

HIGHEST EVER GAS RESULTS FROM MAJUBA WELL AND CORE WELL 270-03C SPUDED

HIGHLIGHTS

- Gas desorption testing results from the Majuba core well 271-23C have increased achieving, a record-breaking peak of 13m³/t. Gas desorption results from recently completed well 270-06C are expected in the coming weeks
- Core well 270-03C, has been spudded and is the second to be drilled in Southern Exploration Right 270 as part of a three well initial program in this block
- The new core well is approximately 10km North of recently completed successful core well 270-06C and is approximately 2km from South Africa's largest gas pipeline, the Lily Pipeline, which feeds the industries of the KZN midlands and coastal cities
- Drilling continues aggressively to focus on identifying further gas-laden sandstones, coals and other carbonaceous structures and extend the continuity of potential gas fields

Kinetiko Energy Ltd (ASX: KKO) (Kinetiko or the **Company**) an Australian gas explorer and developer focused on advanced shallow conventional gas and coal bed methane in South Africa, is pleased to provide the following update on its onshore gas exploration and production development activities.

271-23C core desorption testing has returned a remarkable result; an average of over 5m³/t with most gas coming from the interval between 320m and 350m. Kinetiko have also observed a record-breaking peak at 285m of 13 m³/t, and still rising, probably due to proximity to a dolerite dyke.

Core hole 270-03C (Figure 1) spudded on 24 January 2023 and is designed to test the potential of the southerly dipping basement structures. This core hole is anticipated to provide deeper, higher-pressured gassy sands and coal sequences similar to those encountered in 270-06C. The new core well is strategically located approximately 2 km from the South Africa's most significant gas pipeline, the Lily Pipeline and provides potential distribution infrastructure to major gas markets in the KwaZulu-Natal province of South Africa.

Kinetiko CEO, Nick de Blocq, commented:

“The huge success we achieved in corehole 271-23C near the Majuba power station is very encouraging as we look at the potential of supplying substantial gas volumes to co-fire the coal plant.

The 270-03C (Figure 2) borehole represents the second of three initial cores we have planned in this area, and is part of the pilot programs covering two new-entry blocks, namely ER270 and ER272.

The proximate location of our southernmost boreholes in ER270 to the steel-smelting and manufacturing centre of Newcastle could mean a simplified logistical solution to get the gas to an increasingly hungry, thermal industry market.

In our northernmost block ER272 we are already working with Sasol and Seriti in terms of borehole placements ahead of the rig’s arrival around Easter.”

