

KINETIKO COMPLETES PLACEMENT AND LAUNCHES SPP TO RAISE A TOTAL OF \$4.8 MILLION

HIGHLIGHTS

- Firm commitments received from sophisticated and professional investors through \$2.8 million placement
- A Share Purchase Plan (SPP) to be offered to eligible existing shareholders to raise up to \$2.0 million
- Funds raised to commence approved exploration and gas drilling programs at the Company's Amersfoort Project

INTRODUCTION

2 July 2021: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "KKO" or "Kinetiko") is pleased to announce it that it has received firm commitments from sophisticated and professional investors to raise approximately \$2.8 million at 10.0 cents a share ("Placement").

In addition to the Placement, the Company will offer eligible existing shareholders the right to participate in a Share Purchase Plan (SPP) to raise up to a further \$2.0 million at the same price as the Placement.

The Placement of approximately 28 million fully paid ordinary shares ("Shares") at 10.0 cents per Share will be issued using the Company's placement capacity under ASX Listing Rules 7.1.

KKO Executive Chairman Adam Sierakowski said: "This is the first capital raising undertaken by Kinetiko outside our existing shareholders for over 4 years and we are pleased to welcome a number of new institutional and sophisticated funds to the Company's register. To acknowledge the loyalty of our existing shareholders, we are complimenting the Placement with an SPP which enables Kinetiko to complete the 100% acquisition of Afro Energy (Pty) Ltd and aggressively explore its multiple high priority gas compartments identified through recent aeromagnetic surveys."

"The proceeds mean Kinetiko is funded to immediately start its exploration core and interval testing drilling program and develop pilot production scenarios at the Amersfoort Project to demonstrate its

world class potential. We will move forward with drilling as quickly as possible and have drilling planned and approved for over 12 months, creating regular newsflow and significant value for shareholders in the process,” Mr Sierakowski said.

Ord Minnett Limited acted as lead manager to the Placement. The Placement is not underwritten.

SHARE PURCHASE PLAN

In addition to the Placement, the Company will be offering eligible existing shareholders the right to participate in a Share Purchase Plan (“SPP”) to raise up to a further \$2.0 million. Eligible existing shareholders will have the opportunity to apply under the SPP for up to \$30,000 worth of new Shares (“New Shares”) at an issue price 10.0 cents per Share, equal to issue price under the Placement.

The right to participate under the SPP will be available to eligible shareholders who were registered holders of Shares at 5:00pm (AWST) on the 30 June 2021 (“Record Date”) with a registered address in Australia or New Zealand.

Further details of the SPP will be set out in an SPP offer document anticipated to be lodged with ASX and sent to eligible shareholders on or about 9 July 2021.

INDICATIVE TIMETABLE

The proposed key dates for the SPP are as follows*.

Event	Date
SPP Record Date (5.00pm AWST)	1 July 2021
Announcement of SPP	2 July 2021
Opening Date of SPP	9 July 2021
Dispatch of SPP Offer Document to eligible Shareholders	9 July 2021
Closing Date of SPP (5.00pm AWST)	30 July 2021
Announcement of result of SPP	4 August 2021
Issue of Shares under SPP	6 August 2021

** These dates are indicative only and subject to change. The Company reserves the right to vary these times and dates in its absolute discretion.*

USE OF FUNDS AND UPCOMING ACTIVITY

Funds from the Placement will be used to advance the Company's Amersfoort Project, including funding exploration and gas drilling. Specifically, funds will be applied towards aeromagnetic surveys, exploration core drilling, interval test drilling, pilot production costs and general working capital purposes.

KKO is also in advanced stages of negotiations with potential off take partners and expects to update the market when a definitive agreement has been entered into. Additionally, KKO is planning to achieve the certification of a maiden gas reserve before the end of the 2021.

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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