

SUCCESSFUL DRILLING OF 270-03C CORE HOLE COMPLETED

HIGHLIGHTS

- Core hole 270-03C intersects significant gassy zones in targeted carbonaceous geology
- Gas bearing geological sequences totalling at least 112m metres were intersected with log analysis and assessment of gas desorption underway
- Terminal depth in Southern geology reached 605m and as anticipated intersected deeper thicker gassy zones
- Further immediate core drilling is planned to commence next week to test regional extensions at the core hole location 270-05C

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.

Core hole 270-03C, spudded on spudded on 24 January 2023 (*Figure 1 & 2*), has successfully been completed with strong gassy geology intersected with the well achieving a TD of 605 metres. This is one of the deepest core holes drilled by the Company and has again shown that the Southern geology does intersect deeper gassy zones as anticipated.

Kinetiko CEO, Nick de Blocq, commented:

“The completion of our latest corehole, 270-03C, has proven that we have gassy sediments proximate to the Lily Pipeline, which feeds all of the major thermal industries of the KwaZulu-Natal Province. At 605m TD, the depth of the borehole is the deepest we have encountered in recent drilling operations which bodes well in terms of potential flow rates and longevity of production. The initial field data from the logs show yet another highly successful result of our coring campaign efforts. It is most rewarding to keep our 100% strike rate intact, while proving an eventual basis for a Reserve aimed at supporting the imminent depletion of gas in the Lily line, or a direct feed into Newcastle.”

Exploration Update



Figure 1 and 2: Core hole 270-03C being drilled

The 270-03C exploration core hole, in some of the Company's southern-most geology and approximately 20 kms from recent successful core well 270-06C (*Figure 4*), has been drilled and cored to a depth of 605m, with a thick dolerite sill from 128m to 290m, and gassy sandstones, coal and carbonaceous siltstones and mudstones below. Gas shows were nearly continuous below the dolerite during the drilling. Gas desorption analysis is being completed on the core samples of the coal intervals (*Figure 3*) and wireline logs are currently being processed.



Figure 3: Core samples from 270-03C showing gas discharge at surface

Core Well Drilling Extensions

Core well 270-03C is the second core well the Company has drilled in ER270 and has encountered deeper sandstones and coals in the region and the Company is pursuing a gas compartment discovery in the region where it plans further drilling. The success of 270-03C provides further confidence for core well drilling to the North adjacent to the Lily Gas Pipeline where multiple drill sites have already been approved.

The Company is now moving its coring rig to the 270-05C location.

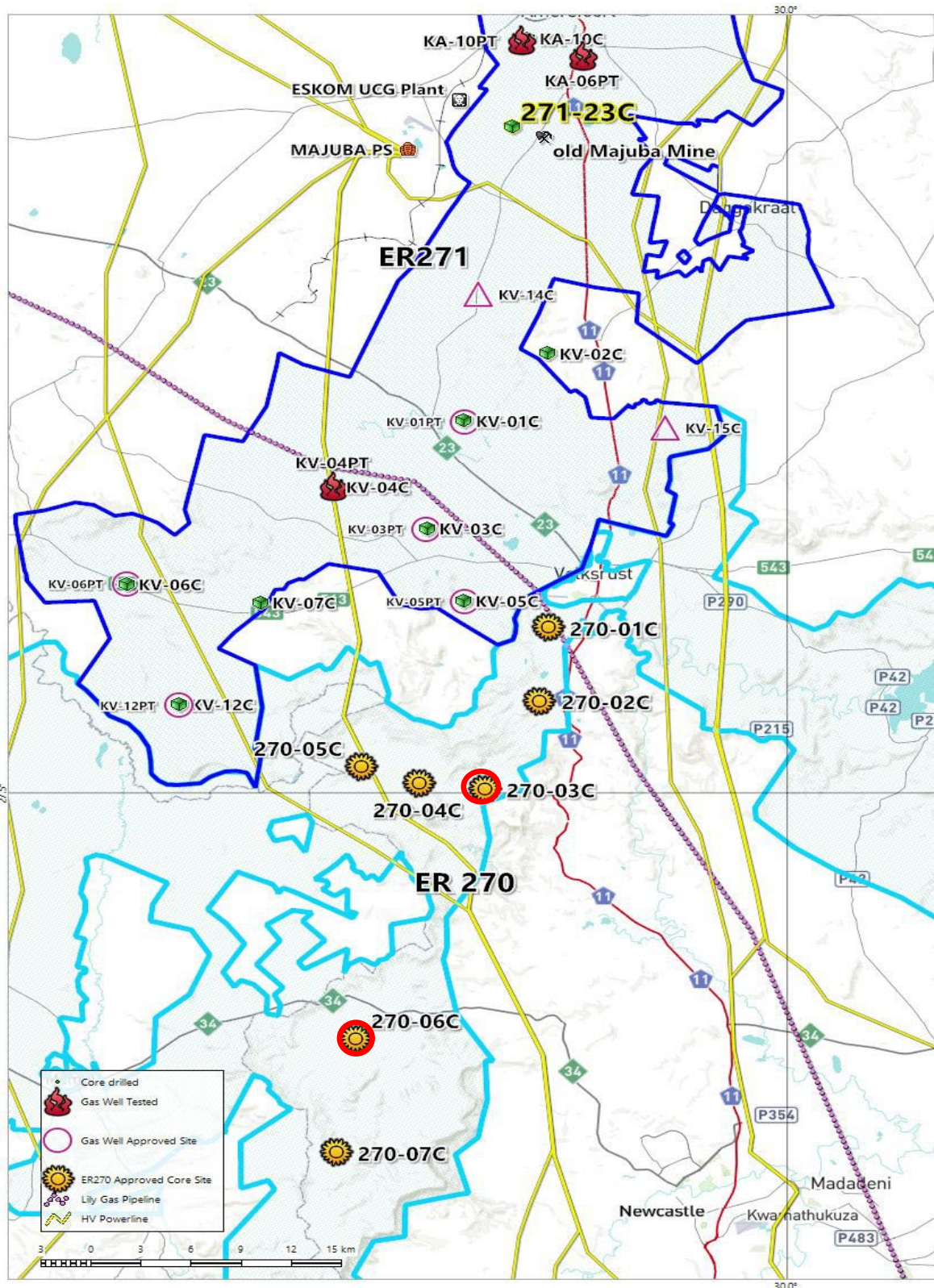


Figure 4: Core wells 270-06C and 270-03C and additional locations approved by the South African regulators

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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