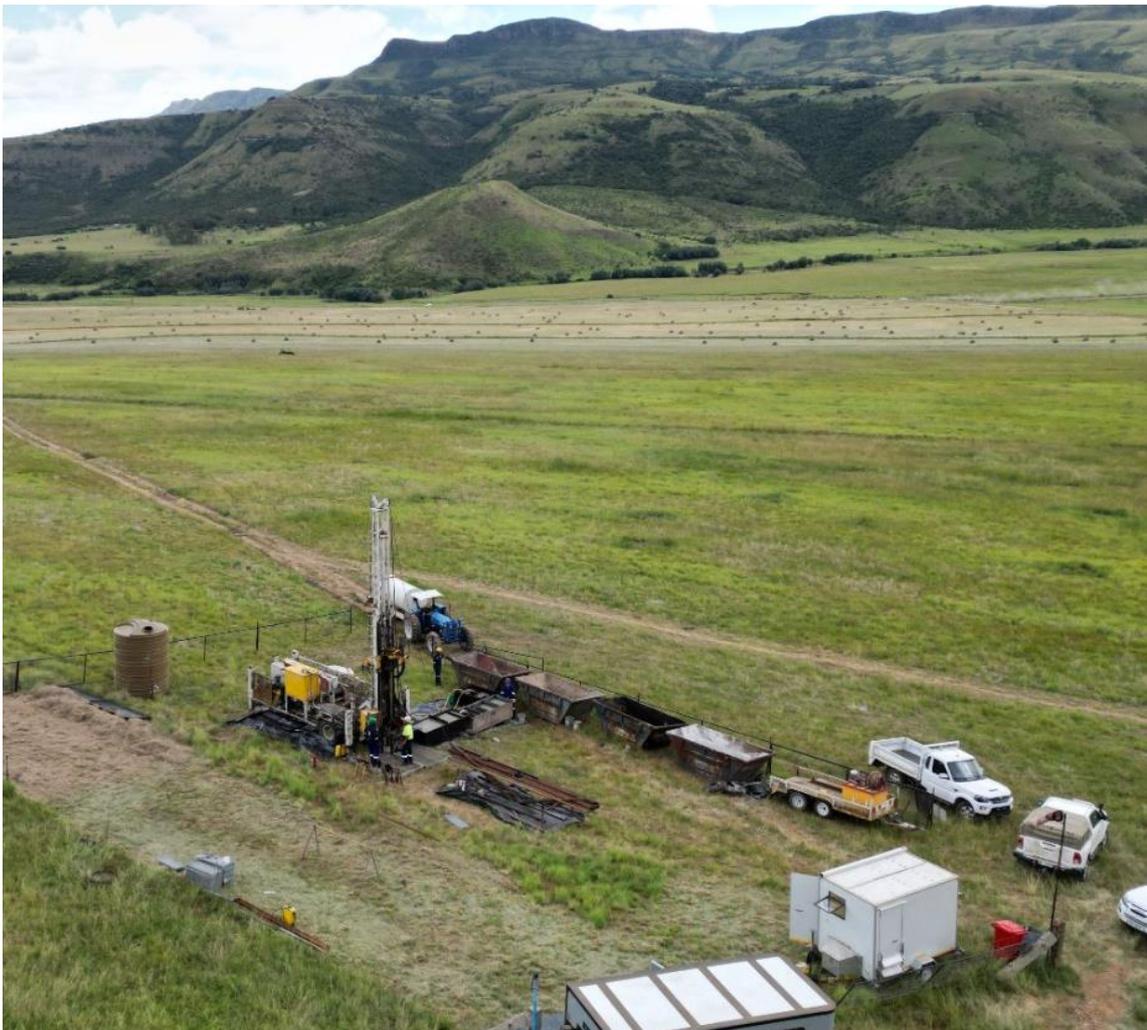


Figure 1: Core well 270-03C being drilled in the southern most region of the Company’s granted Rights

Kinetiko expects to core the entire stratigraphical profile from the top of the dolerites to an approximate terminal depth of beyond 500m. On completion of the drilling the Company will log the corehole and perform onsite gas emission and desorption analysis (Figure 3).

