

AMERSFOORT AEROMAGNETIC SURVEY RESULTS DOUBLES TOTAL GAS COMPARTMENTALISATION GEOLOGY IN ER56

- The 11,563 line kilometre aeromagnetic survey flown over two areas covering 474km² of the Amersfoort Project has provided further major enhancements to the imaging and interpretation of the gas prone stratigraphy
- A previous 3,555 line kilometre high resolution aeromagnetic survey in 2014 provided unprecedented geological detail that has led to the pilot gas production field proposal for ER56 on 10 defined gas compartments
- Initial interpretation of the latest aeromagnetic survey on ER56 has identified 10 new geologically defined compartments analogous to the gas prone compartments in the adjacent pilot field area taking the total compartments on ER56 to 20
- The survey data also shows deep basement structures that could be localised conduits for helium into the overlying Karoo sandstone conventional gas accumulations
- Interpretation on the larger ER38 survey is still ongoing, but the data set and images are providing previously unseen geological information that will be critical in guiding ongoing exploration

Kinetiko Energy Limited ASX:KKO ("Kinetiko" or "Company") is pleased to announce the results of a high resolution aeromagnetic survey flown following the success of a similar survey completed in June 2014, which previously 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 which, within the Karoo sequence, is important in understanding compartmentalisation of the gas prone sandstone and dolerite sequences.

Initial interpretation results for the recently obtained ER56 survey area show a number of additional potentially gas prone compartments. The 57km² portion of the survey area on ER56 was 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 covered 417km² of ER38 that has been shown by core drilling and geophysical logging results to contain extensive sequences of gas prone sandstones and gassy coals. Initial interpretation of the ER56 data and images are being concluded with initial results clearly defining several new geological definitions to vector exploration drilling on this license.

Technical information derived from the survey also has the potential to enable a revision of the current certified contingent resource of 4.9Tcf by international independent experts (**ASX Announcement 29th of July 2020 ¹**) as was the case following the successful 2014 first high resolution aeromagnetic survey.

