



JUNE 2021

# The Clean Energy Solution for South Africa

ASX:KKO | [www.kinetiko.com.au](http://www.kinetiko.com.au)



# Decisive advantages to drive investment return

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Unmatched strategic resource

Independently certified 2C gas resource of 4.9 TCF



03

Significant infrastructure in place

Gas to market with immediate gains



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Transformational commercialisation options

Multiple channels to monetisation and sales



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Dominant premium land position

Largest continuous landholder



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South African energy crisis driving demand

Clear pathway to lead the region's energy future



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Early-stage production underway

Rapid development plans and pathway to production

# Amersfoort Project: Independently certified contingent 2C gas resource of 4.9 TCF\*

## Resource Statement Gas Gross

Gas In Place	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	3114.2	6883.8	13097.2	88.2	194.9	370.9
<b>Gas in Sandstone</b>	1089.8	2422.8	4367.8	30.8	68.6	123.7
<b>Total</b>	<b>4204.0</b>	<b>9306.6</b>	<b>17465.0</b>	<b>119.0</b>	<b>263.5</b>	<b>494.6</b>

Prospective Resource	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1U	2U	3U	1U	2U	3U
<b>Gas in Sandstone</b>	361.0	902.5	1766.7	10.2	25.6	50.0

Contingent Resources	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	2047.1	4492.0	8621.2	58.0	127.2	244.1
<b>Gas In Sandstone</b>	189.8	369.8	629.4	5.4	10.5	17.8
<b>Total</b>	<b>2236.9</b>	<b>4861.8</b>	<b>9250.6</b>	<b>63.4</b>	<b>137.7</b>	<b>261.9</b>

## Resource Statement Gas Net to Kinetiko Energy Limited

Gas In Place	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	1526.0	3373.1	6417.6	43.2	95.5	181.7
<b>Gas in Sandstone</b>	534.0	1187.2	2140.2	15.1	33.6	60.6
<b>Total</b>	<b>2060.0</b>	<b>4560.2</b>	<b>8557.9</b>	<b>58.3</b>	<b>129.1</b>	<b>242.4</b>

Prospective Resource	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1U	2U	3U	1U	2U	3U
<b>Gas in Sandstone</b>	176.9	442.2	865.7	5.0	12.5	24.5

Contingent Resources	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
	1C	2C	3C	1C	2C	3C
<b>CBM</b>	1003.1	2201.1	4224.4	28.4	62.3	119.6
<b>Gas In Sandstone</b>	93.0	181.2	308.4	2.6	5.1	8.7
<b>Total</b>	<b>1096.1</b>	<b>2382.3</b>	<b>4532.8</b>	<b>31.1</b>	<b>67.5</b>	<b>128.3</b>

## High quality results from 2018 independent GAS flow testing

- > 95% gas recovery with low levels of groundwater produced
- > 99.5% methane content
- > Possible elimination of gas treatment due to high quality
- > Evidence of strong gas reservoir recharge over time

