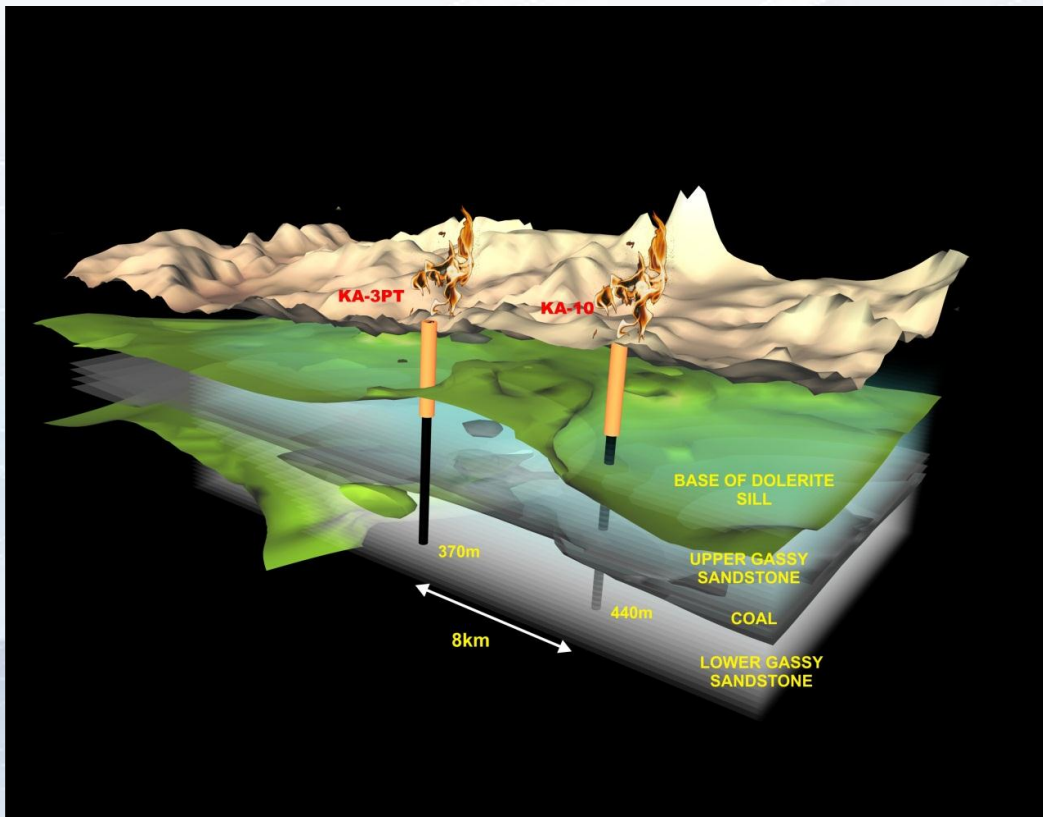
- ◆ Gas flow data being assessed by our O&G independent certifier and the JV is hopeful of booking 3P/2P Reserves in April.
- ◆ Five pilot test wells in the northern licence
- ◆ With an Additional program of five pilot test wells to commence on the southern license in Q2.
- ◆ Option for an additional six pilot test wells in 2013



Amersfoort Project Northern licence plans

Amersfoort Project - Exploration pilot test wells

- ◆ First two Pilot wells (KA-03PTR, KA-10PT) encountered significant gas flows, testing has resumed.
- ◆ Water volumes are low and initial quality tests indicate agriculture grade water.



