

Kinetiko Energy Limited

ACN 141 647 529

Prospectus

Offer

For the offer of 2 Shares at an issue price of \$0.025 to raise \$0.05 (**Offer**).

Cleansing

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued on or prior to the Closing Date.

IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this document and on the accompanying Application Form regarding acceptance of the Offer. If you do not understand this document you should consult your professional adviser without delay. The securities offered by this Prospectus should be considered speculative.

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IMPORTANT INFORMATION

General

The Prospectus is dated 28 September 2016 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Electronic Prospectus

In addition to issuing this Prospectus in printed form, this Prospectus will also be made available on the Company's website at www.kinetiko.com.au. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker,

accountant or other independent financial adviser before deciding to invest.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares or the Company.

Offer restrictions

The offer of Shares made pursuant to this Prospectus is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Shares. No action has been taken to register the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 6**.

All references in this Prospectus to **\$, AUD** or **dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Perth, Western Australia.

CORPORATE DIRECTORY

Directors

Adam Sierakowski (Non-Executive Chairman)
Dr James Searle (Joint Managing Director)
Geoff Michael (Joint Managing Director)

Company Secretary

Stephen Hewitt-Dutton

Registered Office

Suite 10, Level 1
100 Railway Road
SUBIACO WA 6008

Tel: +61 8 6315 3500

Fax: +61 8 9481 1947

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Avenue
WEST PERTH WA 6005

Tel: +618 9324 2099

Fax: +618 9321 2337

Auditor (for information purposes only)

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Legal Adviser

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

ASX Code

KKO

Website

www.kinetiko.com.au

1. DETAILS OF THE OFFER

1.1 Summary of the Offer

The Company is making an offer of 2 Shares at an issue price of \$0.025 to raise \$0.05 before expenses of the Offer. The Offer is open to persons by invitation from the Company only.

1.2 Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgement of this Prospectus with ASIC and ASX	28 September 2016
Opening Date	28 September 2016
Closing Date	12 November 2016

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases.

1.3 Rights and liabilities attaching to Shares

The Share to be issued pursuant to this Offer is of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are further described in **Section 4.2**.

1.4 Minimum subscription

There is no minimum subscription for the Offer.

1.5 Applications

An Application under the Offer may only be made by persons on invitation from the Company.

Application Forms must be delivered or mailed together with a cheque on or before the Closing Date to Level 24, 44 St Georges Terrace, Perth WA 6000.

1.6 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of Shares offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

1.7 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

1.8 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry

1.9 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

1.10 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company on +61 8 6211 5099.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

By this Prospectus, the Company is making an Offer to certain persons by invitation only of 2 Shares at an issue price of \$0.025 to raise \$0.05 before expenses. Accordingly, the primary purpose of the Offer is not to raise capital.

The Company will be issuing 34,000,000 Shares at an issue price of \$0.025 and 34,000,000 free attaching New Options to sophisticated investors in 2 tranches (**Placement**). The first tranche comprising 24,000,000 Shares will be issued on or about the date of this Prospectus. The second tranche comprising 10,000,000 Shares and 34,000,000 New Options will be issued on or about 12 November 2016, subject to Shareholders approving the issues at the Company's Annual General Meeting on 2 November 2016.

The Company will also be issuing Shares and New Options on the same basis (i.e. each Share issued at \$0.025 with one free attaching New Option) to the following recipients in satisfaction of amounts loaned to the Company or in payment of amounts owed for services provided (**Debt Repayment**).

Recipient	Amount Repaid/Paid	Shares issued or to be Issued	New Options to be Issued
Unrelated Lenders	\$102,951	4,118,022	4,118,022
Related Lenders	\$143,461	5,738,427	5,738,427
Related Creditors	\$230,721	9,228,831	9,228,831

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to offer those securities for sale within 12 months of their issue. Accordingly, the primary purpose of this Prospectus is to remove any trading restrictions that may attach to Shares issued by the Company under the Placement and the Debt Repayment on or before the Closing Date.