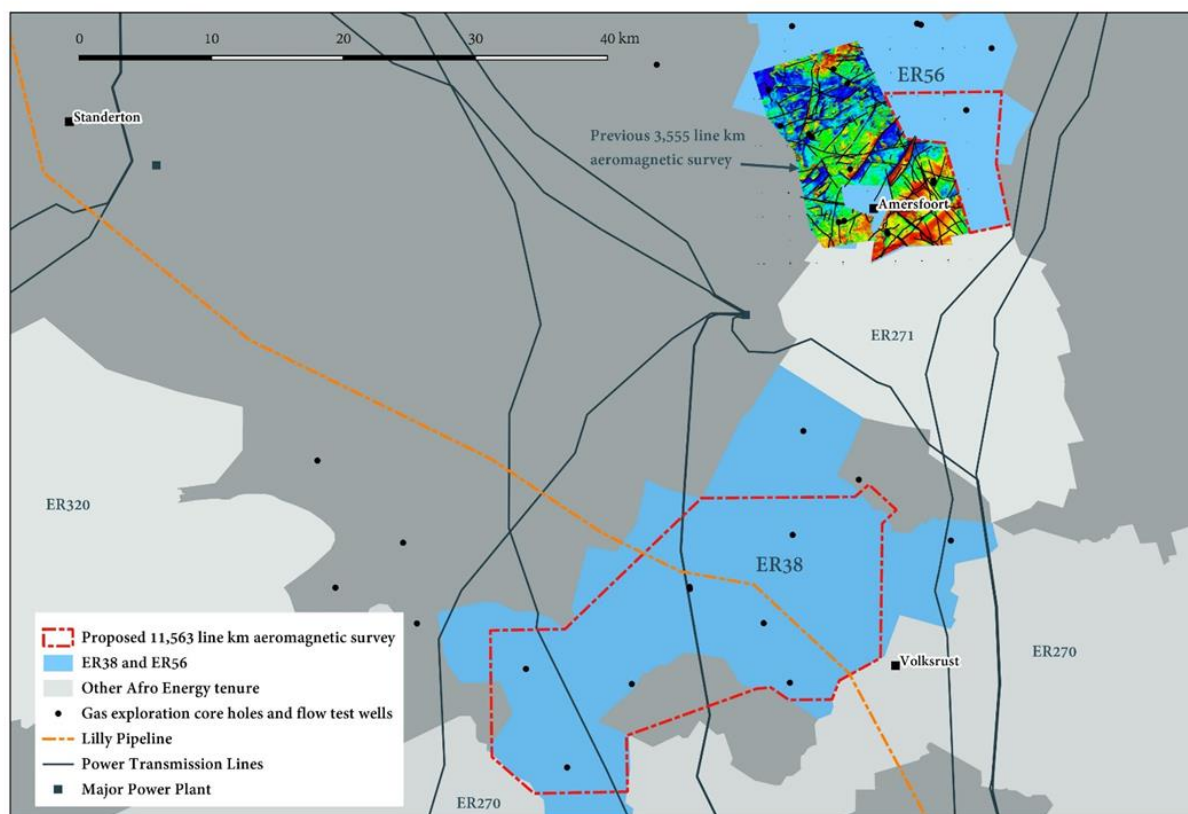


Figure 1 Amersfoort Project exploration licences and 2020 aeromagnetic survey areas.

The recently completed survey consisted of 11,563 line kilometres survey over the largest portion of the Amersfoort project as illustrated at Figure 1. A specialised fixed wing aircraft capable of safely flying at a terrain clearance of 35m over most of the survey area flew the survey. Wing tip magnetic sensors combined with the low altitude capability of the aircraft and the 50m line spacings has enabled the capture of the highest quality and resolution data set. Radiometric analysis of the magnetic signal, resulting in enhanced interpolation between flight lines and in Horizontal Gradient Enhanced (HE) gridding processes has produced high resolution data and imagery from which detailed geological interpretation are being made.

ER 56 AEROMAGNETIC IMAGES AND PRELIMINARY GEOLOGICAL INTERPRETATIONS

Initial interpretations of the recently completed survey have outlined 10 new compartments (termed Areas) that will be evaluated as gas charged fields taking the total number of compartments Identified on ER56 to 20 (Figure 2). The previous 2014 high resolution aeromagnetic survey on ER56 provided unprecedented detail on the structural and lithologic compartmentalisation of the gas charged Karoo sandstone and coal sequences that extend across the entire license area and the same has occurred in this survey. Dolerite dykes, dolerite sills, subvertical faults and stratigraphic closures on the flanks of basement highs were interpreted as defining a number of compartments containing pressurised conventional gas accumulation with gas charged coal sequences, 10 in total. A TMI (total magnetic image) of the 2014 and the 2020 surveys is shown In Figure 2 combining the 2014 compartments (termed Fields) and 2020 compartments (termed Areas) that together form enable a multitude of potential pilot production fields for development.

