KINETIKO ENERGY LTD

ASX Announcement
3 March 2021

NEW AEROMAGNETIC SURVEY INTERPRETATION CONFIRMS CONTINUITY OF GAS PROSPECTIVE GEOLOGY

- **Initial interpretation on third high resolution aeromagnetic survey across the Amersfoort project has been completed.**
- **Aircraft completed flying 6,011 line kilometre survey covering 273km^2 over selected portion of ER271 and ER38 which forms part of the Amersfoort project.**
- **This latest survey links together the two previous surveys for a combined 965km^2 of gas prone Karoo sediments and intruding dolerite bodies.**
- **Interpretation of the latest survey data has identified the largest deep seated dolerite dyke to-date in the project area with adjacent stacked dolerite sills providing a major gas trap/migration barrier across what is the likely the regional gas migration vector from the deeper Main Karoo Basin.**
- **Six new potential gas compartments have been identified in the survey area ranging in size from 5.7km^2 to 22.5km^2 and in total 77km^2. The total gas compartments identified on the Amersfoort Project has now reached 37 and 257km^2.**
- **Current modelling allows for approximately 1 production well per square kilometre. The current scale of gas compartments identified could potentially host up to 257 wells.**
- **This extensive area of high-resolution aeromagnetic data will guide the sequence of drilling to evaluate the gas compartment targets. The aim is to bring them progressively up to pilot field compartment status as in ER56 where pilot production is about to begin from the first two of 10 compartments.**

Kinetiko Energy Limited **ASX:KKO** ("**Kinetiko**" or "**Company**") is pleased to announce initial interpretation results from a high-resolution aeromagnetic survey flown in November 2020 (***ASX (Announcement 26th of November, 2020***[1]). The latest survey area on exploration licenses ER271 and ER38 links three previous survey areas. The total surveyed area of unprecedented geological detail now covers 965km^2 of gas prone Main Karoo Basin sediments (Figure 1). While this area is extensive it represents only 21% of the area of granted exploration tenure being explored by the Company.