## Isolated coal measures remain untested for CBM potential

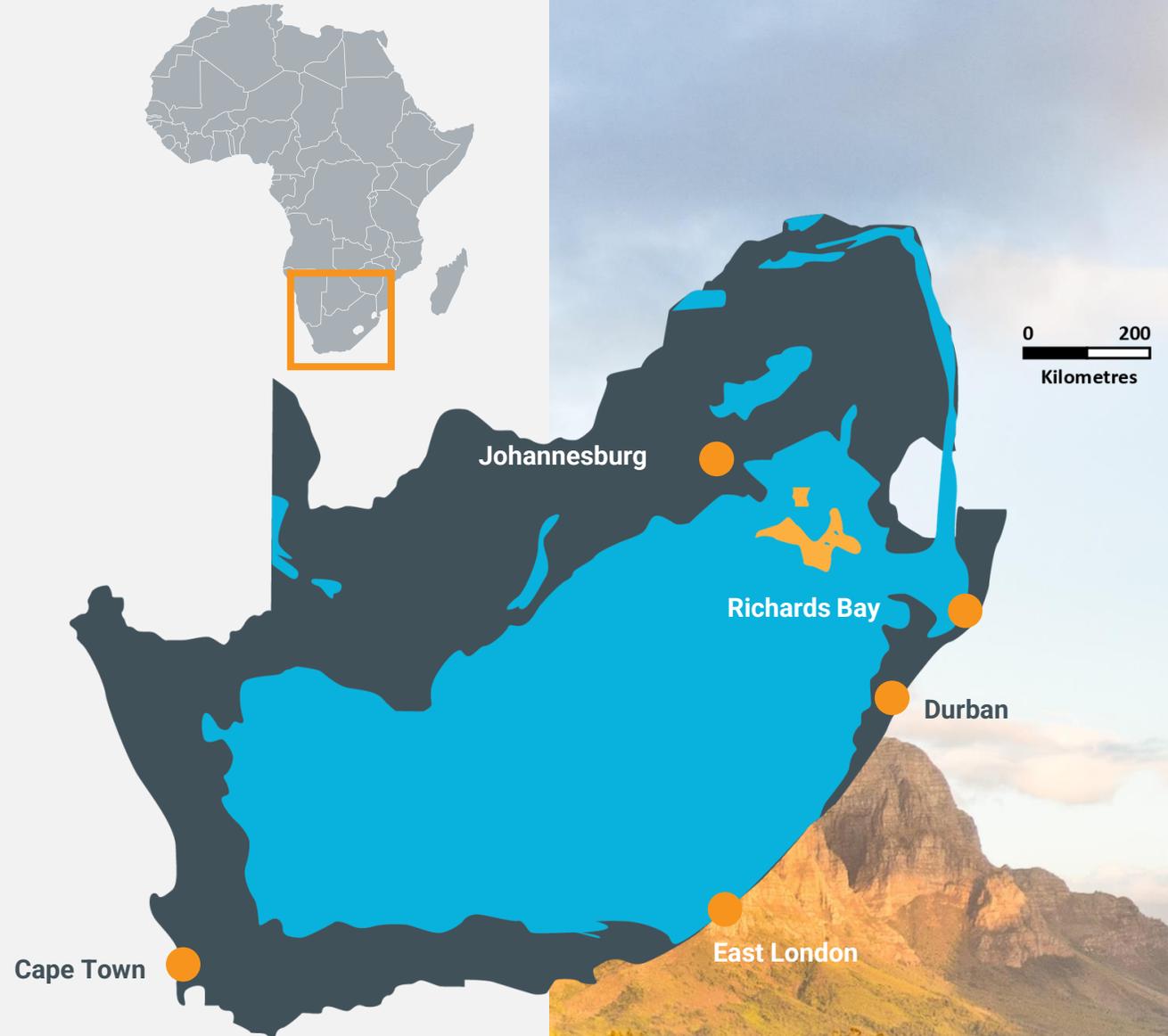
- > Results so far from simple well completions not fully optimised for gas production
- > Coal and carbonaceous formations as yet to be tested in isolation

## Significant exploration upside

- > Only 15% of total land package explored
- > Know Karoo coal formation deepen and thicken providing high priority targets
- > Long term development potential

## Largest continuous landowner in the heart of the Permian Age Coal Fields

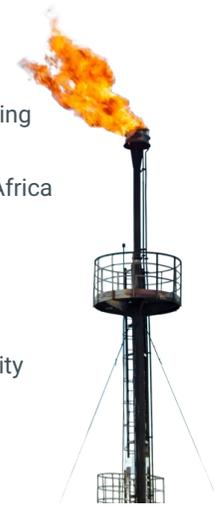
- > Project area covers 7,000km<sup>2</sup> with 4,604km<sup>2</sup> of granted exploration rights
- > Proven and highly prospective Permian Age Coal Fields
- > Equating to approximately 2% of South Africa's total land mass



Clear pathway to lead the region's energy future, with long-term clean energy solutions

## The Opportunity

- › Uniquely positioned to capitalise on unmet and growing energy (gas) demand
- › Potentially the largest onshore gas project in South Africa
- › Derisked project with 100% ownership
- › World-class gas price
- › Huge consistent geology hosting shallow gas
- › Covered by existing energy infrastructure with capacity
- › Multiple markets available – early offtake pending
- › Green energy / no fracking / government priority



## The Problem

- › Eskom coal power in decay and gas from Mozambique ROMPCO pipeline in decline
- › Country-wide rolling power outages for up to 10 hours a day, resulting in unprecedented supply instability
- › No energy substitute or augmentation on the horizon, due to finite coal reserves