Schematic section of pilot test well KA-03PT & KA-10PT



Testing of KA-10PT

Amersfoort Project - Upstream Team

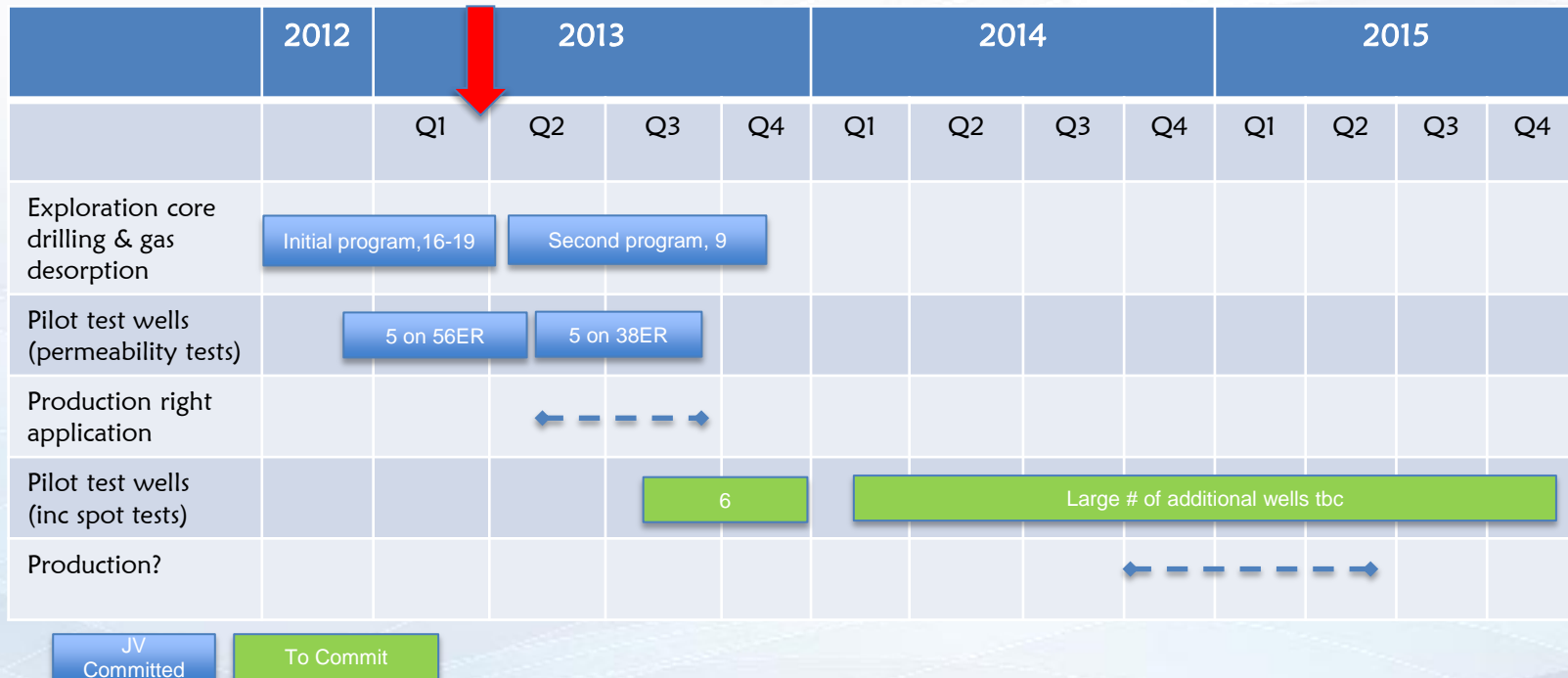
The Amersfoort project team has grown fast

	Exploration (Technical)					Sustainability		
JV Director	Technical Director/ Site Manager	Geologist	Engineer ring	Ops support inc pumping	Water	Environ ment	Land Owner Liaison	HSEC
✓		✓						
		✓						
	✓	✓	✓					
		✓	✓					
					✓	✓		
					✓	✓		
							✓	
				✓			✓	
								✓