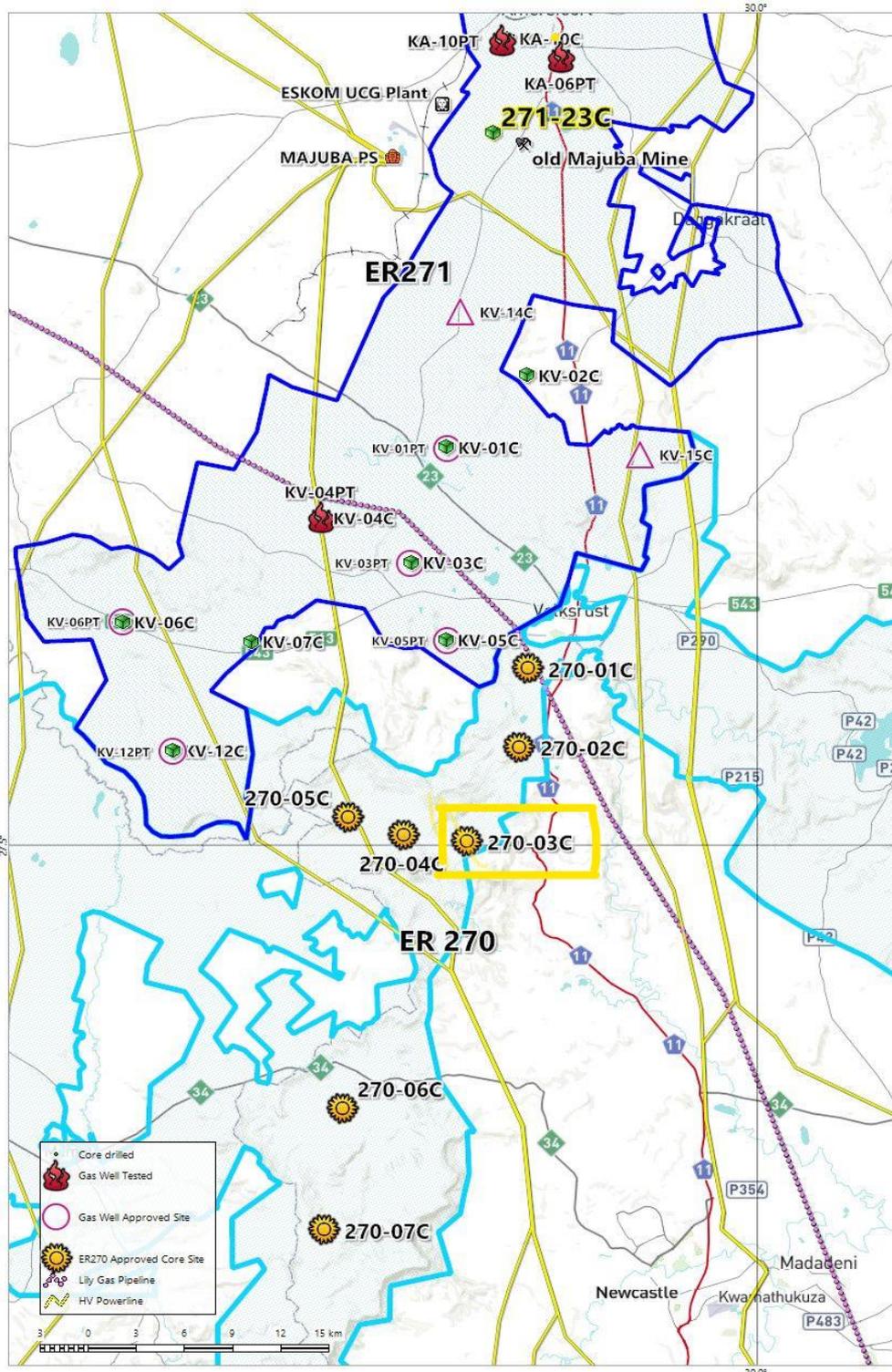


Figure 2: Location of core well 270-03C on Exploration Right 270

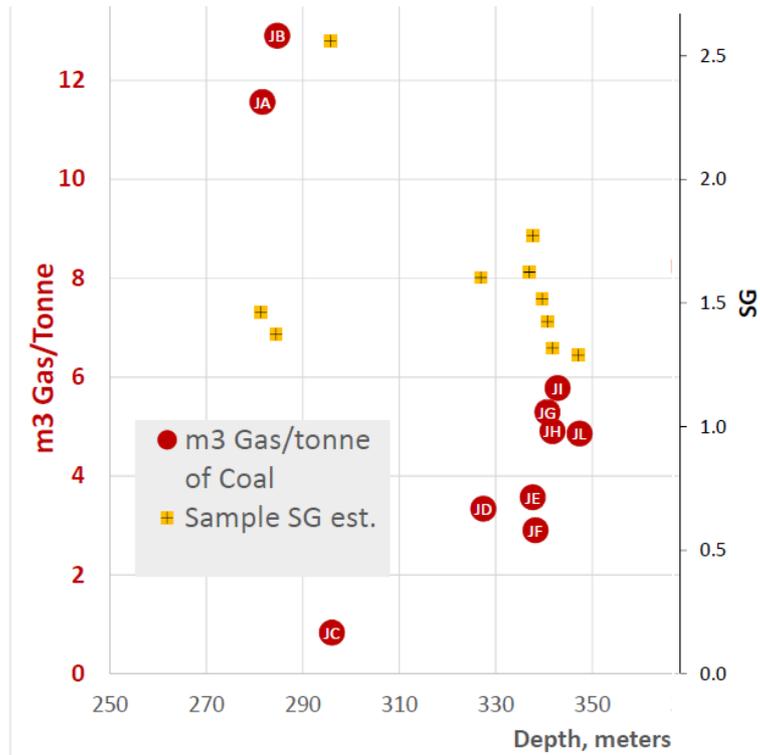


Figure 3: Core hole 271-23C desorption test results status as at 18 Jan 2023

This announcement is authorised for release to the market by the Board of Directors of Kinetiko Energy Limited.

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About Kinetiko Energy and Afro Energy

Kinetiko Energy is an Australian gas explorer focused on advanced shallow conventional gas and coal bed methane (CBM) opportunities in rapidly developing markets in Southern Africa. South Africa has extensive gassy coal basins, widespread energy infrastructure and growing gas demand. The Company has a 4.9Tcf contingent resources and large potential exploration area, of which approximately 7000km² is granted and being explored.

The Company's vision is to continue to explore, develop, and commercialise gas production.

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