

LARGEST AEROMAGNETIC SURVEY UNDERTAKEN CONFIRMS SIGNIFICANT INCREASE IN GAS COMPARTMENTS

- **Initial Interpretation of the survey data from Amersfoort Project ER38 has identified a further 10 areas of potentially gas charged geological compartmentalisation.**
- **The ER38 compartments identified are some of the largest identified so far, up to 22 km² each in size and represents a total of 124km².**
- **The completed aeromagnetic surveys on the Amersfoort project represent only 15% of the Company's total exploration package.**
- **The ER38 survey area contains major existing energy Infrastructure, such a gas pipeline, power lines, power stations and a rail line.**
- **This enhanced geophysical data is advancing negotiations with South African institutions to fund a pilot production field and will greatly assist in vectoring exploration and evaluation drilling and further gas resource evaluations.**

Kinetiko Energy Limited ASX:KKO ("**Kinetiko**" or "**Company**") is pleased to announce further results from a high resolution aeromagnetic survey flown in July 2020. This has continued to reveal 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.

The largest survey area completed to date 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 interpretations of the ER38 data and images have been concluded with initial results clearly defining further potentially gas charged compartments on ER38 (Figure 2) analogous to those previously identified on ER56 (***ASX Announcement 24th of September, 2020¹***). (Figure 1).

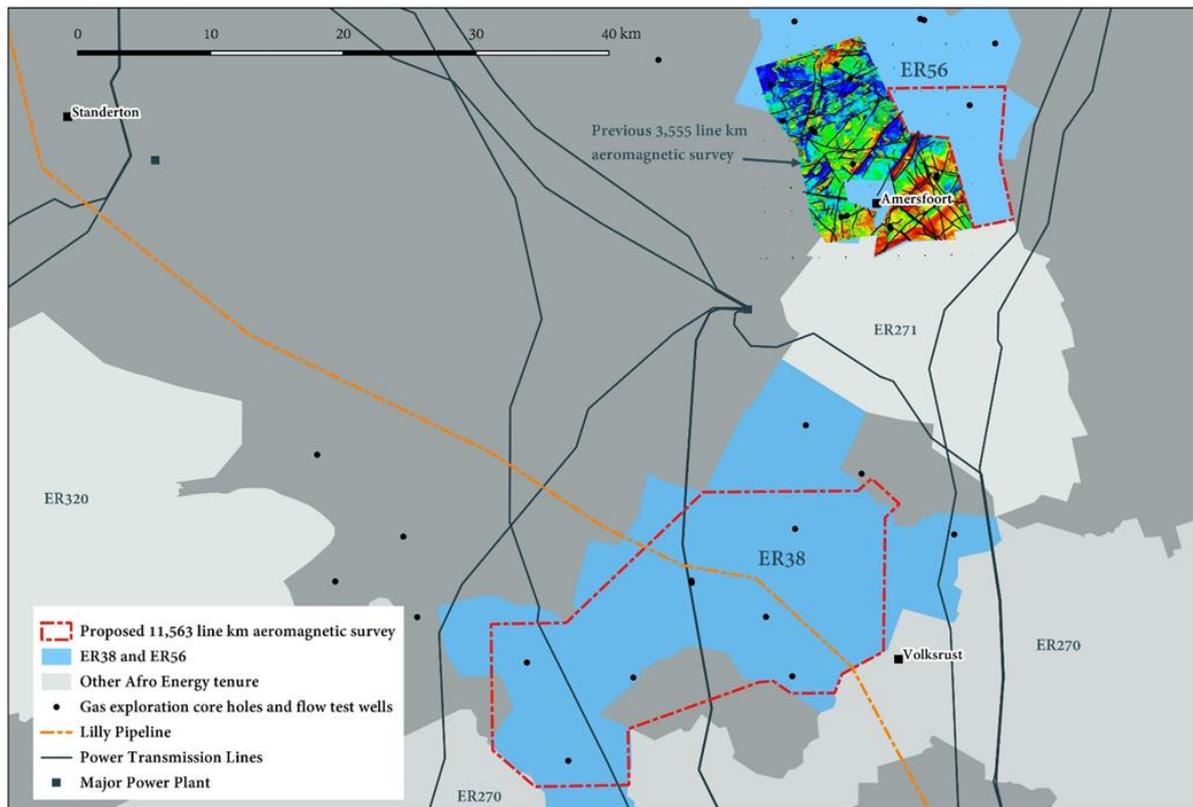


Figure 1 Amersfoort Project exploration licences and 2020 aeromagnetic survey areas.

