



OPERATIONS UPDATE

HIGHLIGHTS

- **Three wells of Korhaan Project successfully spudded.**
- **Each well has been drilled into the dolerite sills and Korhaan-4 has been cased to 150m and cementation operations are underway.**
- **Each well has shown a gas presence towards the bottom of the dolerite cap rock structure, where mudstone and sandstone samples have been found.**
- **Significant rain and electrical storms over the last 14 days and procurement of cementing tools have caused drilling delays.**
- **Korhaan-4 well is expected to commence drilling into the gassy sandstone and underlying coal seams to TD within the next few days.**
- **Korhaan-5 will start running casing imminently in preparation to commence drilling the production section.**
- **Further drilling on Korhaan-3 is expected to be resumed in January 2022 after the Christmas shut-down.**
- **The Aeromagnetic survey covering 564km² over selected portions of ER 270 and ER 272 have successfully completed.**

7 December 2021: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "KKO" or "Company") is pleased to update that it's exploration drilling on the Korhaan Project and completion of aeromagnetic surveys flown.

The three new wells of the Korhaan Project have been successfully spudded (Figure 1) and each well has been drilled into the dolerite sills and Korhaan-4 has been cased to 150m and cementation operations are underway. Korhaan-4 well is expected to commence drilling into the gassy sandstone and underlying coal seams to TD within the next few days while well Korhaan-5 will start running casing imminently and continue drilling the production section.

The Korhaan-3 well is drilled to 102m and has been temporarily suspended in preference to an attempt to complete Korhaan-4 and Korhaan-5 before the end of the year. Drilling on Korhaan-3 is expected to be resumed in January 2022 after the Christmas shut-down period.

Very heavy thunderstorms with consequent lightning, hail and rain has resulted in substantial delays to the Company's operations. This seasonal weather has been worse than normal. Following HSE Policy, requirements are to down-mast the drilling rigs once lightning approaches 20km from site. This has proven to be prudent given the high storm count which has swept drilling sites.

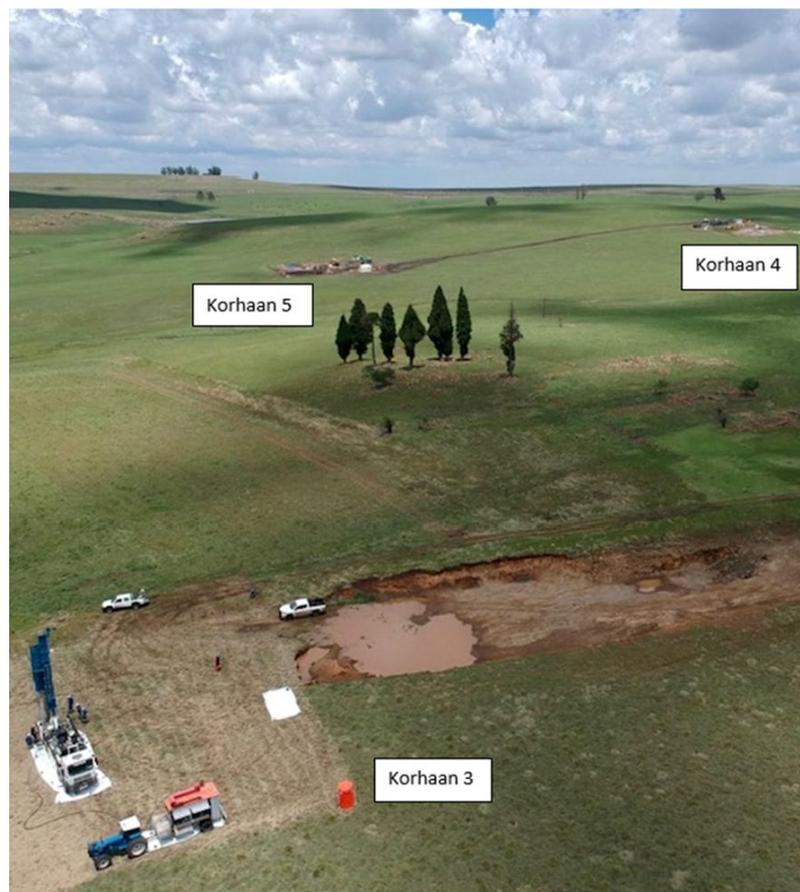


Figure 1: The three Korhaan drilling project wells that have been spudded

Preliminary gas flow rates will be assessed following the wireline logging and the barefoot completion of each well, and could be reassessed following the possible cased completion plan in 2022.

The company has completed the aeromagnetic survey which flew approximately 13,479 line kilometres 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 have been received and are anticipated to be processed during December and January 2022 and expectations are to build significantly on the existing 37 identified prospective gassy compartments and assist target further areas for well tests and 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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