Relevantly, section 708A(11)(b) provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities of the company that are already quoted on the ASX;
- a prospectus is lodged with ASIC either:
 - on or after the day on which the relevant securities were issued (Section 708A(11)(b)(i)); or
 - before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued (section 708A(b)(ii)); and
- the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

Any issue of Shares under the Placement and Debt Repayment is not being undertaken by the Company for the purpose of the recipients selling or transferring the Shares. However, the

Directors consider that the persons who are issued Shares should be entitled, if they wish, to on-sell their securities prior to the expiry of 12 months after being issued.

2.2 Financial position

After paying the expenses of the Offer of approximately \$7,350 (exclusive of GST), there will be no net proceeds from the Offer. The expenses of the Offer will be met from the proceeds of the Placement.

The effect of the Offer on the Company's financial position will be a net decrease in cash held of approximately \$7,350 (exclusive of GST).

2.3 The effect of the Offer on the capital structure

The effect of the Offer on the Company's capital structure is set out below.

Capital Structure	
Shares	
Shares on issue immediately prior to the Placement	189,326,784
Loan Repayment Shares issued (16 September 2016)	4,118,022
Shares issued under Tranche 1 of the Placement (27 September 2016)	24,000,000
Shares currently on issue	217,444,806
Shares to be issued under Tranche 2 of the Placement ¹	10,000,000
Related Loan Shares ¹	5,738,427
Related Creditor Shares ¹	9,228,831
Shares offered under the Offer ¹	2
Total Shares to be on issue	242,412,064
Options	
Options exercisable at \$0.20, expiring on 28 April 2017	4,000,000
Placement New Options ¹	34,000,000
Loan Repayment New Options ¹	4,118,022
Related Loan New Options ¹	5,738,427
Related Creditor New Options ¹	9,228,831
Total Options on issue	57,085,280

Notes:

1. The issue of the Tranche 2 Placement Shares, Placement New Options, Loan Repayment New Options, Related Loan Shares and New Options and the Related Creditor Shares and

New Options are subject to approval at the Company's Annual General Meeting to be held on 2 November 2016.

2.4 Effect of the Offer on control

The Offer will not have a material impact on control of the Company.

3. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

This **Section 3** identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their stockbroker, lawyer, accountant or other professional adviser before deciding whether to apply for Shares.

3.1 Specific risks

(a) Resource Estimates

Resource estimates are expressions of judgment based on drilling results, past experience with gas projects, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Gas estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter gas accumulations or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and production plans altered in a way which could impact adversely on the operations of the Company.

The actual quality and characteristics of gas deposits cannot be known until production takes place, and will almost always differ from the assumptions used to develop resources. Further, values of gas deposits are based on future costs and future prices and consequently, the actual Gas Resources may differ from those estimated, which may result in either a positive or negative effect on operations.]

(b) Additional Requirements for Funding

Funds received under this Offer will not provide sufficient funds to enable the Company to continue exploration at Amersfoort beyond the minimum required to maintain good standing and the Company will require additional funding.

In general, the Company's funding requirements depend on numerous factors including the Company's ability to generate income from its Amersfoort project, future exploration and work programs, meeting its future obligations and the acquisition of new projects. It may require further funding in addition to current cash reserves to fund exploration and development activities.

The Company's ability to raise further capital, either equity or debt, within an acceptable time, of sufficient quantum and on terms acceptable to the Company will vary according to a number of factors, including:

- prospectivity of projects (existing and/or future);
- the results of exploration, development and production;
- stock market and industry conditions; and

- the price of relevant commodities and exchange rates.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(c) Contract and Joint Venture Risks

The Company is a party to a number of agreements with third parties. If the Company is unable to satisfy the terms and obligations or otherwise defaults in its obligations under those agreements, the Company's interest in the Amersfoort Project matter may be jeopardised.

(d) Exploration Risk

Exploration for conventional gas and coal bed methane is a speculative and high risk activity that may be hampered by circumstances beyond the control of the Company. There is no guarantee that exploration on the Amersfoort Project in which the Company has an interest will lead to a commercially viable discovery.

Adverse weather conditions over a prolonged period can adversely effect exploration and gas production operations and the timing of revenues.

Any of these events may cause the Company to incur substantial losses and potential liabilities to government departments and third parties. Such liabilities would reduce the funds available to the Company for further exploration and evaluation of the Exploration Rights.

The Company has had an independent review of the Amersfoort Project to determine the potential prospectivity of the Company assets at this stage.

