KINETIKO
ENERGY LTD

ASX Announcement
27 May 2020

EXPLORATION PROGRAM RESTARTS AT AMERSFOORT PROJECT

- **High resolution aeromagnetic survey to commence on flagship Amersfoort Project as part of exploration program to improve resource definition**
- **The aeromagnetic 11,563 line kilometre survey will be in two areas covering 474km^2**
    1. **10,171 line kilometres covering 417km^2 of ER38, that has been shown in drilling to contain wide areas of gas prone sandstone and coal sequences;**
    2. **1,392 line kilometres covering 57km^2 to be conducted adjacent to a previous survey undertaken in 2014**
- **A previously conducted 3,555 line kilometre high resolution aeromagnetic survey provided unprecedented geological detail and supported increases in certified resource calculations**
- **It is intended that the proposed survey if successful, will provide other areas for well tests and further pilot production fields**

Kinetiko Energy Ltd ("**Kinetiko**" or "**Company**") (ASX:KKO) is pleased to announce that after a period of approximately 6 years that continued exploration is planned to be undertaken on the Amersfoort project through the incorporated joint venture Afro Energy (Pty) Ltd ("**Afro Energy**") in collaboration with its joint venture partner in South Africa, Badimo Gas (Pty) Ltd ("**Badimo**").

The exploration program will include a high resolution aeromagnetic survey, designed to follow up the success of a similar survey completed in June 2014, which revealed unprecedented levels of geological detail including the extent of the dolerite sills that form the seals over the gas prone sandstones above the already gassy coal measures in this part of the main Karoo Basin. High resolution aeromagnetic data is also capable of identifying sub vertical faults in the underlying basement and within the Karoo sequence that are important in understanding compartmentalisation of the gas prone sandstone and dolerite sequences. The deep seated basement faults have also been shown in parts of the Karoo Basin to be conduits for migration of helium into the overlying natural gas prone sandstone sequences. The survey is planned to fly 11,563 line kilometres over the largest portion of the Amersfoort project as illustrated at Figure 1.

