

AMERSFOORT PROJECT ER56 & ER38 AWARDED RIGHT TO PRODUCE AND SELL GAS

- **Afro Energy has been granted bulk gas production and removal approval for its advanced Amersfoort Project exploration rights ER56 and ER38.**
- **The approval from the Department of Mineral Resources and Energy entitles 500 million standard cubic feet (mmscf) of gas to be produced per annum for a 2 year period.**
- **A key milestone achieved for the development of the Project providing Kinetiko the potential to generate first revenues and seek the certification of first gas reserves, as it rapidly advances pilot production field investment and existing pilot well work overs for production.**

Kinetiko Energy Limited (ASX:KKO) (“**Kinetiko**” or “**Company**”) is pleased to announce that Afro Energy Pty Ltd (“**Afro Energy**”) has received approval to produce an amount of gas annually for a 2 year period from the Amersfoort Project exploration rights ER56 and ER38 by the Minister of Mineral Resources of the Republic of South Africa (“**DMR**”).

Kinetiko chairman Adam Sierakowski stated “Kinetiko, through its 49% economic interest in Afro Energy has accomplished another major milestone towards achieving its vision of becoming the largest on shore gas producer in South Africa. The approval to produce and sell gas enables the Company to fast track pilot field gas production which has the potential to deliver first certified gas reserves and revenues.”

The Company has identified a further 20 gas compartments across the Amersfoort Project from recently completed and interpreted aeromagnetic surveys (**ASX announcements 24 September 2020 and 14 October 2020**). Existing pilot production wells and each of the recently identified gas compartments has the potential to host gas production wells which provides the Company with extensive alternatives to target pilot production wells adjacent to existing energy infrastructure and markets see Figure 1.

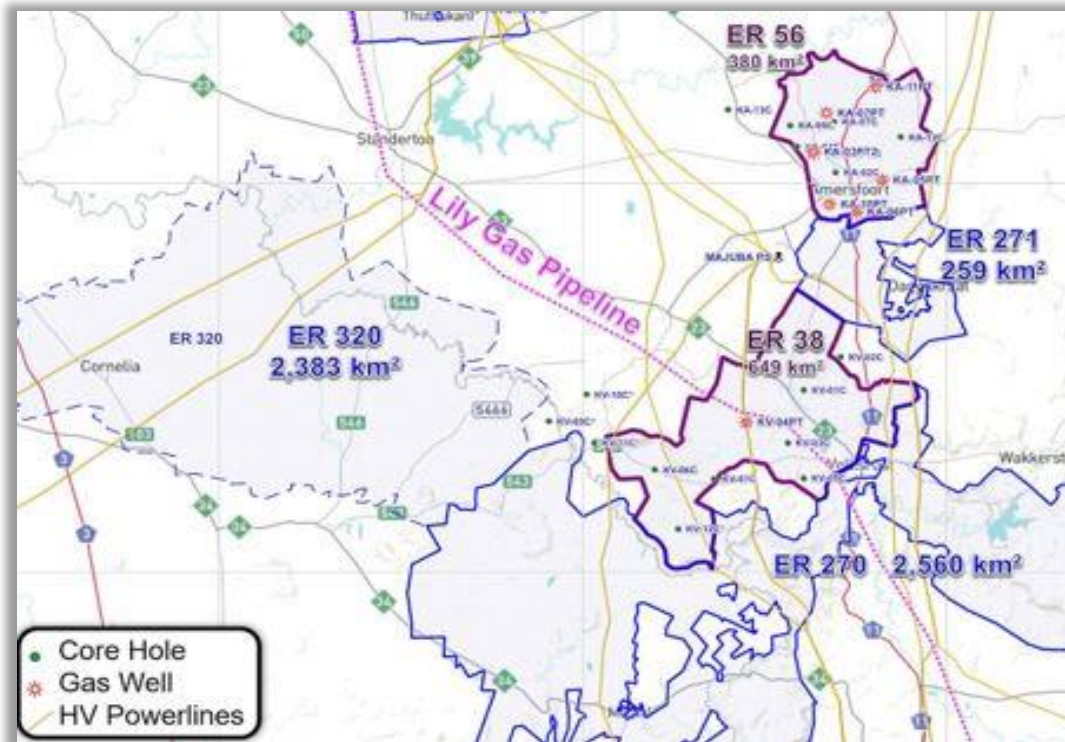


Figure 1. Amersfoort Project ER 56 and ER38 with existing gas wells and extensive energy transmission Infrastructure

The DMR approval entitles Afro Energy to produce gas and dispose of up to 500 million standard cubic feet (mmscf) of gas per annum for a two year period. Afro Energy may also apply for additions to or extensions of the current approval given. The Company intends to apply for a full gas production right following the completion of successful pilot gas production and commercialisation testing enabled from the current approval.

500 million standard cubic feet (mmscf) is the equivalent of 500,000 gigajoules (Gj) and current South African domestic gas prices are estimated to range USD\$7 - \$10/Gj. Short term gas production could be achieved through re-opening existing gas producing wells in the areas designated for the establishment of a pilot production test field in close proximity to well number KA-03PT in Figure 2 (best well flow rates achieved refer **ASX announcement 21 March 2013**) within the ER56 tenement and negotiations are advanced with potential off takers for the amounts of gas potentially produced.



Figure 2. Gas pilot production well number KA-03PT that achieved a stabilised flow rate of 332 Mscf/day.

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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