(e) Operational and Technical Risks

The current and future operations of the Company, including exploration, appraisal and possible production

activities may be affected by a range of factors, including:

- geological conditions;
- limitations on activities due to seasonal weather patterns;
- alterations to Joint Venture programs and budgets;
- the availability of drilling rigs and other machinery in South Africa necessary for the Company to undertake its activities;
- unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;

- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals.

(f) Commercialisation Risks

Even if the Company discovers commercial quantities of natural gas, there is a risk the Company will not achieve a commercial return. The Company may not be able to transport the natural gas at a reasonable cost, or may not be able to sell the natural gas to customers at a rate which would cover its operating and capital costs. The Company has to receive regulatory and environmental approval to convert its exploration permits into production concessions. There is a risk that these approvals may not be obtained.

(g) Commodity Price and Exchange Rate Risk

As the Company's potential earnings will be largely derived from the sale of natural gas, the Company's future revenues and cash flows will be impacted by changes in the prices of this commodity. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, domestic market conditions, production cost levels as well as macroeconomic conditions such as inflation and interest rates.

(h) Title Risk

All exploration rights which the Company may acquire either by application, sale and purchase or farm-in are regulated by applicable legislation. There is no guarantee that applications will be granted or renewed as applied for. Various conditions may also be imposed as a condition of grant. In addition, government departments may need to consent to any transfer of licences to the Company.

(i) Foreign Exchange Rate Risk

The price of gas in South Africa is denominated in South African Rand while the Company cost base will be in Australian dollars and South African Rand. Consequently changes in the Australian dollar foreign exchange rate will impact on the earnings of the Company. The foreign exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

This is largely beyond the company's control. There may be strategies implemented to hedge currency but this will be a decision taken by directors after consultation with experts after the issue of the Prospectus.

(j) Management Risks

The responsibility of overseeing the Company's day-to-day operations and its strategic management depends substantially on its directors and key personnel. There is no guarantee that if one or more of the Company's directors or key personnel cease their association with the Company, there will not be a detrimental effect on the Company.

(k) Compliance Risk

The Company has acquired an interest in various Exploration Rights. Title to these Exploration Rights is subject to the interest holders complying with the terms and conditions of each exploration right, including making satisfactory progress in the nominated exploration programs.

There is a risk that if the interest holders do not comply with the terms and conditions of each exploration right, the Company may lose its interest in the relevant exploration right.

The Company has implemented appropriate policies and practices to mitigate the risk of noncompliance with the terms and conditions attaching to each of the Exploration Rights in which the Company has acquired an interest.

(l) Environmental Risks

The Company's projects are subject to the laws and regulations of South Africa regarding environmental matters in that country. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company could be subject to liability due to risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances.

(m) Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

This is an ongoing management function and it is intended to ensure that the company has systems and skilled administrative people in place to minimise the risks of unforeseen expenses as well as early warning systems should budget over runs be incurred. A system of quotation for major expenditure and requirement for expenditure authority will be implemented.

(n) Credit Risks

The Company intends to derive its primary revenue from gas sales. The sale of gas may occur to various customers under different contractual terms. This could expose the Company to trade credit and contractual performance risks.

(o) No Profit to Date

The Company has incurred losses since its inception and it is therefore not possible to evaluate its prospects based on past performance. Since the Company intends to continue investing in its exploration and development program the Directors anticipate making further losses in the foreseeable future.

While the Directors have confidence in the future revenue-earning potential of the Company, there can be no certainty that the Company will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

3.2 General risks

(a) Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(b) Investment risks

The Shares to be issued pursuant to this Prospectus should be considered speculative due to the nature of the Company's business. There is no guarantee as to the payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid by the investor for the Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(c) Share market risks

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Shares may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

There is also no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any particular time:

(d) Competition risks

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, and such activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

(e) Economy risks

The future viability of the Company is also dependent on a number of factors which may affect the performance of all industries and not just the education industries including, but not limited to, the following:

- general economic conditions;
- changes in Government policies, taxation and other laws;

- the strength of the equity and share markets in Australia and throughout the world and, in particular, investment sentiment towards the education sector;
- movement in, or outlook on, exchange rates, interest rates and inflation rates;
and
- natural disasters, social upheaval or war.