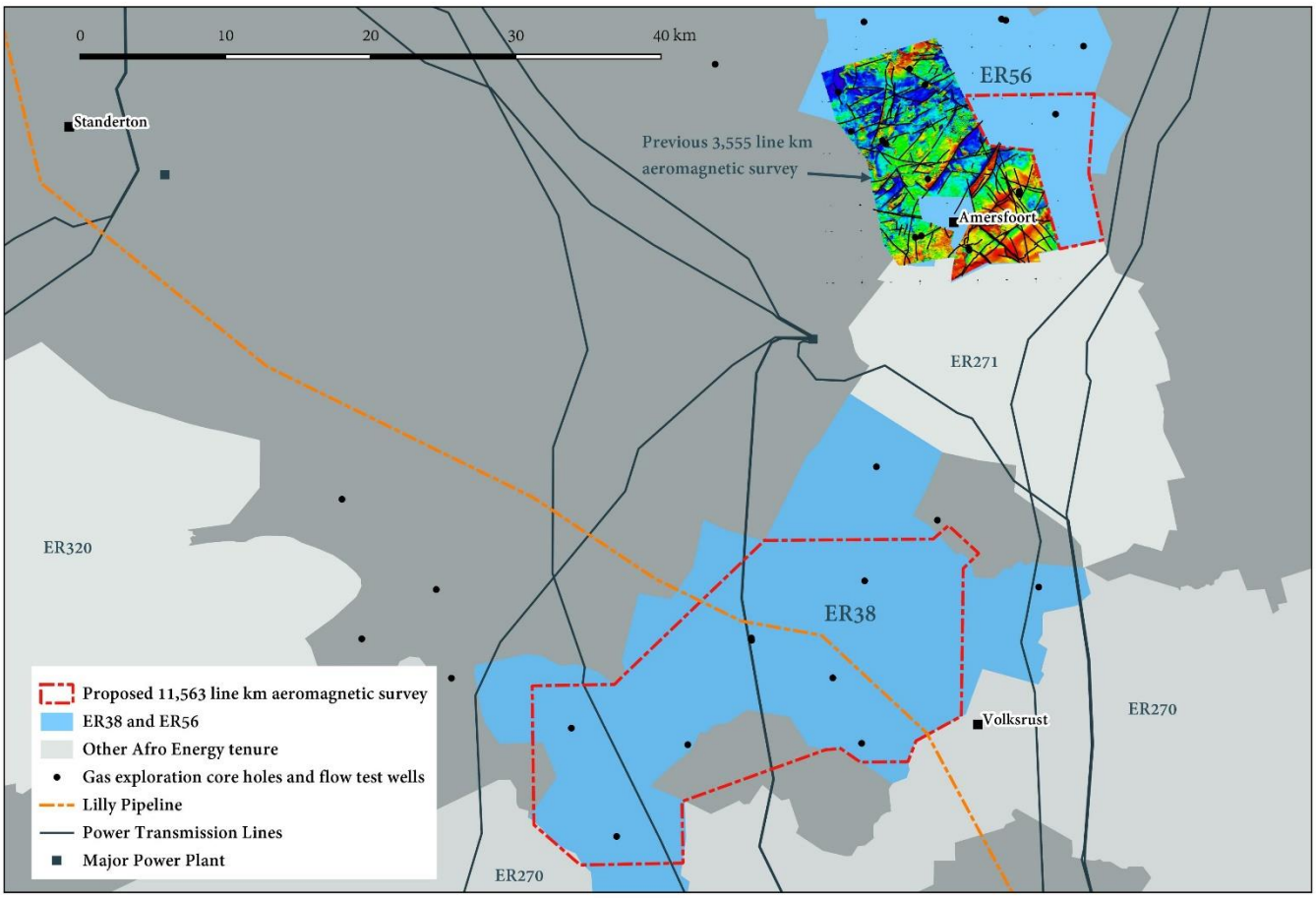

Figure 1. Proposed Aeromagnetic Survey area within the Amersfoort Project

The 57km^2 portion of the survey area on ER56 is designed to cover areas immediately adjacent to the planned Afro Energy pilot gas production field development (Figure 1). The larger portion of the survey area covers 417km^2 of ER38 that has been shown by core drilling and geophysical logging to contain extensive sequences of gas prone sandstones and gassy coals.

Technical information derived from the survey also has the potential to enable a revision of the current certified contingent resource of 1.5 Tcf[1], by international independent experts as was the case following the 2014 successful completion of the first high resolution aeromagnetic survey.

A specialised fixed wing aircraft capable of safely flying at a terrain clearance of 35m over most of the survey area will conduct the survey over a period of approximately 15 days with the processed results and products available for interpretation seven working days after completion of each survey block. Wing tip magnetic sensors combined with the low altitude capability of the aircraft and the 50m line spacings enable the capture of the highest quality and resolution data set. Gradiometric analysis of the magnetic signal, resulting in

[1] refer to ASX Announcement 13 August 2012. The Company is not aware of any new information or data that materially affects the information included in the announcement 13 August 2012 and all the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

enhanced interpolation between flight lines and in Horizonal Gradient Enhanced (HGE) gridding processes will produce very high resolution data and imagery for detailed geological interpretation.

Survey parameters are as follows:

Line spacing:	**50m**
Tie line spacing:	**500m**
Line orientation:	**135°/315°**
Tie line orientation:	**45°/225°**
Flying height:	**35m mean terrain clearance**

Figure 2 Amersfoort survey in progress April 2014

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

Unless otherwise specified information in this report relating to exploration and related technical comments have been compiled by Dr James Searle, a Member of the Australian Institute of Mining and Metallurgy, and a non -executive Director of Kinetiko Energy Ltd with over 30 years experience in metallic and energy minerals exploration and development, including over 9 years experience in hydrocarbon exploration. Dr Searle consents to the inclusion of this information in form and context in which it appears.

For more information visit: www.kinetiko.com.au or contact,

Adam Sierakowski
Non Executive Chairman
08 6211 5099
info@kinetiko.com.au

or

Evy Litopoulos
Investor Relations
ResolveIR
evy@resoloveir.com

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, extensive energy infrastructure and a growing gas demand, making it an attractive area for investment. The Company has approximately 7000km^2 exploration area, of which approximately 4604km^2 is granted and being explored.

Afro Energy (Pty) Ltd. was incorporated as a joint venture founded in 2015 by Kinetiko Energy Ltd (49%) and Badimo Gas (Pty) Ltd of South Africa (51%) as a JV company to own 100% of the exploration rights with required BEE (Black Economic Empowerment) certification, and facilitate South African investment in order to continue to explore, develop, and commercialise gas production.

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