



COMMISSIONING WORK FOR PILOT GAS-TO-CNG PRODUCTION FROM WELL- KA-03PTR COMPLETED

HIGHLIGHTS

- Testing and commissioning of upgraded downhole and surface equipment successfully completed on Well KA-03PTR.
- Well KA-03PTR has commenced cleanup flow in preparation for production well testing.
- Flow rate testing on Well KA-03PTR to commence immediately.
- Access road and terminal landing upgrade completed in anticipation of pilot gas production.
- Final steps being taken to secure gas off-take agreement.

SUMMARY

23 March 2021: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "KKO" or "Kinetiko") is pleased to announce the successful upgrade, testing and commissioning of surface and sub-surface equipment on Well KA-03PTR and the completion of upgrades to the access road and terminal landing in preparation of a gas-to-CNG pilot project. (Figure 1)

Since the successful completion of the well workover program on Well KA-03PTR, Afro Energy commenced a testing and commissioning program in conjunction with Franklin Electrical and Endress Hauser of all newly installed and upgraded surface and sub-surface equipment. This included calibrating and function testing of metering and recording equipment on the existing flow skid, downhole pump equipment and level probes.

Afro Energy subsequently commenced with controlled well flow clean-up periods to clean and condition the well in anticipation of full choke testing of initial gas flow rates, average stabilized gas flow rates, methane content, casing pressure, and other measures. This testing is planned for immediate commencement with results to be announced.



Figure 1 –Completed upgrade to road and terminal landing with flaring Well KA-03PTR

Upgrades to the access road of about 2.5 km and the trailer and terminal landing at the well site have been completed. These upgrades were considered necessary to ensure safe access and provide suitable terminal landing space for projected operations by potential CNG off takers.

Afro Energy is currently in advanced negotiations with potential gas off-takers for small and intermittent gas production from Well KA-03PTR and possibly well KA-03PT2, where they will purchase gas at an on-site transfer point, compress the gas to a required pressure utilising their own compression equipment and feed gas to their CNG trailers for transportation to existing gas-based customers in the Johannesburg and Witbank regions.

The Company intends to apply for full production rights over ER56 as soon as possible after the commencement of production of well-KA 03PTR and seek certification of maiden gas reserves.

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
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 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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