4. ADDITIONAL INFORMATION

4.1 Continuous disclosure obligations

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2015;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

- (ii) the rights and liabilities attaching to the securities the subject of this Prospectus;
and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2015.

Date	Title
1/10/2015	Annual Report to shareholders
19/10/2015	Approvals for Next Phase Development at Amersfoort
26/10/2015	Investor Presentation
26/10/2015	Investor Presentation - Amended
30/10/2015	Notice of Annual General Meeting/Proxy Form
30/10/2015	Quarterly Activities Report
30/10/2015	Quarterly Cashflow Report
30/11/2015	Results of Meeting
2/12/2015	708A Cleansing Statement
2/12/2015	Appendix 3B
2/12/2015	Becoming a substantial holder
2/12/2015	Change of Director's Interest Notice
9/12/2015	Change in substantial holding
29/01/2016	Quarterly Activities Report
29/01/2016	Quarterly Cashflow Report
17/02/2016	Increased Resource Estimate on Amersfoort Project
22/02/2016	Trading Halt
23/02/2016	Suspension from official quotation
9/03/2016	Extension of Voluntary Suspension
14/03/2016	Half Yearly Report and Accounts
24/03/2016	Extension of Voluntary Suspension
7/04/2016	Extension of Voluntary Suspension
21/04/2016	Extension of Voluntary Suspension
29/04/2016	Quarterly Activities Report
29/04/2016	Quarterly Cashflow Report
20/05/2016	Response to ASX Appendix 5B
29/07/2016	Quarterly Activities Report
29/07/2016	Quarterly Cashflow Report
17/08/2016	Update on IDC of South Africa Project Funding
17/08/2016	Reinstatement to Official Quotation
15/09/2016	Completion of \$0.85 Million Placement
21/09/2016	Appendix 3B

4.2 Rights and liabilities attaching to the Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(b) Voting rights

Subject to any rights or restrictions, at general meetings:

- every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative; and
- has one vote on a show of hands; or
- has one vote for every share held, upon a poll.

(c) Dividend rights

Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before recommending dividends of the profits.

(d) Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(e) Transfer of Shares

Shares can be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than 100 shares or a marketable parcel. The Board may refuse to register a transfer of shares upon which the Company has a lien.

(f) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. If there are not sufficient Directors capable of acting to form a quorum, the Directors who are capable of acting or any five members of the Company may convene a general meeting.

(g) **Unmarketable parcels**

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

4.3 Interests of Directors, experts and advisors

(a) Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- financial services licensee named in this Prospectus as a financial services licensee involved the Offer,

holds, or has held within 2 years before the date of this Prospectus, any interest in the Offer or in the formation or promotion of, or in any property acquired or proposed to be acquired by, the Company in connection with its formation or promotion or the Offer.

(b) Other than as set out in **Section 4.4** or elsewhere in the Prospectus, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- to a Director or proposed Director to induce him to become, or to qualify him as, a director of the Company; or
- for services provided in connection with the formation or promotion of the Company or the Offer by any Director or proposed Director, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company, or any underwriter or financial services licensee named in this Prospectus as an underwriter or financial services licensee involved in the Offer.

4.4 Details of interests

(a) Directors' security holdings

The Directors' relevant interests in Shares and Options as at the date of this Prospectus are as follows:

Director	Shares	Options
Adam Sierakowski	15,971,983	-
Dr James Searle	10,108,334	-
Geoff Michael	21,998,441	-

(b) Director's remuneration

The remuneration paid or payable to Directors for the 2 financial years prior to the date of this Prospectus is as follows:

Director	FY 2015	FY 2016
Adam Sierakowski	\$76,292	\$76,810
Dr James Searle	\$74,192	\$76,810
Geoff Michael	\$64,292	\$64,810

Note:

1. In addition to the remuneration above the following amounts were paid to related parties of the Directors.

Details	FY 2015	FY 2016
Payments to Trident Management Services Pty Ltd, an entity in which Adam Sierakowski is a Director and shareholder, for company secretarial services provided.	\$48,000	\$48,000
Payments to Price Sierakowski Pty Ltd, a company of which Adam Sierakowski is a Director and shareholder, for legal services provided.	\$10,436	\$1,225