Commercial and downstream resourcing underway

Amersfoort Project - Indicative Development Timeline

Amersfoort operations activity

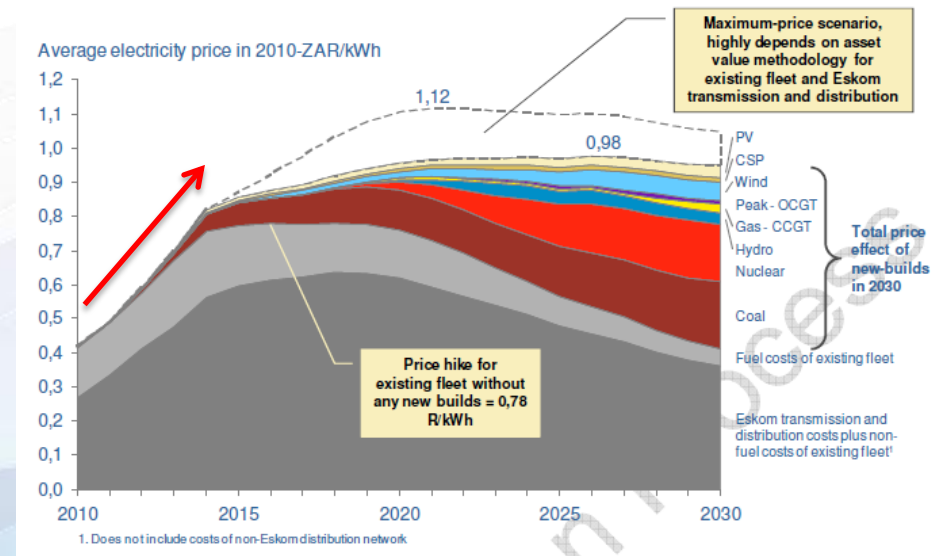


Subsequent exploration and commercial appraisal is dependent on current program

South African gas market

- ◆ Gas sourced overland from Mozambique feeds the industrial heartland of South Africa, pipeline (~400million scf/day) near capacity.
- ◆ 90% power reliance on coal, Strategic plan for year 2030 energy mix to introduce gas.
- ◆ Increasing coal cost and rapidly rising electricity generation costs – gas is a prime substitute for base load
- ◆ Rapidly developing South African industry hungry for gas

Base case gas price \$10/GJ*
&
High case of ~\$20GJ*



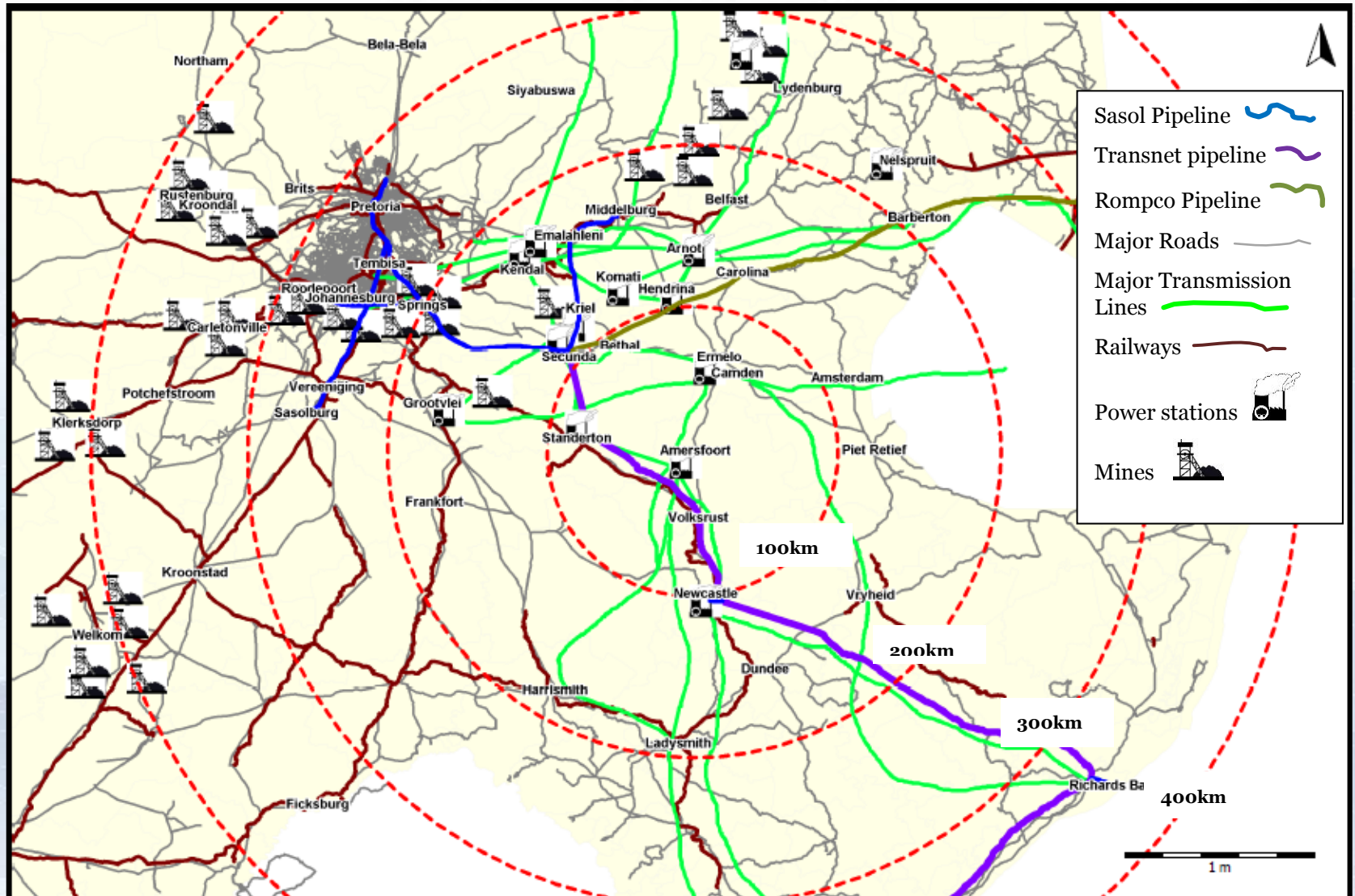
*Eskom and South Africa's Integrated Resource Plan to 2030 (dated 2011)