## Doability

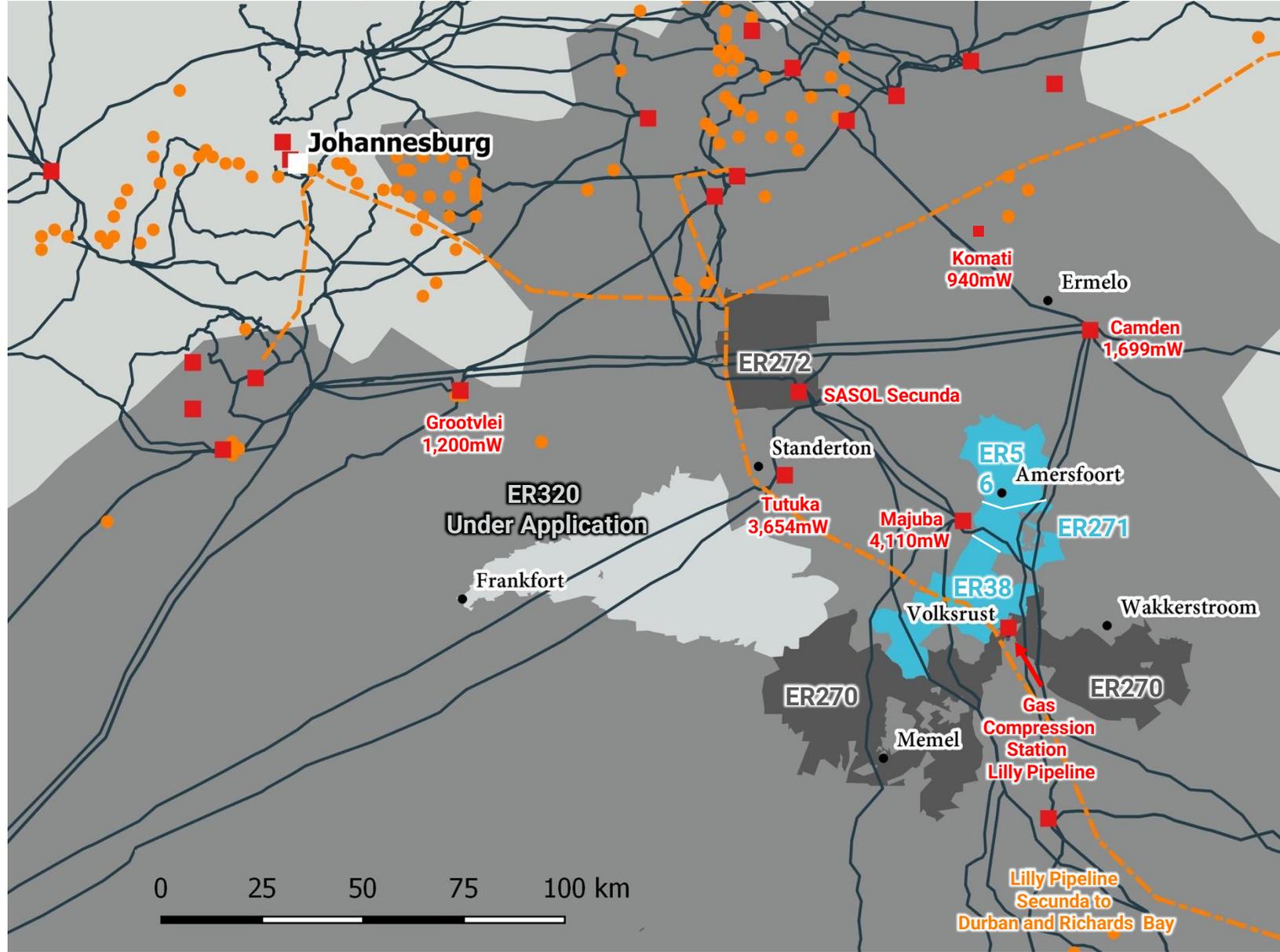
- › Excellent relationship with landowners
- › Environmental compliance
- › Gas field services accessibility
- › Low-cost exploration
- › Proven water management



# Gas to market with immediate gains

- > Power stations, gas pipelines, high voltage transmission lines, road and rail
- > All adjacent to exploration rights, existing and available