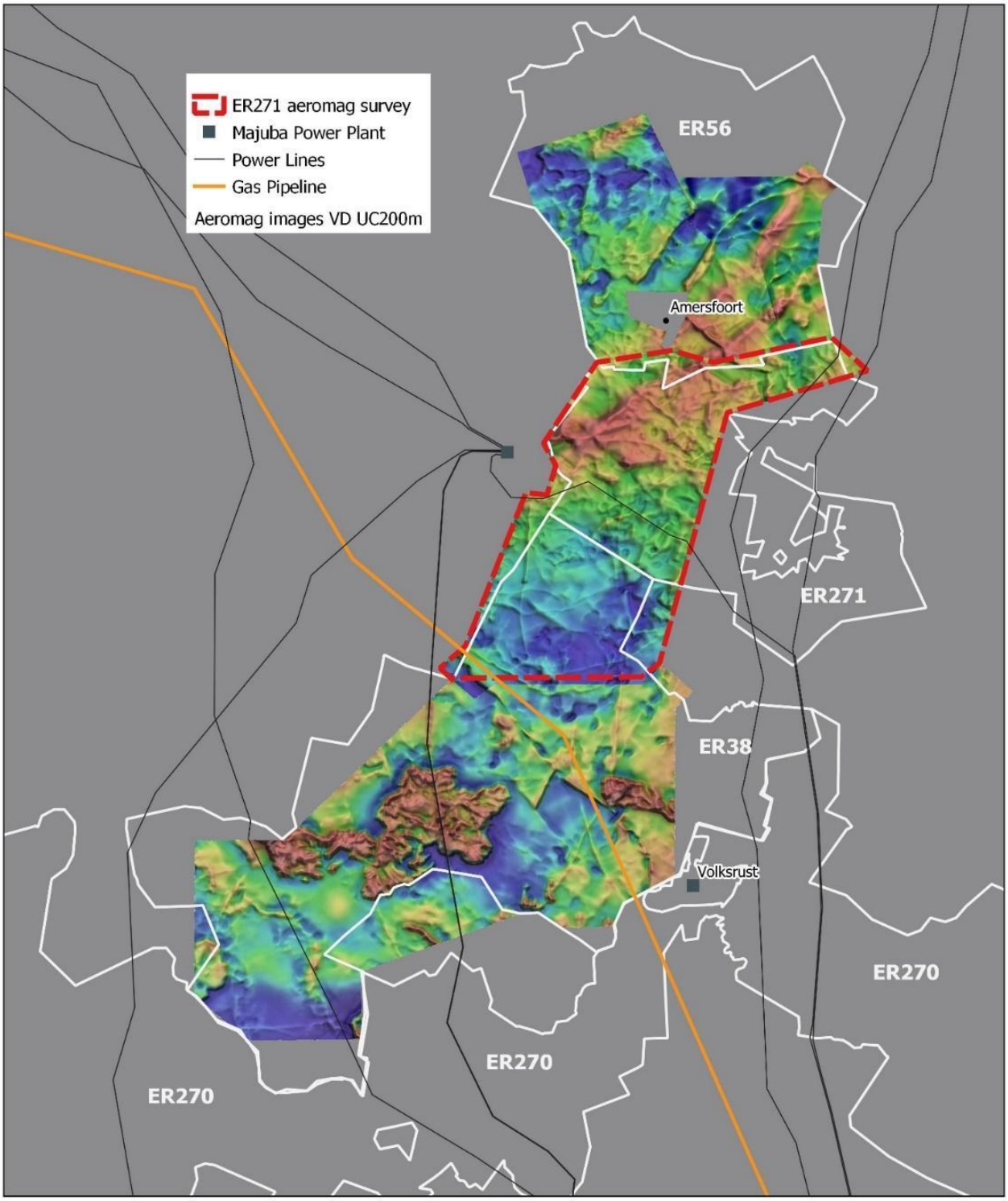

Figure 1 November 2020 ER271-ER38 aeromagnetic survey area and Amersfoort Project exploration licences .

Major geological features visible in the survey data include a deep seated up to 700m wide SW/NE trending dolerite dyke (Figure 2) and a series of stacked dolerite sills with lobate margins and a generally southerly dip or flexure. The scale and orientation of these features summarised in Figure 2 are a major factor in the potential entrapment and compartmentalisation of gas migrating generally north from deeper in the Main Karoo Basin over geologic time. The massive dolerite dyke mirrors a regionally extensive basement structural feature (Figure 3).