ER 38 AEROMAGNETIC IMAGES AND PRELIMINARY GEOLOGICAL INTERPRETATIONS

Initial interpretations of the ER38 portion of survey have outlined a further 10 new compartments (termed Areas) that will be evaluated as gas charged fields (Figure 2), this is in addition to the total of 20 compartments previously identified on ER56 (Figure 3). 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 potentially containing pressurised conventional gas accumulations with gas charged coal sequences that will be evaluated by test well to see if they can be ranked as potential development fields as in the initial 2014 survey area of ER56 (Figure 3).

The scale of the compartments in ER38 range from around 2km² to over 20km² (total area 124km²), considerably larger than the 2-4km² compartments (total area 56km²) identified in ER56 (Figure 2 and 3).

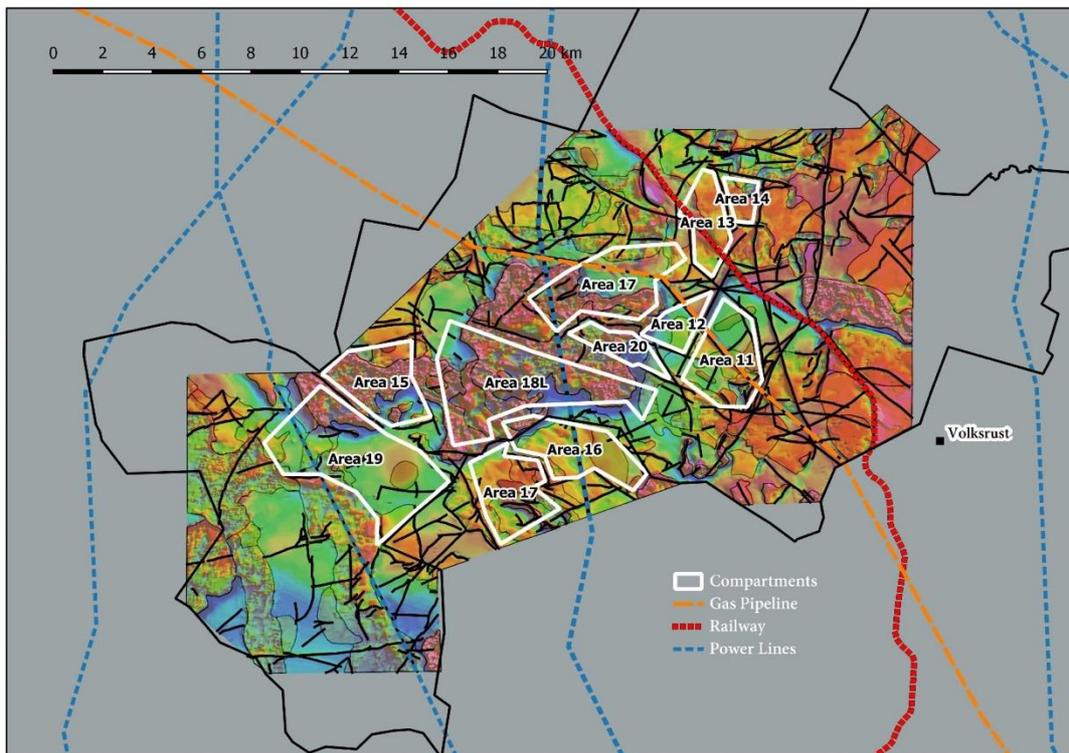


Figure 2 ER38 interpreted compartments (Areas) on a composite Total Magnetic Image (TMI) and interpreted dolerite sill image. Power, gas and rail Infrastructure are also shown as these create magnetic anomalies that can appear as dykes or faults.