<span style="color: red;">■</span>	Power Plants
<span style="color: black;">—</span>	Power Transmission Lines
<span style="color: orange;">●</span>	Major Mines
<span style="color: orange;">- -</span>	Gas Pipelines
<span style="background-color: grey;">■</span>	Major Karoo Basin
<span style="background-color: lightblue;">■</span>	Amersfoort Project
	Exploration Right 38: 649km <sup>2</sup>
	Exploration Right 56: 378km <sup>2</sup>
	Exploration Right 271: 260km <sup>2</sup>
<span style="background-color: black;">■</span>	Exploration Rights
	Exploration Right 270: 2,560km <sup>2</sup>
	Exploration Right 272: 757km <sup>2</sup>
<span style="background-color: black; border: 1px solid lightblue;">■</span>	Total Exploration Rights: 4,604km <sup>2</sup>
<span style="background-color: lightgrey;">■</span>	Under Application
	Exploration Right 320: 2,394km <sup>2</sup>
<span style="background-color: black; border: 1px solid lightgrey;">■</span>	Total Exploration Area: 6,998km <sup>2</sup>



# Multiple monetisation and sales channels in an energy-starved South Africa



### Virtual networks

- > CNG production and distribution direct by road and rail
- > Virtual pipeline operators in RSA such as CNG Holdings
- > Distribution includes vehicle filling stations nationally
- > Current off take negotiations underway



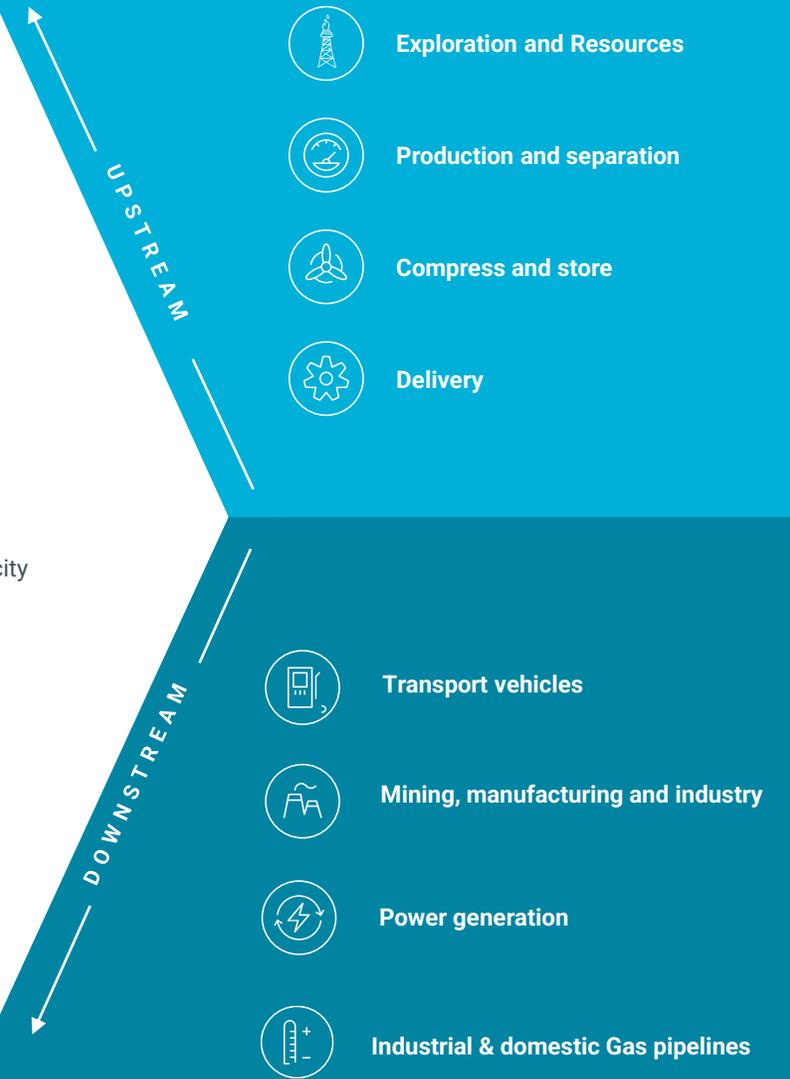
### Independent Power Production (IPP)

