



KINETIKO SECURES A\$5m FROM SOUTH AFRICAN STRATEGIC INVESTOR

HIGHLIGHTS

- Kinetiko secures further funding commitment from South African energy investment company that participated in April 2022 capital raising
- Firm commitments received for placement at \$0.09 per share to raise A\$5m (before costs)
- Issue price of \$0.09 represents a 3.2% discount to the last closing price and 8.1% discount to the 14-day VWAP
- Largest investment by private South African institutions to date demonstrates domestic support for Kinetiko's vision to become a major energy solution for South Africa
- Funds to be used to accelerate exploration and gas resources growth

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) an Australian gas explorer and developer focused on advanced shallow conventional gas and coal bed methane (CBM) in South Africa, is pleased to announce it has received firm commitments from a private South African institution to raise A\$5m (before costs) through a placement of approximately 56m fully paid ordinary shares in the Company (**Placement**).

Kinetiko CEO, Nick de Blocq, commented

"This is a very positive and exciting step as we continue to attract South African investment into Kinetiko. As communicated to the market, we have been focused on ensuring that the next substantial equity investment would come from indigenous sources, and this placement continues our strong momentum shown throughout 2022.

We now expect increased interest to follow the IDC and Phefo Power's active votes of confidence in our wider project, and the huge potential we have to become a substantial part of the solution to the energy paucity in South Africa. We are primed to continue our efforts, but having compatriots walk the path with us, along with our shareholders, is something to be proud of."

Advancing Exploration

The placement funds will be utilised to accelerate the Company's exploration strategy with immediate exploration programs to drill 7 core wells underway. Funds will also contribute to the Company's joint venture obligations with the Industrial Development Corporation of South Africa (**IDC**) to co-develop a gas production field estimated to comprise up to 20 wells and scheduled for development from H1 2023 (See ASX Announcement dated [4 April 2022](#)).

Strategic Investment

Phefo Power (Pty) Ltd (**Phefo**) is a South African energy investment institution that through its participation in the placement will become a substantial shareholder in the Company and will continue to increase Kinetiko's Black Economic Empowerment (BEE) credentials. Phefo is an investment group whose stakeholders comprise leading South African oil and gas executives and represents the largest investment by private South African institutions to date and demonstrates domestic support for company's vision to become a major energy solution for South Africa.

Placement Details

56,577,777 fully paid ordinary shares in the Company will be issued under the Placement pursuant to the Company's available 15% placement capacity under ASX Listing Rule 7.1. Ordinary fully paid shares in the Company issued under the Placement (**New Shares**) will rank equally with the Company's existing shares on issue.

The New Shares will be issued in two (2) tranches, the first tranche expected to settle on Friday 28 October 2022 being 37,457,777 shares and the second tranche expected to settle on Wednesday 30 November 2022 being 19,120,000 shares. The New Shares will be issued at \$0.09 each.

The Company's existing shares will resume trading on the ASX from market open today, 10 October 2022.

Option Right

In addition to the Placement, the Company has also granted Phefo an option to subscribe for a further \$R30m of fully paid ordinary shares in the Company at a price that is the greater of the 14 days VWAP of the Company's shares at the time the option is exercised or \$0.09. The option expires on 28 February 2023.

-ENDS-

Released with the authority of the Board of Directors of Kinetiko Energy Ltd.

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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.

The Company's vision is to continue to explore, develop, and commercialise gas production.

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