Sasolburg gas to liquids plant

Amersfoort Project - gas market, significant large scale options

300km radius from Amersfoort Project*



*Gas Market Study, PwC, September 2012

Amersfoort Project - potential customer options

Key commercialisation options (various scale and speed to market)

CNG or LNG by road	Vehicles to Industrial/Resources, Local municipalities Dozens within 200km of Amersfoort
Pipeline into nearby Transnet Pipeline	Pipeline to Richards Bay, runs through the Amersfoort Project licence area
Pipeline Gas to Eskom's Majuba Power station	State owned monopoly - requires flame modulation. Majuba is ~6kms from tenement
Pipeline Gas to Eskom's other existing or new	Coal, gas and coal (cogeneration) facilities
Pipeline Gas to IPP on site	Independent Power Producers, Scalable (modular) power generation - third Party Access from 2013
Pipeline Gas or CNG trucks to other	Supply feed to existing gas and GTL (gas to liquids) Syn Gas plants
LPG at Project	Scalable
Feedstock for chemicals and other	

*Indicative assessment not exclusive (does not show pricing or capital intensity)

South Africa - Risk Mitigation

- ◆ Need for energy is prioritised above other sectors,
 - ◆ Annualized GDP growth is 3.2%, existing energy has limited growth.
 - ◆ In 2012 Shale Gas moratorium lifted and first onshore production rights awarded.
 - ◆ Electricity prices to rise up to ~19% pa till 2017!*
- ◆ Badimo Gas (JV partner on Amersfoort 51% interest) and its Chairman Mr. Don Ncube are South African resources leaders
- ◆ Regulators assisting and supporting our endeavors
- ◆ South Africa occupies 64th position out of 189 countries in the Transparency International Corruption Index and in 2012 introduced aggressive new anti-corruption measures
- ◆ Southern Africa continues to be starved of clean energy.