- > Gas-fired power generation in addition to the existing and surrounding electricity network and generation infrastructure
- > Direct to a major customers, i.e. local industrial plant, mine or grid
- > Deregulation has recently made possible independent power production

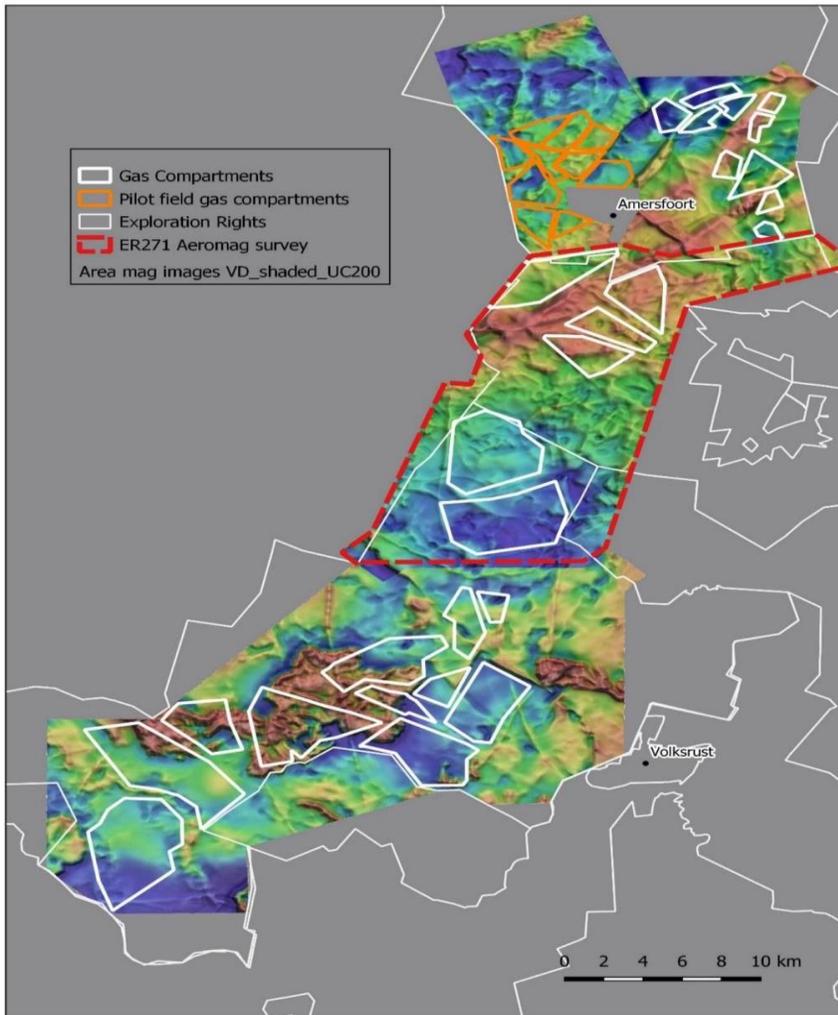


### Potential purchaser in major domestic offtake market

- > Gas sales into the existing coal powered generation plants
- > 10 power stations < 300km from project + HV power infrastructure
- > Transnet's Lilly pipeline which traverses project area
- > Sasol the largest user of natural gas in South Africa



# Rapid resources development plans and pathway to production



**Current regulator approved exploration program to progress the development of substantial exploration and establishment of a pilot production gas field.**

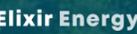
- Advanced negotiations to fund and commercialise a pilot gas production field with major South African institutions to co-fund development.
- Afro Energy granted a bulk gas production right. Entitles for a 2-year period the production and sale of gas limited to 500 million standard cubic feet of gas per annum, with full production right application underway.
- 18,000 line kilometres of aeromagnetic and radiometric survey completed and data acquired.
- Further exploration under approved work programs and environmental permits to drill 13 exploration wells and 8 interval testing/pilot production wells.
- The total gas compartments identified on the Amersfoort Project has now reached 37 and totals 257km<sup>2</sup>.

