

EXPLORATION PROGRESS

HIGHLIGHTS

- **Two new core wells spudded in ER272 near significant energy infrastructure**
- **Accelerated exploration set to continue with IDC JV appraisal set to commence in ER 271 as the initial phase of a multi well pilot production field**
- **Drilling contract award imminent for IDC JV for drilling five test wells in ER 271**

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 progress across its onshore gas exploration and production development activities.

Kinetiko CEO, Nick de Blocq, commented:

"Our trailblazing success in Block ER272 is set to continue with the addition of two more exploration core holes between the first pair and the most recent pair of successful core holes. Our fifth and sixth core holes are underway and we have every reason to expect similar successes. With our new proven gas fields being within reach of no less than four major infrastructural facilities (HV gridlines, Tutuka Power Station, national gas pipeline (Lily-1) and the largest regional liquid fuels manufacturing facility at Secunda) geographic location and our choices of core holes are obviously strategic.

We also continue to plan our large-scale field developments, starting in Block ER271, which will kick off five appraisal/production wells being drilled from September 2023 to find the sweetest spots to the west of Volksrust around which to develop fields to produce as part of the Company's joint venture with the IDC"

Accelerated Exploration Continues in Block ER272

Core well 272-03C and 272-04C, have been spudded approximately 4kms from South Africa's largest gas pipeline and 5kms from substantial gas intervals discovered in completed core wells 272-08C and 272-06C. The continuation of exploration success will increase the potential that gas producing fields can be established in close proximity to Southern African energy infrastructure including the Sasol Secunda plant which could be a substantial off-taker of gas (Figure 1 and 2).



Figure 1: Drilling operations at core hole ER272-03C with Sasol's Secunda Refinery on the Horizon

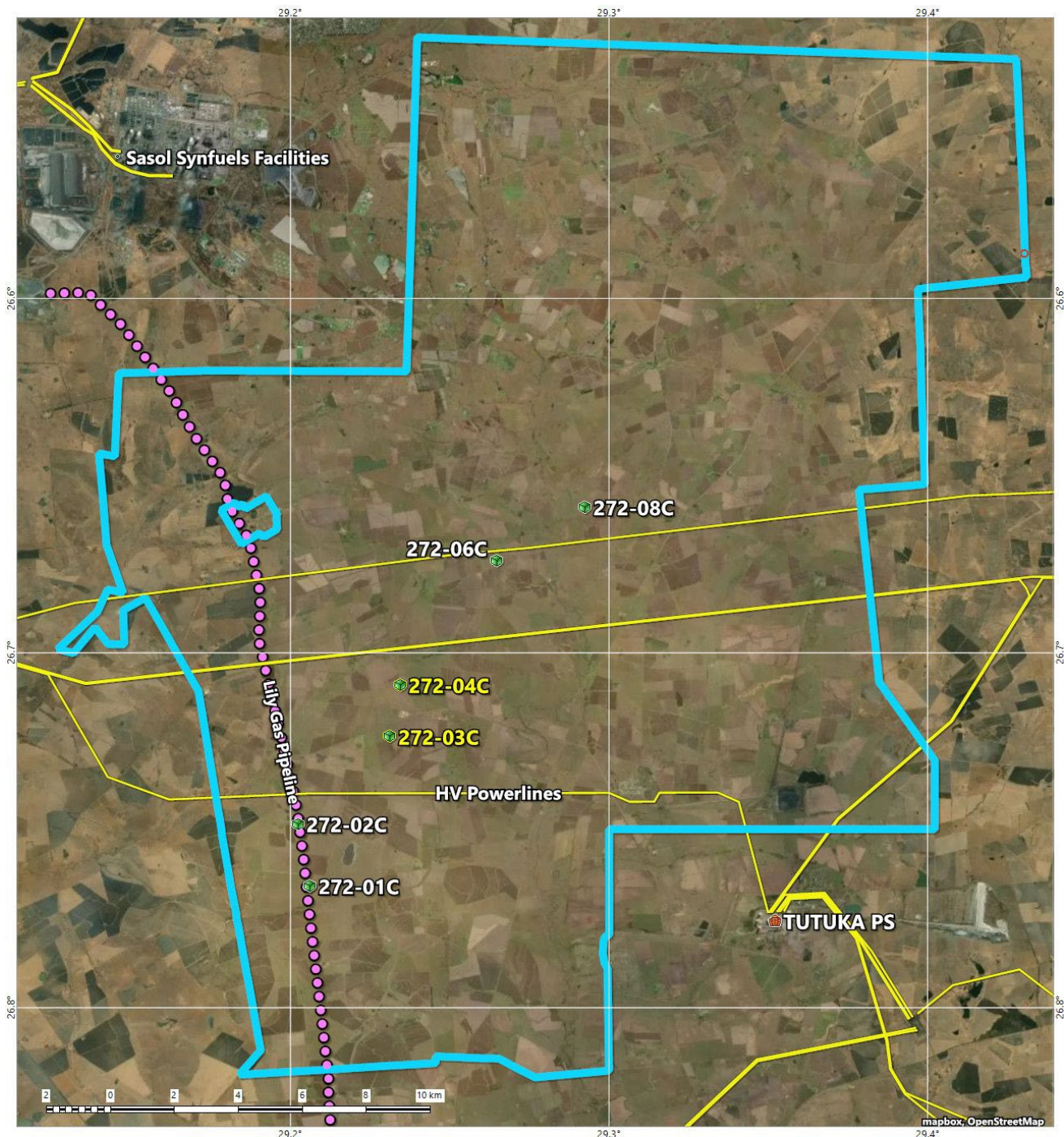


Figure 2: Locations of Core wells 272-016C and 272-028C in proximity to Sasol Synfuels Refinery

Appraisal / Production drilling to start within Q3 23

The drilling contract tender process has been completed and the drilling contract award is imminent to drill five back-to-back wells within the lobe of ER271 to the west of the town of Volksrust. The Company will contract a single, large land rig with redundant capacity to ensure an accelerated drilling program of all five wells. The wells are designed to be both exploratory (appraisal) and producers by nature, as they will be completed as part of the Company's joint venture with the Industrial Development Corporate of South Africa (IDC) with a scope to drill up to 20 wells and a potential to

grow to 80 wells, ready to supply gas as required to satisfy the requirements of the MOU scopes which the Company is progressing with both FFS and Gruner Energy. The drilling is expected to start in September this year and continue until mid-Q1 2024 with long-term well testing planned.

IDC is a national development finance institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa, and to the economic empowerment of the South African population. The IDC achieves this by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles. They also represent the investment vehicle for the national government, and therefore a manifestation of the confidence the Company has derived with South African authorities.

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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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