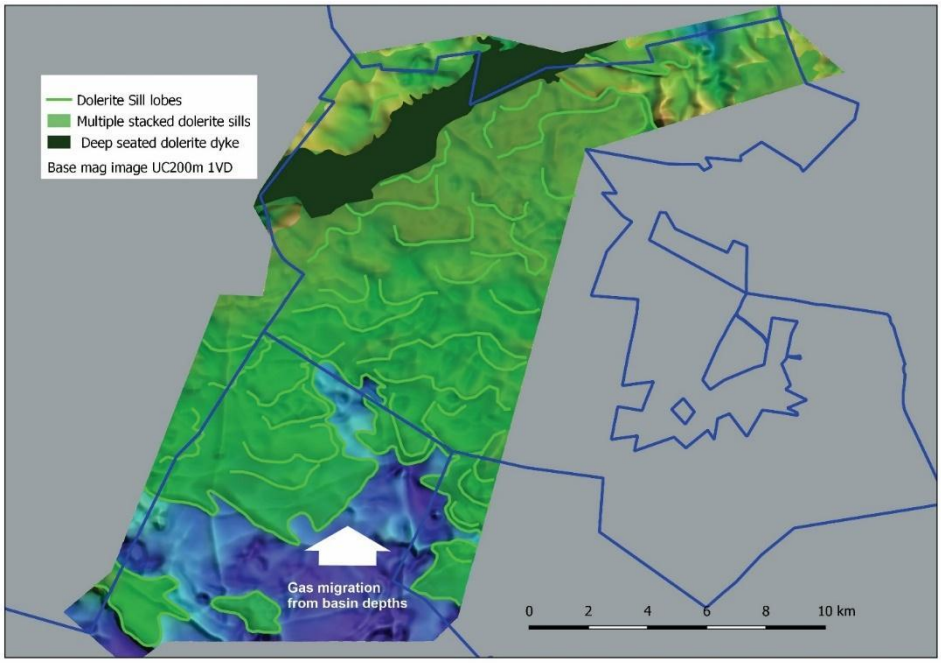

Figure 2 Deep seated major dolerite dyke and multiple stocked dolerite sill with the potential to form a barrier/trap series of compartments in the host Karroo sediments for gas migrating up dip from deeper parts of the main Karoo Basin.

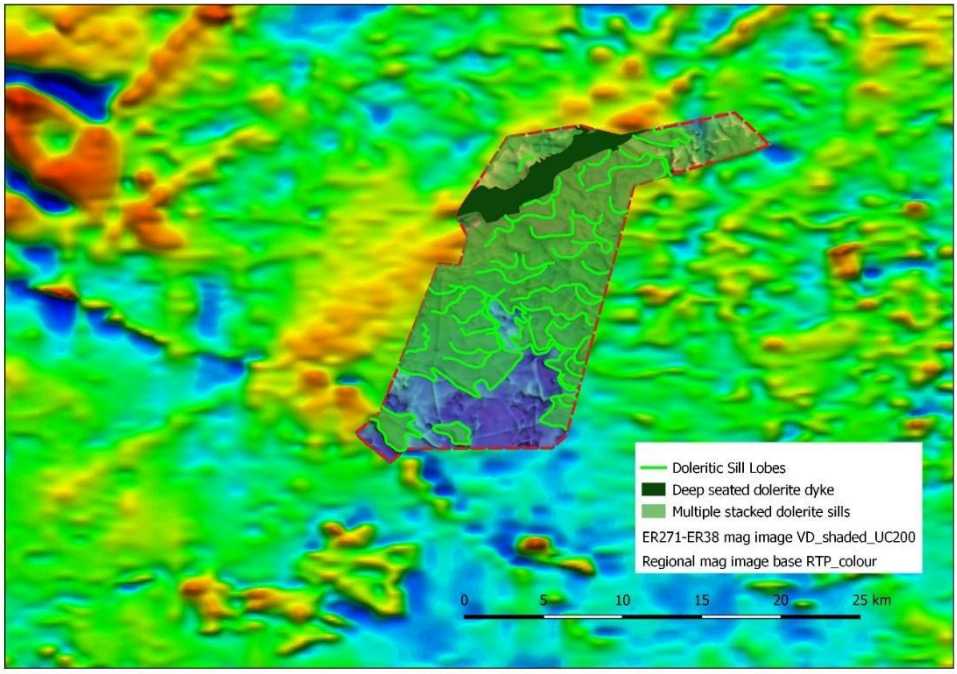

Figure 3 Relationship of major deep-seated dolerite In ER271/ER38 surveys are to regional basement structure.

The major dyke and multiple sills combine with other dolerite dykes and faults to define six potentially gas charged compartments in the survey area ranging in size from 5.7 to 22.5km^2, for a total of 77km^2 (Figure 4). This brings to 37 the number compartments covering 257km^2 (Figure 5).

This extensive area of high-resolution aeromagnetic data will guide the sequence of drilling evaluation of the gas compartment targets with the aim of bringing them progressively up to pilot field compartment status as in ER56 where pilot production is about to begin from the first two of 10 compartments ***(Announcement 16th of February 2021[2]***).