Details	FY 2015	FY 2016
Payments made to Trident Capital Pty Ltd, a company of which Adam Sierakowski is a Director, for the provision of corporate advisory services and capital raising fees.	\$15,000	\$13,894 and 240,000 Share based payment
Payments to Cirrena Pty Ltd, a company of which Geoff Michael is a Director, for the provision of IT consulting services.	\$4,955	\$8,584
Payments made to Ageus Pty Ltd, a company of which Geoff Michael has an interest in, for office occupancy costs.	\$20,000	\$43,000

(c) **Price Sierakowski Corporate**

Price Sierakowski Corporate has acted as legal adviser to the Company in relation to the Offer. In respect of this work, the Company will pay Price Sierakowski Corporate approximately \$5,000 exclusive of GST. Subsequently, fees will be paid in accordance with normal hourly rates. Price Sierakowski Corporate has received approximately \$11,661 exclusive of GST in fees for services to the Company in the 2 years prior to the date of this Prospectus.

4.5 Consents

(a) **Price Sierakowski Corporate**

Price Sierakowski Corporate has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as legal advisor to the Company in respect of the Offer in the form and context in which it is named.

(b) **Basis of consents**

Each of the persons named as providing consents above:

- did not authorise or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this **Section 4.5**; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified in this **Section 4.5**.

4.6 Expenses of the Offers

The estimated expenses of the Offer (exclusive of GST) are as follows:

Expense	Amount
Legal fees	\$5,000
ASIC fees	\$2,350
Total	\$7,350

4.7 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company with the exception of potential action in relation to ASIC's investigations.

5. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 28 September 2016.

A handwritten signature in black ink, appearing to read 'Adam Sierakowski', written over a light grey rectangular background.

Adam Sierakowski
Director
Kinetiko Energy Limited

6. DEFINITIONS

Definitions used in this Prospectus are as follows:

Application Form means an application form attached to and forming part of this Prospectus.

Application Monies means the amount of money in dollars and cents payable for Shares at \$0.025 per Share pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Board means the board of Directors of the Company from time to time.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means the date that the Offer closes which is 5.00pm (WST) on 12 November 2016 or such other time and date as the Directors determine.

Company means Kinetiko Energy Limited ACN 141 647 529.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Listing Rules means the official listing rules of ASX.

Offer means the offer of 2 Shares at an issue price of \$0.025 pursuant to this Prospectus to raise \$0.05.

Opening Date means the first date for receipt of completed Application Forms which is 9:00am (EST) on 28 September 2016 or such other time and date as the Directors determine.

New Option means an option to acquire a Share with an exercise price of \$0.03, an expiry date 2 years from issue, and otherwise on standard terms.

Prospectus means this prospectus dated 28 September 2016.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of one or more Shares.

Share Registry means Automic Pty Ltd ACN 152 260 814, trading as Automic Registry Services.

WST means Western Standard Time in Australia.

Guide to the Application Form

This Application Form relates to the offer of Shares in Kinetiko Energy Limited pursuant to the Prospectus dated 28 September 2016. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of R Kinetiko Energy Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The application must be for a minimum of 1 Share.
- B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by \$0.025.
- C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.
- D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your application.
- E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint applicants, only one address can be entered.
- F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your application.
- G Kinetiko Energy Limited will apply to the ASX to participate in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities issued.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities issued to you under this Application Form in uncertified form on the CHES subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on issue, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

- H Please complete cheque details as requested.

Make your cheque payable to "Kinetiko Energy Limited" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application Form being rejected.

- I Before completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this Application Form is for shares in Kinetiko Energy Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be issued to the applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application Forms: Return your completed Application Form with cheque(s) attached to:

<p>Delivered to: Kinetiko Energy Limited c/- Trident Capital Level 24, St Martin's Tower 44 St Georges Terrace PERTH WA 6000</p>	<p>Posted to: Kinetiko Energy Limited c/- Trident Capital PO Box Z5183 St Georges Terrace PERTH WA 6831</p>
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Application Forms must be received no later than 5.00pm (WST) on 12 November 2016 which may be changed immediately after the Opening Date at any time at the discretion of the Company.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Kinetiko Energy Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith <Peter Smith>	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith and Son A/C>	John Smith and Son