

EXPLORATION TO CONTINUE WITH DRILLING ON HIGH PRIORITY TARGETS

HIGHLIGHTS

- **Drilling rig mobilised to commence new core hole**
- **Core well KV-14C is located within 5 kms from Majuba Power station**
- **South African government announces an initiative to convert coal fired power stations to gas burning generators**
- **Exploration set to continue with further core hole drilling on high priority gassy compartment targets**

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 (**CBM**) in South Africa, is pleased to provide the following update on its on shore gas exploration and production development activities.

Kinetiko CEO, Nick de Blocq, commented:

“The urgent need for gas to contribute meaningfully to the energy crisis in South Africa has manifested itself in an increasing interest in the largest onshore resource in South Africa. Active players in the mid- and downstream sectors are considering gas for power, LNG, chemical derivatives and direct pipeline offtake.

To this end, we are embarking on an aggressive exploration campaign, starting on 19 September 2022 with a core hole very close to Majuba Power Station, which has a 20MW gas generator awaiting a source of fuel. This will be followed by at least another 6 boreholes in both the northerly and southerly parts of our Rights areas before the end of the year.

The recent Government initiative of creating a new power supply company has brought three ex-coal fired power stations into play, which will be re-engineered to become gas-fired. There has never been a better time to have gas assets in the heart of South Africa’s energy infrastructure.”

Drill Rig Mobilised to Commence new Cope Hole Drilling

The Company's exploration program is restarting with a core hole planned for September 2022. KV-14C will be the closest borehole to the Eskom operated Majuba power station (which is capable of being fired by gas) and is expected to prove the continuation of the gassy sandstone geology which has been shown to be prevalent in the area from historic exploratory work. Aeromagnetic surveys have illustrated strong targets for potential gassy compartments in the region, and the Company has reached an agreement with local landowner for site access to undertake drilling during Q3 and Q4-22.

Expanded Exploration

Further exploration core holes are planned on Exploration Right 272 (**ER 272**) near the Secunda synthetic fuel plant owned by Sasol and on Exploration Right 270 (**ER 270**) in the South where aeromagnetic surveys have identified the most prospective gassy compartment targets the southerly dipping geological basement is anticipated to provide deeper, higher pressured gassy sands in ER270. At least three core holes are planned to be drilled in each of ER 272 and ER 270 during Q4-22 / Q1-23.

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Released with the authority of the Board of Directors of Kinetiko Energy Ltd.
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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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