STRATEGIC STRENGTHS:

# Clear roadmap for 2021 to become the region's gas leader



# Major undervalued share price compared to peers, equating to excellent growth potential

	ASX:	Location	Cash (\$m) (Mar 2021 quarterly)	Share Price 18 June 21	Shares (m)	Mkt Cap (\$m)	EV (\$m)	2P BCF (net)	3P BCF (net)	2C TCF (net)
 <sup>1</sup>	KKO	South Africa	\$0.5	\$0.120	588	\$70.6	\$70.0	-	-	2.4
 <sup>2</sup>	RLT	South Africa	\$12.3	\$1.960	117	\$229.3	\$217.9	139.0	284.2	0.4
 <sup>3</sup>	TOU	Botswana	\$6.9	\$0.042	600	\$25.2	\$18.3	25.2	252.0	0.2
 <sup>4,10</sup>	BLU	Australia	\$2.4	\$0.070	1,329	\$93.0	\$90.6	67.3	282.4	1.2
Comet Ridge <sup>5,10</sup>	COI	Australia	\$4.2	\$0.063	791	\$49.8	\$45.6	100.5	173.5	0.1
 <sup>6,10</sup>	GLL	Australia	\$19.2	\$0.620	295	\$182.9	\$163.7	-	-	2.4
 <sup>7</sup>	GAS	Australia	\$12.5	\$0.530	173	\$91.6	\$79.2	-	-	-
 <sup>8</sup>	EXR	Mongolia	\$18.2	\$0.270	843	\$227.6	\$209.4	-	-	0.1
 <sup>9</sup>	STX	Australia	\$99.7	\$0.360	2,016	\$725.8	\$626.1	-	-	0.6
 <sup>11</sup>	IVZ	Zimbabwe	\$8.2	\$0.155	565	\$87.6	\$79.4	-	-	-

<sup>1</sup> Resource/Reserves from announcement 29 July 2020

<sup>2</sup> Resource/Reserves from RLT presentation announcement 4 August 2020; Cash balance converted from ZAR to AUD 22 March 2021; Cash as at 30 Nov 2020.

<sup>3</sup> Resource/Reserves from TOU Presentation announcement 17 March 2021; Assumes issue of 75m share and \$4.725m share sale proceeds received as per announcements 17 March 2021

<sup>4</sup> Resource/Reserves from BLU Presentation announcement 10 November 2020

<sup>5</sup> Resource/Reserves from COI announcement 30 October 2019

<sup>6</sup> Resource/Reserves from GLL Presentation ASX announcement 24 Nov 2020

<sup>8</sup> Resource/Reserves from EXR Presentation ASX announcement 17 March 2021

<sup>9</sup> Resource/Reserves from West Erregulla Resource ASX announcement 11 Nov 2019

<sup>10</sup> Any peers reported in PJ converted on basis of 1PJ = 0.947817120 BCF

<sup>11</sup> Dec 2020 cash position updated to include \$8m raised as announced 24 March 2021

STRATEGIC STRENGTHS:

