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ASX Announcement

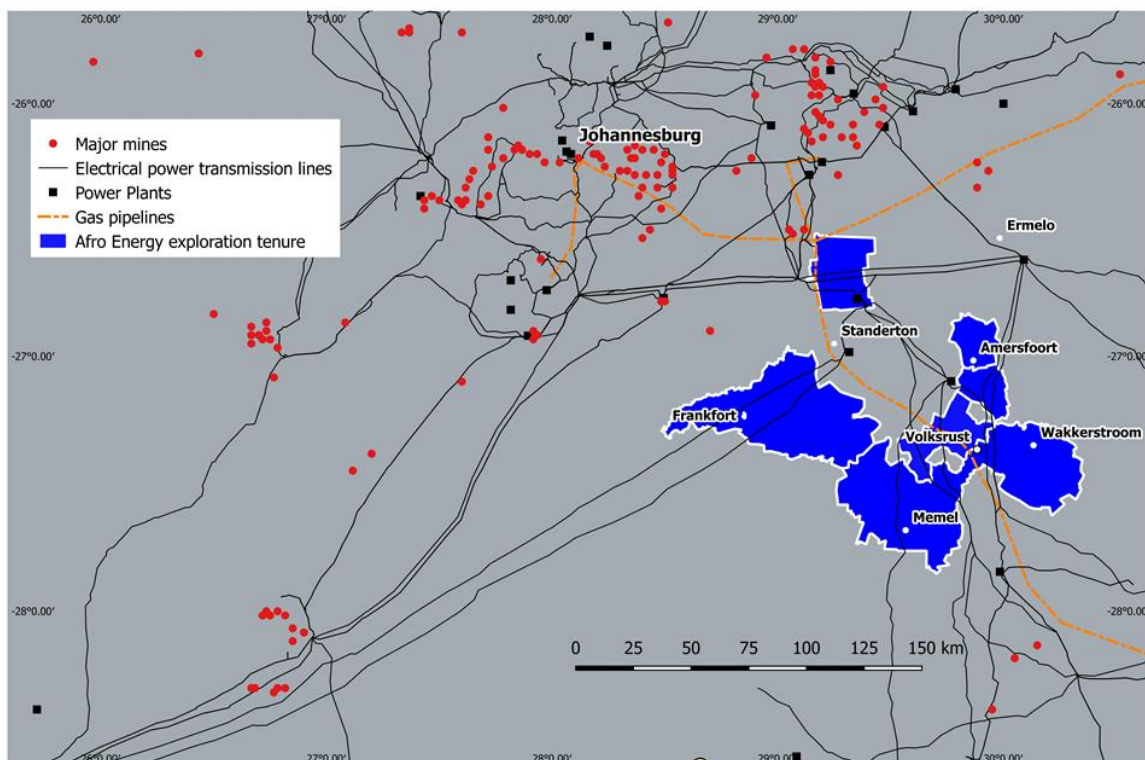
## KINETIKO SUBSTANTIALLY GROWS ITS EXPLORATION RIGHTS IN SOUTH AFRICA

- South African regulator Petroleum Agency of SA (“PASA”) renew Kinetiko’s existing exploration rights on the Amersfoort Project and grant three further significant exploration rights.
- Amersfoort Project exploration rights ER56 and ER38 have been renewed.
- Three new exploration rights have been granted increasing the Company’s total exploration rights by 378%.
- Total exploration rights now total 4,604kms<sup>2</sup> approximately 150kms from South Africa’s largest city Johannesburg and in the heart of the country’s existing gas and power transmission infrastructure.
- Company is preparing to ramp up exploration, following the approval by PASA of work programs on the Amersfoort project to build on 10 years of successful gas exploration.
- Kinetiko has applied to the ASX to be reinstated to trading and expects to have all its outstanding financial audits completed within 7 days due to the strategic alignment with its South African partner Badimo Gas (Pty) Ltd (“Badimo”).

Kinetiko Energy Ltd (“Kinetiko” or “Company”) ASX:KKO is pleased to announce that on Friday 17 January 2020 the CEO of the Petroleum Agency of SA (“PASA”) in Cape Town, South Africa executed deeds with Afro Energy (Pty) Ltd (“Afro”), (Kinetiko owns 49%), renewing Amersfoort project exploration rights ER38 and ER56 and granted new exploration rights ER270, ER271 and ER272.

The Department of Mineral Resources (DMR) has renewed the key Amersfoort Exploration Rights ER56 and ER38, the most advanced tenements where the majority of approximately \$10.3m in development funds on the Amersfoort project have been spent to date. It is also where comprehensive gas flow testing has been conducted and plans to develop a pilot gas production field are advanced. Afro has previously been granted a Bulk Sampling Agreement by the Minister of Mineral Resources and has commenced the process to have the production rights renewed as the development of the Amersfoort project continues.

The granting of 3 further exploration rights for prospective geological settings in land adjacent to and contiguous with the Amersfoort project represents a substantial increase to Afro's existing exploration portfolio to a total of 4,604kms<sup>2</sup> representing a 378% expansion. The tenements are favourably located approximately 150kms from South Africa's largest city Johannesburg and in the heart of the country's existing gas and power transmission infrastructure. (See Figure 1)



**Figure 1 – The location of Kinetiko exploration rights**

Kinetiko has made application to the ASX to have its securities reinstated to trading and awaits its' formal response. The Company has worked with Badimo to complete the outstanding financial statements of Afro for 2016, 2017, 2018 and 2019 that were impeding the Kinetiko audits.

The Company's chairman Adam Sierakowski commented *"The renewal and granting of the exploration rights is a significant achievement as it signals the end of several years of limited activity and uncertainty and the start of a new phase of strategic cooperation and clear*

*alignment between the Afro shareholders to develop and expand the Amersfoort project and surrounding granted exploration rights all of which are considered highly prospective for their hydrocarbon potential. South Africa is currently experiencing its worst energy crisis with Load Shedding Stage 6 activating for the first time ever<sup>1</sup>. With no immediate energy sources other than the dismissing outlook for Eskom coal fired production a favourable energy pricing environment for the Amersfoort project is expected for years to come.”*

1. Writer. "Eskom load shedding jumps to stage 4 on Friday". [businessstech.co.za](http://businessstech.co.za). Retrieved 2019-12-07.

### **About Kinetiko Energy and Afro Energy**

*Kinetiko Energy Limited is a gas explorer focused on advanced shallow conventional gas and coal bed methane (CBM) opportunities in rapidly developing markets in South Africa. South Africa has extensive gassy coal basins, extensive energy infrastructure and a growing gas demand, making it an attractive area for investment. The Company has a large potential exploration area, of which approximately 7,000 km<sup>2</sup> is either applied or granted tenure.*

*Afro Energy (Pty) Ltd. was incorporated as a joint venture founded in 2015 between Kinetiko Energy Ltd (49%) and Badimo Gas (Pty) Ltd of South Africa (51%) which owns tenements and can facilitate South African investment to continue to explore, develop, and market gas its commanding land holdings.*

For more information visit: [www.kinetiko.com.au](http://www.kinetiko.com.au) or contact Adam Sierakowski (08 6211 5099) or Geoff Michael (08 6315 3500 ).

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