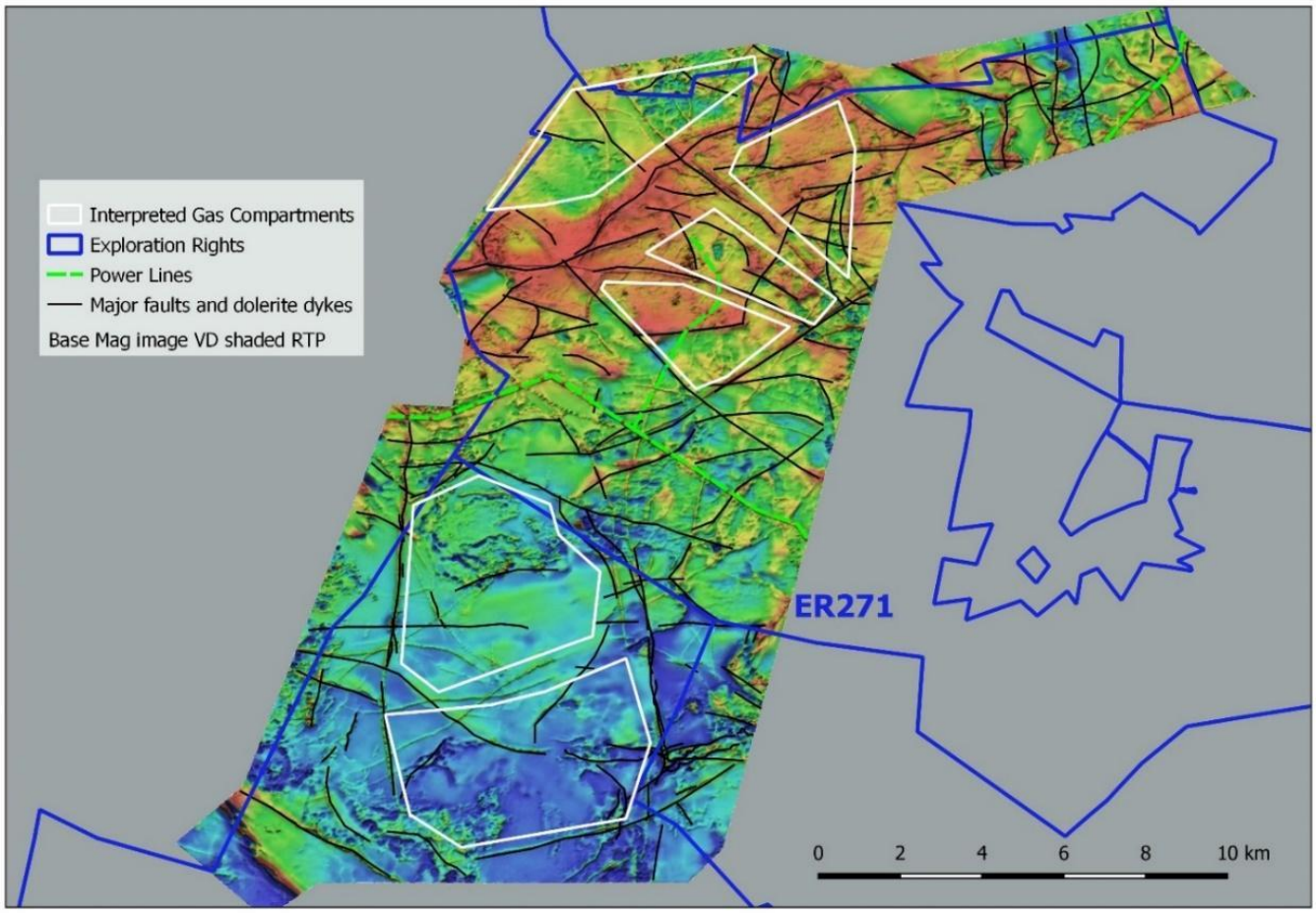

Figure 4 Potentially gas charged compartments Interpreted for the survey area formed by the major dolerite dyke and sill features and other dolerite dykes and faults Intruding and disrupting the host Karoo sediment sequences.

