

OPERATIONS UPDATE

HIGHLIGHTS

- **Drilling contractor selection process near complete and well casing sourced.**
- **Preparations at the three well pad's underway with drilling estimated to commence in early Q4 2021.**
- **Fourth high resolution aeromagnetic survey confirmed with result anticipated in October 2021.**
- **The suspensive conditions to the merger have been satisfied with taxation structure now settled and merger timed for completion this year.**
- **Negotiations with South African Institution to fund a pilot production field have advanced.**
- **Production Right application for new ER271 commenced.**

8 September 2021: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "KKO" or "**Company**") is pleased to update on the Company's operational and corporate activities.

The Company has been in the process of negotiations with a number of drilling contractors in both South Africa and Botswana to undertake the upcoming 3 well drilling program to be drilled within 400 metres of KKO's proposed gas collection terminal at Amersfoort where access and infrastructure is in place. The Company has sourced casing for three well sections per borehole, with a qualified threading supplier ready to fabricate connections, and we are contracting a specialist cementing supplier to ensure 100% well integrity.

With site selection completed, field works last week were commenced on site for the preparation of drill pads for the three new wells KA-03PT7, KA-03PT8 and KA-03PT9. Drilling is estimated to commence in early Q4 2021.

A fourth high resolution aeromagnetic survey has been confirmed to follow up the success of similar surveys completed across the Amersfoort Project (refer ASX announcements 24 September 2020, 14 October 2020 and 3 March 2021). The current survey is planned to fly a

13,479 line kilometre survey covering 564km², over selected portions of ER 270 and ER 272 which form the most Southern and Northern extensions of the Company's exploration rights. Results from the completed survey are anticipated to be received during late October 2021.

The merger parties have now satisfied the suspensive conditions of the binding term sheet with Taxation structuring now settled enabling the definitive share purchase agreement to be executed. This enables the completion of the merger to occur before the end of the year.

Negotiations with South African institutional to fund a pilot production field have advanced having undertaken a successful due diligence and a decision to invest has been made and formal documentation is now being produced.

The Company has commenced a production right application over the newly consolidated ER271 recently approved by the South African government. Will help streamline the development of production fields over 1,287km² of prospective geology and improve the economics by not having to make multiple production right applications.

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,

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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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