# Capital structure shows key assets that will drive shareholder upside

**588,170,705**  
Current Shares

**\$0.12** (17 June 2021)  
Share Price

**\$70,580,484**  
Market Cap

**\$541,000**  
Cash\*  
(at 31 March 2021)

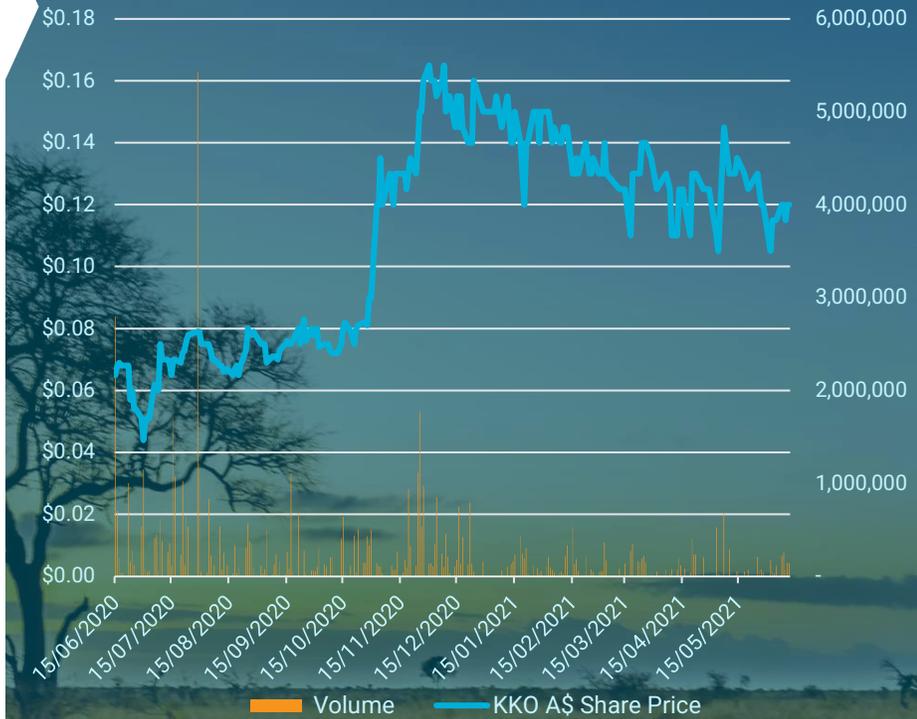
**\$70,039,484**  
EV

**9,578,831**  
Options \$0.03  
(expiry December 2021)

**597,749,536**  
Fully Diluted

\*Includes commitments from shareholders for early conversion of options

\*\*Post merger total shares of issue 1,193,327,155



**Merger Terms Agreed\*\***



**KINETIKO**  
ENERGY LTD

49% +



**BADIMO GAS**

51% = 100%



**AFRO ENERGY**  
PTY LTD

## Powered by a proven and experienced board and management team



**Adam Sierakowski**  
**Executive Chairman**

- › Lawyer and founder of Price Sierakowski and Trident Capital focusing on corporate transactions from private to listed public entities
- › Extensive experience in capital raising, ASX transactions including developing assets and corporate structures for major companies both in Australia and overseas
- › Over 20 years experience as Director of ASX listed companies



**Tom Fontaine**  
**Non-Executive Director**

- › A professional engineer with over 25 years' technical and commercial experience in the international oil and gas industry including start-up, running and building resource companies.
- › He co-founded Pure Energy Limited which successfully drilled over 40 wells in CBM acreage in Queensland to prove over 1 trillion cubic feet of gas, which enabled the company to be sold to British Gas for over AUD\$1 billion in 2009.



**Johan Visage**  
**In-Country CEO, South Africa**

- › Over 30 years experience as an Engineer in the oil and gas industry in senior roles with extensive expertise in mid and downstream gas engineering, field development economics and gas sales and purchase agreements
- › Johan provides upstream petroleum consulting services in the areas of geosciences, operations, petroleum economics, and related areas. He provides advisory and management services to South African and international investment banks, junior and major petroleum companies and has extensive experience with energy and petroleum regulatory bodies in South Africa, including the Petroleum Agency of South Africa (PASA), the National Energy Regulator of South Africa (NERSA) and Department of Energy



**Agapitos Marcus Geoffrey Michael**  
**Non-Executive Director**

- › 25 years of experience as a company director and executive along with 10 years experience as a director of ASX listed companies.
- › Extensive experience in investment, project delivery and enterprise development across a range of sectors and asset classes in Australia, Europe, Asia and Africa; resources and energy, engineering, property and technology.
- › Practical experience of managing project teams and specialists required to drive an enterprise or project to its full potential or delivery

# A winning formula for investment success

Headquartered  
in Perth,  
Western  
Australia



Elephant-scale  
4.9Tcf  
prospective gas  
resource over  
known coal  
sequences



Pilot Gas  
Production Flow  
Rates >332  
Mscf/day &  
Offtake  
Agreements  
pending

Experienced  
Team on the  
Ground



Rapidly  
developing and  
supportive  
political support  
for clean energy  
supply in South  
Africa



Multiple  
downstream  
market  
opportunities

\$70M  
Market Cap  
@ \$0.12



Low valuation in  
comparison to  
peers equating  
to huge  
opportunity



High-quality  
surrounding  
infrastructure

First Mover,  
Future Energy  
Leader



Significant  
Southern African  
energy shortage  
means  
overwhelming  
gas demand



Sustainable and  
clean energy  
solution, with  
low impact on  
community and  
environment

# Disclaimer

This document should be read in conjunction with any other available information on Kinetiko Energy Ltd.

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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, 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.

**Note 1:** The Company is not aware of any new information or data that materially affects the information included in this announcement 29 July 2020 and all the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.





June 2021

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This presentation was approved for release by  
Adam Sierakowski, Executive Chairman

**Mr Adam Sierakowski**  
Executive Chairman



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