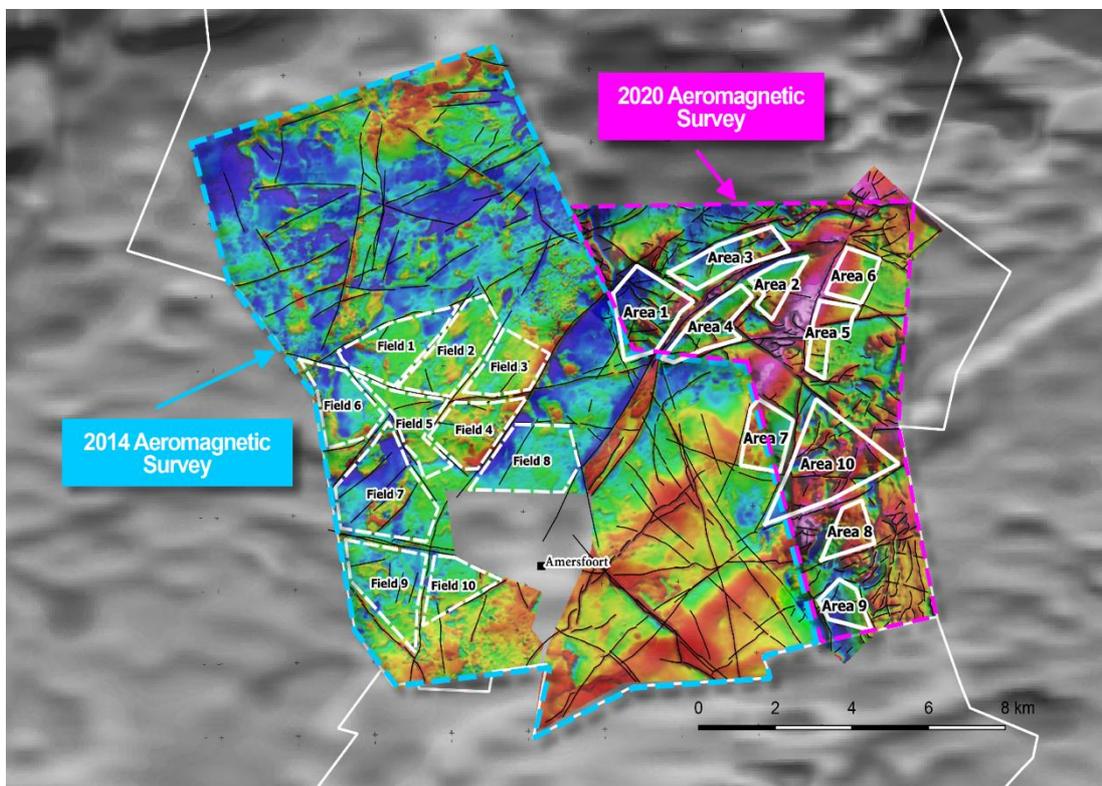


Figure 3 TMI image ER56 the 2014 aeromagnetic survey and pilot fields and the 2020 survey with the Interpreted compartments (Areas) that will be evaluated as gas charged Fields on a background TMI image of regional data.

The ER38 survey area contains some major Infrastructure features, a gas pipeline, power lines and a rail line (Figure 2) which can produce linear anomalies not unlike major faults consequently for clarity they are superimposed on the TMI Image in Figure 2.

Processing of the ER38 aeromagnetic data to highlight shallow, mid and deep basin features has been particularly effective in outlining the structural architecture of the compartmentalisation from shallow to basement depths and important basement highs and other features. These are summarised In Figure 4. Similarly this has enabled the Interpretation of multiple dolerite sills at various depths as shown In Figure 5.