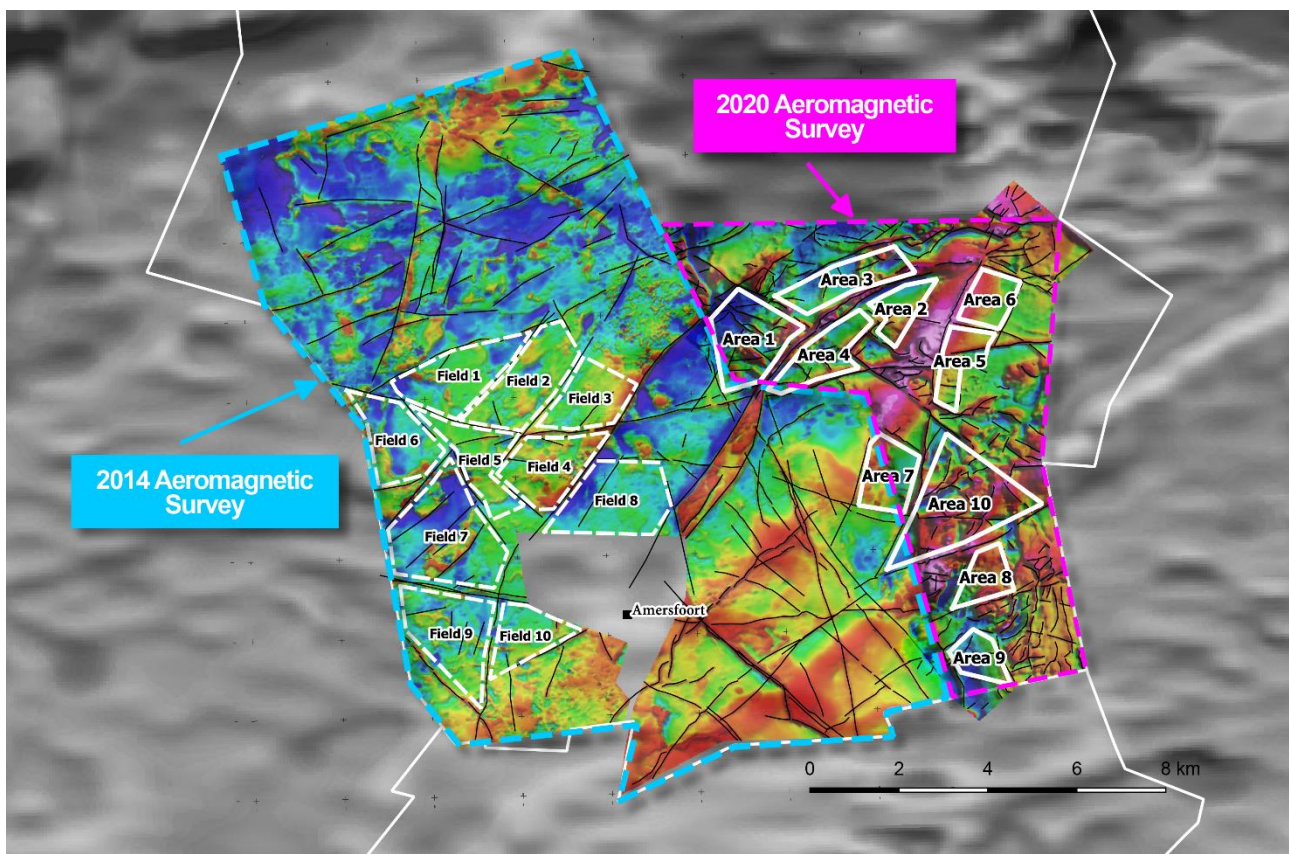


Figure 2 TMI image ER56 the 2014 aeromagnetic survey and pilot fields and the 2020 survey with the Interpreted compartments (Areas) that will be evaluated as gas charged Fields on a background TMI image of regional data.