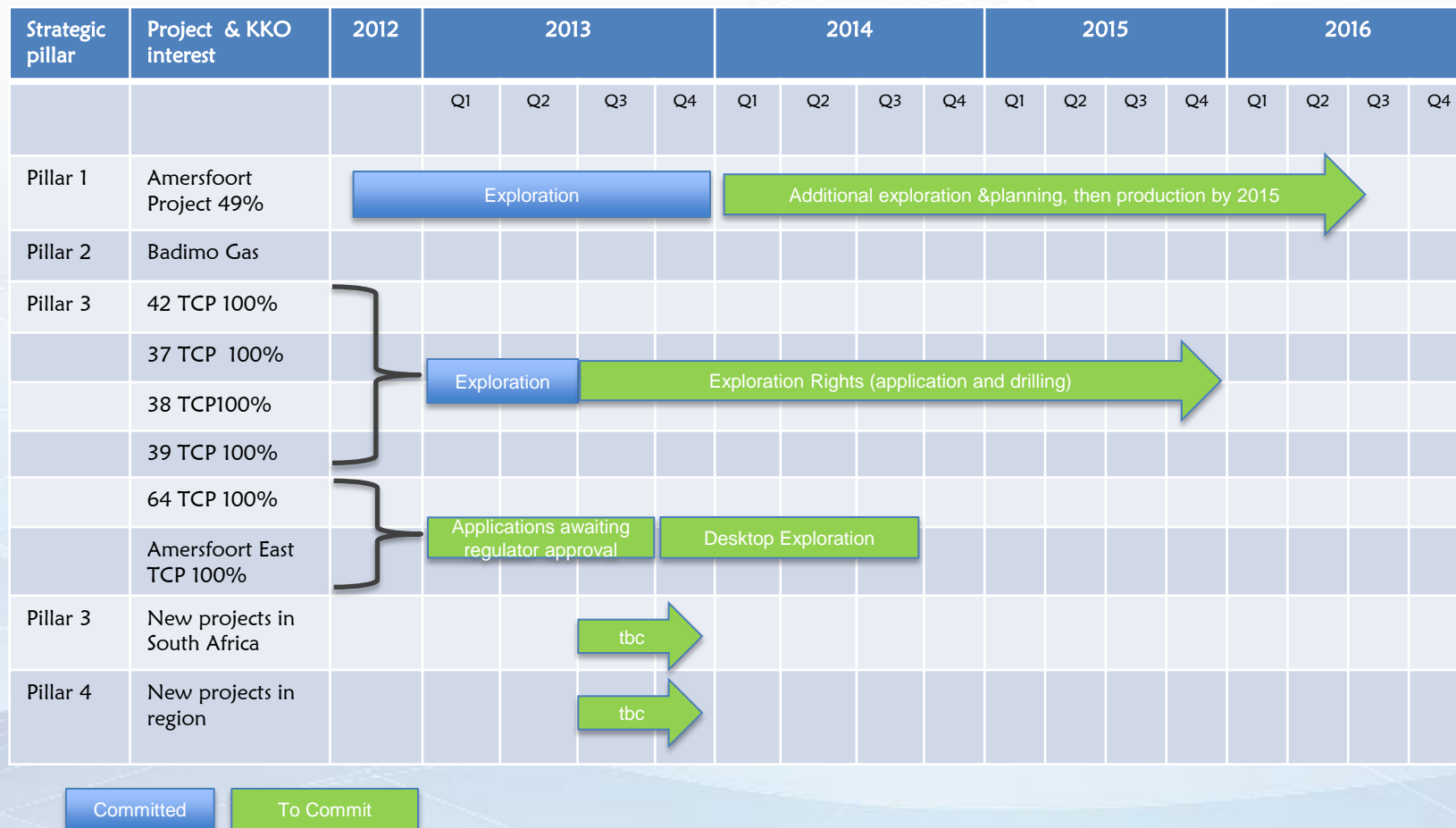


Core Drilling Hole KA-03

*South African Government and Eskom

Kinetiko Exploration - Balanced Portfolio growth

Kinetiko anticipated exploration and acquisition activity.



Kinetiko - exceptional potential

Anticipated Date		Milestone* (target only)
2013	Mar	Pilot test well flow rate assessment on first wells
	Apr	Amersfoort Project – indicative commercial agreements
	Apr	Amersfoort Project – Resource/Reserve (3P,2P) review
	May	Volkstrust tenement - Pilot test wells commences
	June	Potential field re- assessment
	July	Application for Production rights & TCPS to Exploration rights
	Aug	Additional work programs TBC



2013: Acquisitions, additional projects & build team
From End 2014 First commercial gas production



Pilot test well KA-03PT

Corporate snapshot

Corporate snapshot (7/3/2013)	
Last Price	\$0.29
Shares on issue	127.7m
Market Cap	\$37m
52 Week High	\$0.33
52 Week Low	\$0.17
Shareholders	
Promoters & Vendors*	39.4%

*Escrowed till 21st July 2013

- ◆ 3P & 2P Reserves focus - first
- ◆ Fully funded until at least October 2013
- ◆ First mover (scale and growth towards a balanced portfolio)
- ◆ Superior land package in a low cost environment
- ◆ Strong domestic gas prices with multiple commercialisation opportunities
- ◆ Operations achieved milestones since IPO (July 2011)
- ◆ Building in-country team



Despite significant achievements/ foundations – only a modest share price increase.

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