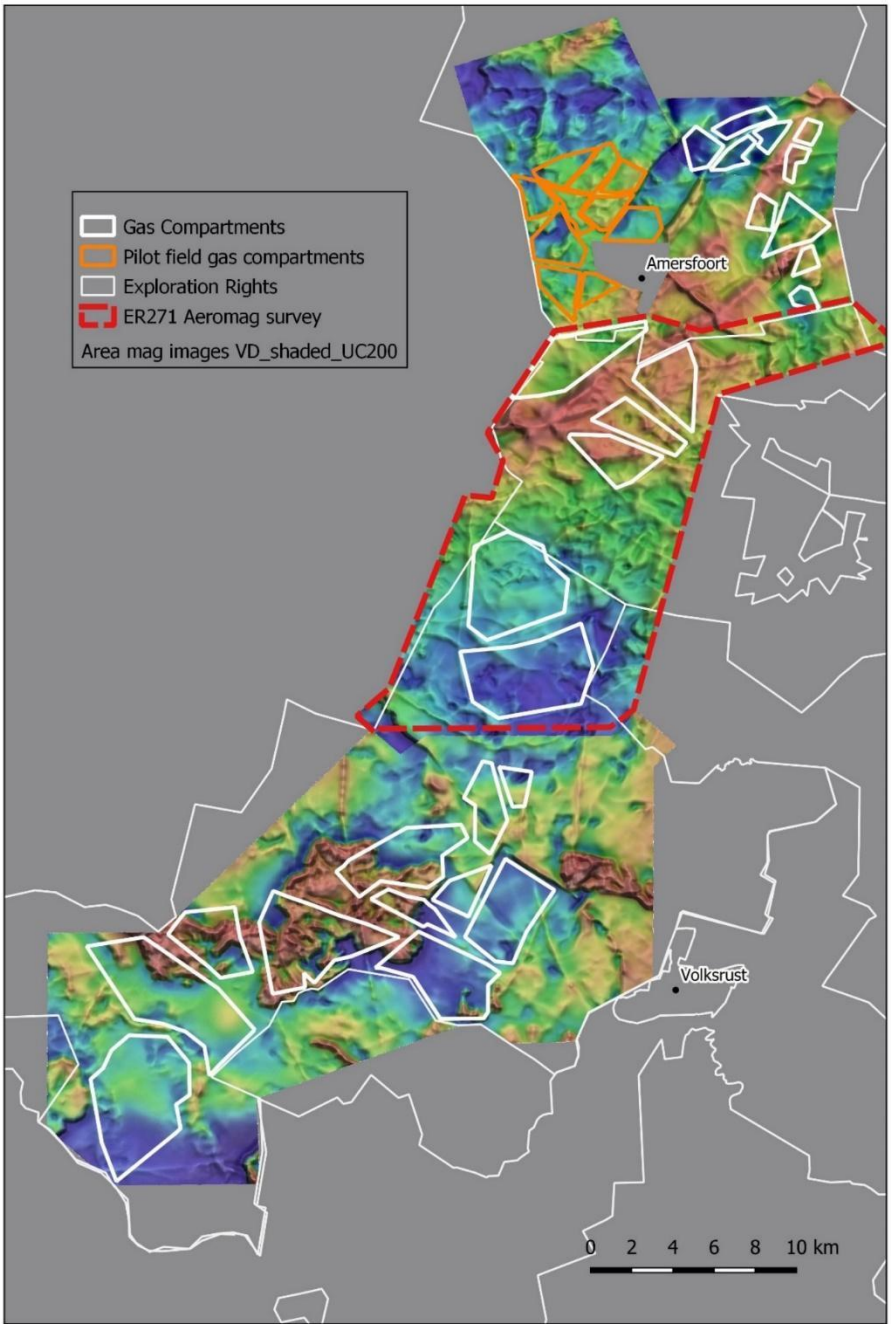

Figure 5 Interpreted compartments (Areas) on a composite Magnetic Image with 10 compartments In ER56 shown by drilling to be gas changed and defined as pilot field compartments.

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, Managing Director of Earthsciences Pty Ltd with over 30 years experience in metallic and energy minerals exploration and development, including over 10 years experience in hydrocarbon exploration. Dr Searle consents to the inclusion of this information in form and context in which it appears.

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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 26th November 2020* ***"Third High Resolution Aeromagnetic Survey Completed".***

[2] *ASX announcement 16th February 2021* ***"Pilot Production Well Workover Successfully Completed".***

These announcements are 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 announcements 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 explorationrights 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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