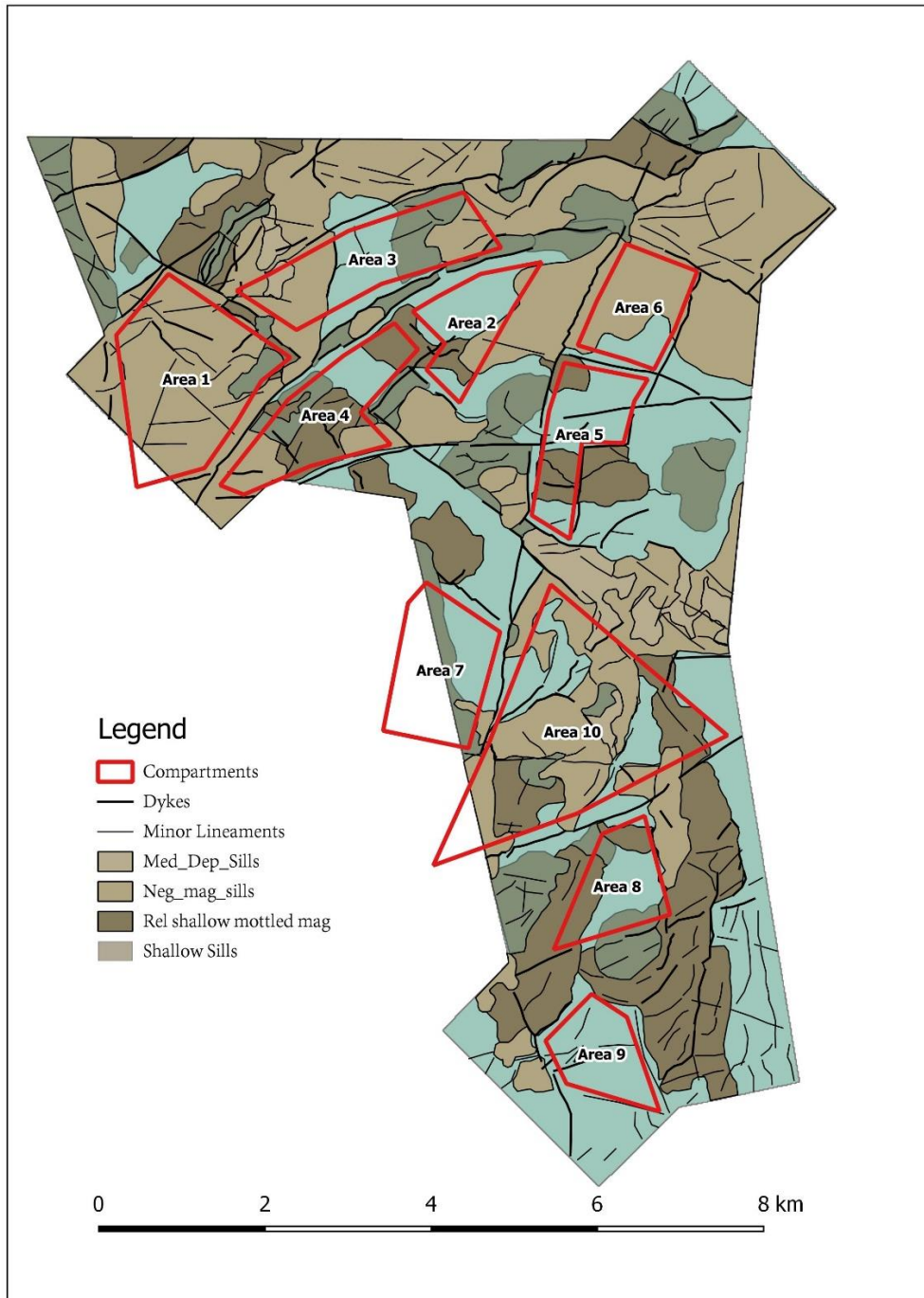


Figure 3 Interpreted dolerite sill phases, dolerite dykes and lineaments.

Multiple dolerite sills, dolerite dykes and faults have been interpreted from the ER56 survey data and images. Figure 3 illustrates the Interpretational detail of the dolerite bodies that intrude and compartmentalise the Karoo sandstone, shale and coal sequences of this part of ER56.