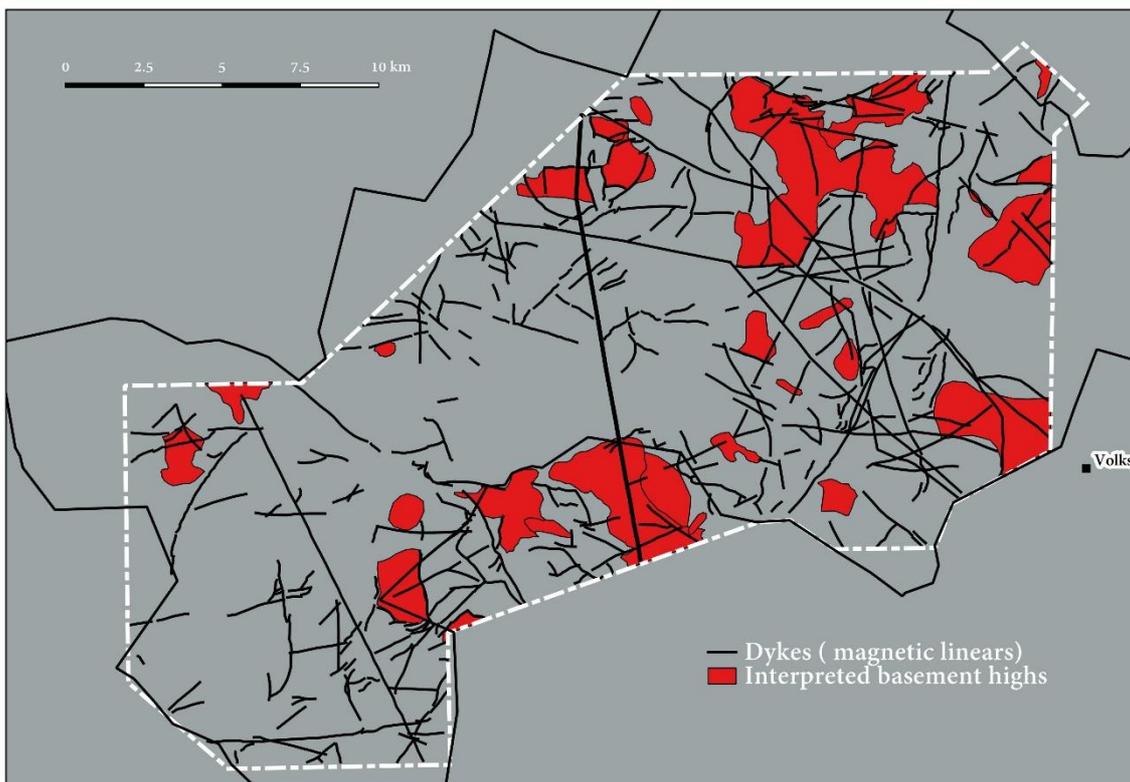


Figure 4 Interpreted structural architecture from shallow depth to basement features. Note there are several prominent linear features which are not faults or dykes but anomalies created by gas pipeline, power and rail infrastructure (see Figure 2).

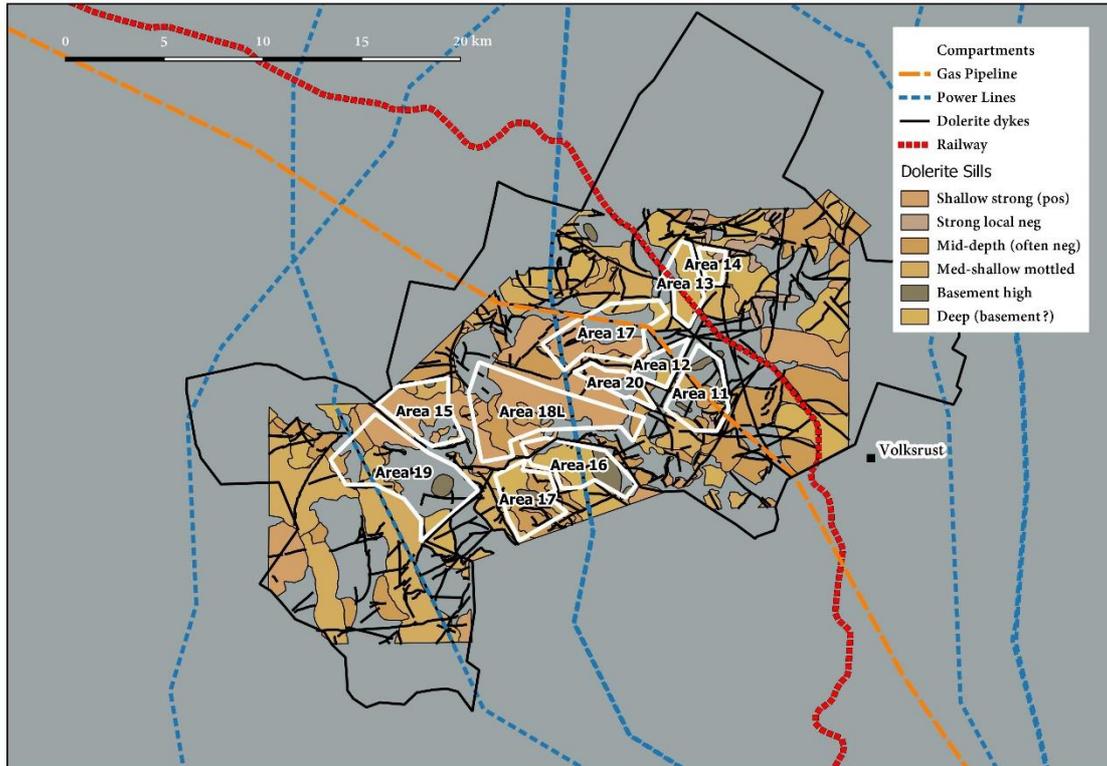


Figure 5 Dolerite sills at varying depths, dykes and other structures and interpreted compartments.

Competent Persons and Compliance Statements

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.

Previously Reported Information Footnotes

This report includes information that relates to Exploration Results and Resources extracted from the Company's previous ASX announcement as follows:

- ¹ ASX announcement 24/07/20 "Aeromag Survey Doubles ER56 Gas Compartmentalisation Geology".
- ² 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 that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



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 Resources.

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, 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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