

## PILOT PRODUCTION WELL WORKOVER SUCCESSFULLY COMPLETED

### HIGHLIGHTS

- **A well workover program in preparation of pilot gas to CNG production was successfully completed.**
- **Advanced negotiations are underway with potential gas off-takers.**
- **Commercial production remains on track for Q1 2021.**

### SUMMARY

16 February 2021: Perth-based energy exploration company Kinetiko Energy Limited (ASX: "KKO" or "Kinetiko") is pleased to announce the successful completion of a well workover program at well KA-03PTR and KA-03PT2 at its Amersfoort project.

As a result of being granted a bulk gas production and removal permit, Afro Energy (JV of Kinetiko 49% and Badimo Gas 51% of South Africa) commenced the planning and preparation of a short-term pilot gas production program whereby produced gas from well KA-03PTR and possibly well KA-03PT2 (near Amersfoort) could be sold to CNG trader(s) for transportation from the well site for distribution to industries in the Johannesburg region. It was determined as part of this planning that the two wells should undergo workovers to maximise gas flow rates and recovery.

Completed well workover processes included the following:

1. International contractors Franklin Electrical/Endress Hauser were engaged to refurbish, replace or upgrade, where necessary, the metering and recording equipment on the existing flow skid, water pipe, downhole pump, electrical cable, level probes & cables, pipe centralisers and any other equipment in poor condition;
2. Downhole equipment in Well KV-04PT in the Volksrust area, which was newly installed in 2013 with limited use since, was pulled (i.e. the re-use of water pipe, centralizers and electrical cable from well-KV04PT) for use in the well workover;
3. Groundwater Practitioners, which did the workover on well KA-03PTR in 2018 during the Endress Hauser equipment test, was contracted to pull and retrieve the downhole pipe and equipment at well KV-04PT and to run the retrieved pipe and equipment in well KA-03PTR.

Afro Energy is currently in advanced negotiations with potential gas off-takers for small and intermittent gas production from Well KA-03PTR and possibly well KA-03PT2 where they will purchase gas at an on-site transfer point, compress the gas to the required pressure utilising their own compression equipment and transfer same to their CNG trailers for transportation to existing gas-based industries in the Johannesburg and Witbank regions.

The Company will immediately commence flow rate and equipment testing of well KA-03PTR. The Company intends to apply for full production rights for ER56 as soon as possible after the commencement of production of well-KA 03PTR and seek certification of maiden gas reserves.

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 7000km<sup>2</sup> 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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