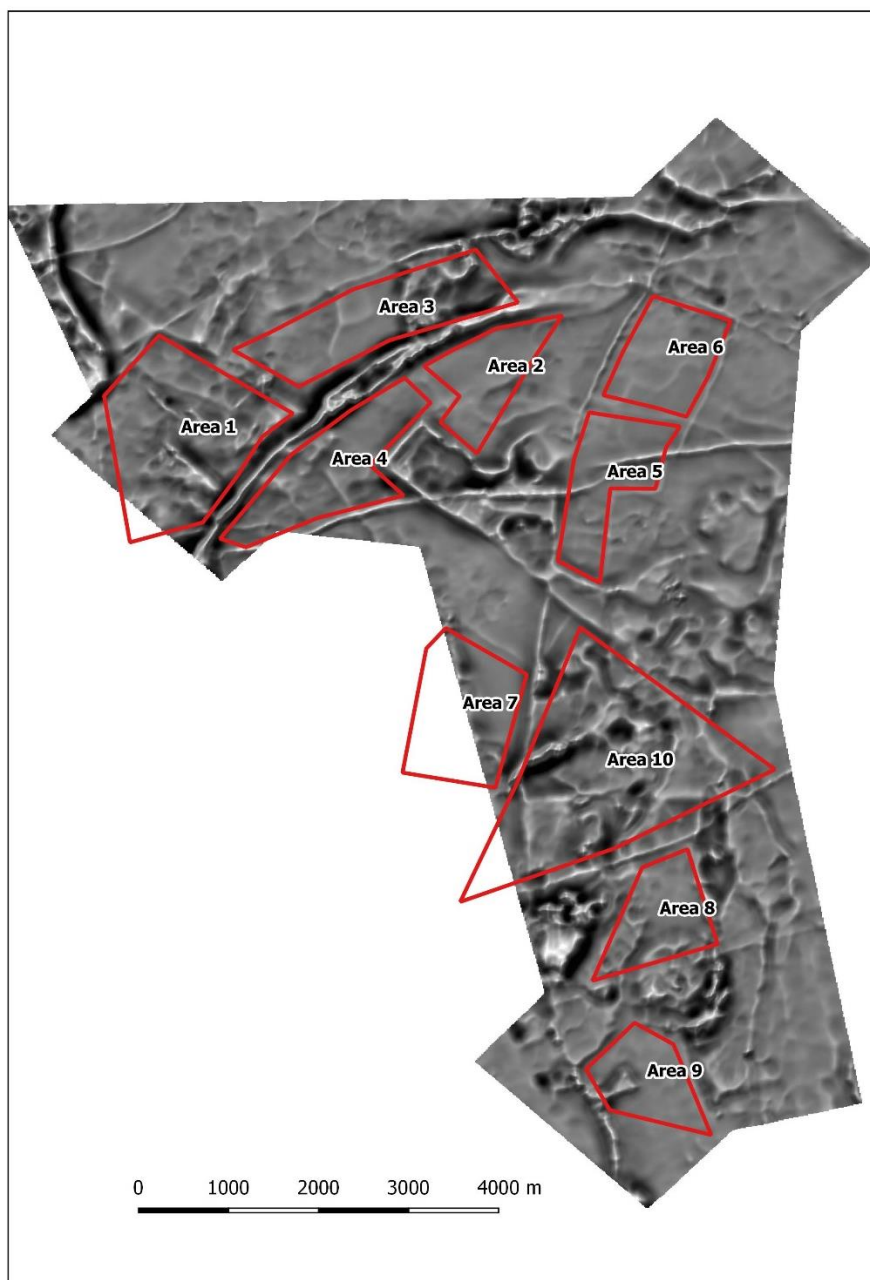


Figure 4 Magnetic image (RTP UC480m) processed to show deep seated and basement structures.

With the survey being flown at a low altitude (nominal 35m terrain clearance) and 50m line spacing it has been possible to use data processing (upward continuation) to produce images that delineate deep seated vertically persistent structures within the Karoo sequence and show structures extending into the underlying basement (Figure 4). The deep and vertically persistent faults and dykes within the Karoo sequence are of primary importance in defining gas compartmentalisation.

