



KINETIKO
ENERGY LTD

Kinetiko Energy Limited
ACN: 141 647 529

Suite 10, Level 1
Spectrum Building
100 Railway Rd
SUBIACO WA 6008

Phone: +61 8 6315 3500

Fax: +61 8 9481 1947

Email: info@kinetikoenergy.com.au

Web: www.kinetikoenergy.com.au

ASX: KKO

15 September 2016

ASX ANNOUNCEMENT

COMPLETION OF \$0.85 MILLION CAPITAL RAISING

- **Placement to institutional and sophisticated investors raising \$0.85 million**
- **Offer price of 2.5 cents per share, including one free attaching option for each new share, exercisable at 3 cents, expiring in 24 months**

Kinetiko Energy Limited (ASX:KKO) is pleased to announce that it has successfully completed a placement to sophisticated investors to raise gross proceeds of \$850,000. Proceeds from the placement will be used to further the Company's South African projects and additional working capital. In addition the Company has agreed with parties that have provided loan funds over recent months to repay amounts owing through the issue of shares and options on the same terms as the placement. The total loan funds to be repaid are approximately \$246k. Director Geoff Michael has agreed to have his outstanding directors fees paid, and director James Searle a majority portion of his outstanding directors fees paid, through the issue of shares and options on the same terms. The total amount of director fees to be paid through the issue of shares and options is approximately \$230k. The total cash benefit to the Company of the placement and the amounts settled through the issue of shares is approximately \$1,326k.

The placement was priced at 2.5 cents per share, representing a 29% discount to the last closing price of 3.5 cents and will result in the issue of 34,000,000 new shares. Settlement will take place upon finalisation of documentation and in two tranches. The Company will issue 24,250,000 Shares under the Placement and 4,118,022 Shares to unrelated parties in repayment of loans on or about 16 September 2016. The remainder of the shares and options will be issued subject to shareholder approval which will be sought at the Company's annual general meeting. A pro forma capital structure is set out in the table on page 2.

Kinetiko’s Chairman, Adam Sierakowski, commented, “The Company is very pleased with the ongoing support that has been shown by investors through their participation in this placement. Kinetiko remains confident, despite the delays suffered as a result of events outside of the Company's control, that the commercial viability of the Amersfoort Project remains robust. Significant South African financial parties have expressed interest in funding the development of the Amersfoort project and the energy starved South African economy continues to prioritise gas as a solution. These funds will allow the Company to continue its work in South Africa to address the delays in funding and position the Company to progress its planning for the next phase of exploration and development of the Amersfoort Project with the potential to achieve first reserves, first production and first revenues.”.

Pro Forma Capital Structure	
Shares	
Shares on issue immediately prior to the Placement	189,326,784
Shares issued under Tranche 1 of the Placement	24,250,000
Loan Repayment Shares issued	4,118,022
Shares to be issued under Tranche 2 of the Placement ¹	9,750,000
Related Loan Shares ¹	5,738,427
Related Creditor Shares ¹	9,228,831
Total Shares to be on issue	242,412,064
Options	
Existing Options exercisable at \$0.20, expiring on 28 April 2017	4,000,000
Placement Options ¹	34,000,000
Loan Repayment Options ¹	4,118,022
Related Loan Options ¹	5,738,427
Related Creditor Options ¹	9,228,831
Total Options to be on issue	57,085,280

Notes:

1. The issue of the Tranche 2 Placement Shares, Placement Options, Loan Repayment Options, Related Loan Shares and Options and the Related Creditor Shares and Options are subject to approval at the Company's Annual General Meeting which the Company is planning to hold in early November 2016.

For more information visit: www.kinetikoenergy.com.au or contact Geoff Michael or James Searle, Joint Managing Directors, Kinetiko Energy Limited +618 6315 3500