

SOUTH AFRICAN MINISTERIAL APPROVAL OBTAINED FOR AFRO ENERGY ACQUISITION

HIGHLIGHTS

- **Final consent and regulatory approval obtained for the transfer of a controlling interest in all South African projects to Kinetiko Energy**
- **Kinetiko Energy set to complete acquisition of 100% of 2C (P50) 4.9Tcf gas resource**
- **Flow rate testing on Korhaan well cluster continuing**
- **1 MW power generator being prepared for transportation to site to enable first gas commercialisation**

Kinetiko Energy Limited (ASX: KKO) (**Kinetiko** or the **Company**) an Australian gas explorer focused on advanced shallow conventional gas and coal bed methane (**CBM**) opportunities in rapidly developing markets, is pleased to advise that the 100% acquisition of the South African projects has been concluded with Ministerial consent received in accordance with Section 11 of the Mineral and Petroleum Resources Development Act (22 of 2008) (MPRD).

The Director-General: Department of Mineral Resources and Energy in South Africa has consented to the transfer of a controlling interest (Badimo Gas (Pty) Ltd 51%) in Afro Energy (Pty) Ltd to Kinetiko. Afro Energy (Pty) Ltd is a holder of exploration rights and applications totalling approximately 7,000km² with a certified gas resource (2C) of 4.9Tcf.

Kinetiko Executive Chairman, Adam Sierakowski commented:

“Kinetiko welcomes this support as this Ministerial consent represents the last regulatory approval required to complete the merger transaction and the Company will now proceed to seek approval from our shareholders.

We continue to aggressively progress our exploration and development plans with flow rate testing progressing at our Korhaan well cluster with dewatering and gas flow operations underway. This is continuing as the Company advances in its joint venture with Vutomi Energy to commence gas production and commercialisation.”

First Energy Sales via Joint Venture

Development of the first commercial gas production initiatives continue with Vutomi Energy (Pty) Ltd (**Vutomi Energy**) completing preparation to transport its 1 MW gas-to-power generator to the Amersfoort site as the final power production agreements are being finalised.

As previously announced ([ASX Release 23 December 2021](#)), Kinetiko, via Afro Energy (Pty) Ltd, entered into a joint venture terms sheet with Vutomi Energy seeking to produce and sell electrical energy to third party private sector off-takers.

About Vutomi Energy

Vutomi Energy (Pty) Ltd is a Level 1 B-BEEE Independent Power Producer (IPP) based in Mbombela, South Africa. The company is 100% Black owned and was formed in 2019 with the acquisition of the existing 18,5 MW co-generation plant located in Newcastle, KwaZulu Natal. Vutomi's vision is to be a leading independent energy supplier in Sub-Saharan Africa and to develop clean, renewable energy projects in emerging markets and empower developing country populations with sustainable power. Vutomi's strategy on renewable projects is to get a critical mass of solar PV, offshore wind, natural gas and biomass projects for its existing and future, public and private clients. Vutomi has a pipeline of more than 1000 MW projects, not only in South Africa, but in Sub-Saharan Africa.

-ENDS-

Released with the authority of 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, widespread energy infrastructure and 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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