



SIGNIFICANT NEW EXPLORATION UNDERWAY

HIGHLIGHTS

- **Drilling contractor engaged to complete three well program to be called the Korhaan Project.**
- **Two drilling rigs have been mobilised. The first is already on site anticipated to spud next week with the second rig arriving two weeks later.**
- **The three new wells are planned to be drilled to a depth of 400m-450m to test gassy sandstones and coal bed methane horizons.**
- **Xcalibur Airborne Geophysics (Pty) Ltd has commenced flying the largest ever aeromagnetic survey undertaken by the Company.**

20 October 2021: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "KKO" or "Company") is pleased to update on the Company's operational activities and significant new exploration commencing and specifically the first new gas wells being drilled in over 8 years.

New Drilling Program

The Company has been in the process of negotiations with a number of drilling and related contractors in both South Africa and Botswana and has completed an engagement with Torque Africa Exploration who has the largest fleet of drilling rigs in the sub-continent and vast expertise in the drilling required on the Korhaan project. The upcoming three-well drilling program to be drilled within 400 metres of KKO's proposed gas collection terminal at Amersfoort where access and infrastructure is being established, focusing on developing new gas discoveries and potentially creating a 5 well pilot production cluster. The Company has also engaged experienced contractors to perform the well cementing and wireline logging all of whom are mobilising to site.

The three new wells named Korhaan-3, Korhaan-4 and Korhaan-5 are estimated to reach a depth of up to 450m to test the gassy sandstones and coal bed methane ("CBM") horizons from the known coal beds that were intersected and observed to be gassy from adjacent (400m away) flow tested gas wells KA 03PT2 and KA 03 PTR (now known as Korhaan-1 and Korhaan-2).

The program will comprise two drill rigs (Figure 1 & 2) with the first rig (B21) spudding Korhaan-4 as early as next week and doing a percussion/air-drilled well. The second rig (B16) will spud Korhaan-3 two weeks later and drill with a rotary mud system through the 300m production interval. Rig B21 will then drill

Korhaan-5 using percussion/air once more, expecting all drilling activities to be completed by early December. All three wells will be flow tested after logging. The Company intends early in 2022 to return and case, cement and perforate each well in order to maximise gas production while minimising or negating water ingress.



Figure 1 – 28 ton rig B16 for rotary mud drilling



Figure 2 – 37 ton rig B21 for percussion/air drilling

New Aeromagnetic Survey

Aircraft have been confirmed to commence flying 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. The Company has contracted Xcalibur Airborne Geophysics (Pty) Ltd, whom it has used successfully for all its previous airborne surveys, and anticipates the results from the survey to be available later next month and will assist targeting areas for well tests and further pilot production fields

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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