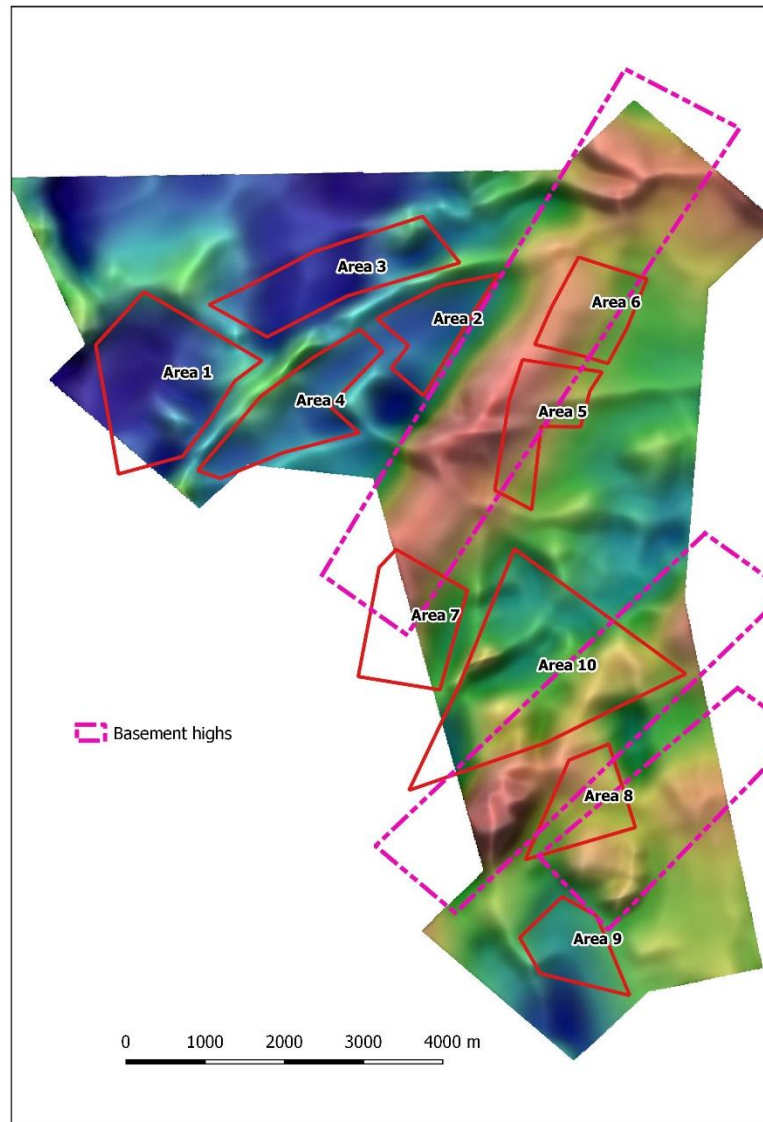


Figure 5 Magnetic image (1VD UC200m) processed to show basement highs and deep basement structures.

Upward continued processing of the survey data also shows basement highs. Figure 5 is an upward continued image combined with processing to enhance edge effects (1st VD UC200m) that shows not only deep seated structures but also areas interpreted as basement highs. Basement highs can be significant in that they will have influenced early Karoo depositional facies distribution and potentially resulted in stratigraphic traps for gas migration.

Competent Persons and Compliance Statements

Exploration results above have been reviewed and compiled by James Searle BSc (hons), PhD, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy, with over 37 years of experience in metallic and energy minerals exploration and development, and over 10 years experience in oil and gas exploration and as such has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Searle is a Director of Kinetiko Energy Limited and consents to the inclusion of this technical information in the format and context in which it appears.

Previously Reported Information Footnotes

This report includes information that relates to Exploration Results and Mineral Resources prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcement as follows:

¹ ASX announcement 29/07/20 "**Significant Gas Resources increase to 4.9TCF.**"

This announcement is available to view on the Company's website www.kinetikoenergy.com.au

The Company confirms that it is not aware of any new information or data that materially affect the information included in the relevant market announcements and, in the case of estimates of the Proposed Tenure Acquisition or the Company's existing Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply with respect to the resource block model and total heavy mineral content and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the relevant original market announcements.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," "further" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in additional Mineral Resources.

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

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
Resolve IR
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 a large potential exploration area, of which approximately 7000km² 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 Empowerment Endowment) certification, and facilitate South African investment in order to continue to explore, develop, and commercialise gas production.

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