

THIRD GAS PRODUCTION TEST WELL SPUDED

HIGHLIGHTS

- Drilling has commenced at well 271-KA03PT10 in Brakfontein, the third of the five production test wells in Kinetiko's production test program
- Incorporates revised drilling procedures from Oilfield Technologies optimisation studies to enhance gas recovery
- Studies simulating down-hole conditions in the laboratory confirm that circulation fluids under certain circumstances can invade the formation and reduce gas permeability by up to 85%
- The well located at Brakfontein will form part of a cluster supplying gas to a pilot LNG plant expected in 2026
- First gas flow results expected before July 2025

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) is developing an energy solution for South Africa focused on commercialising 100% owned advanced shallow conventional gas projects in the Mpumalanga Province. Kinetiko is pleased to announce the spudding of well 271-KA03PT10, the third well in the Company's production well test program (Figure 1).

The well design and drilling procedures are being incorporated in line with detailed recommendations from Oilfield Technologies Australia Pty Ltd (**OT**), based on laboratory testing of formation core, drilling fluids, and foam samples from earlier wells.

This program is expected to provide significant insights into the reservoir characterization of Kinetiko's 100% owned gas fields. With South Africa urgently needing alternative energy solutions, this program is a critical step toward unlocking the potential of the Company's 6 TCF (2C) contingent resource, discovered across Kinetiko's expansive onshore tenement package.

Drilling commenced on 9 May 2025, and the well is located at Brakfontein near historic production test wells and is expected to, when connected with these historic wells with gathering facilities, create a field development with the potential to drive a micro-LNG plant (Figure 2).

Kinetiko Executive Chairman Adam Sierakowski commented:

"The spudding of our third well in this production test program incorporates optimisation protocols based on detailed analysis of earlier drilling outcomes. Independent flow assurance testing



confirmed that water-block and foam-induced formation 'skin' were the causes of earlier flow restrictions, with permeability losses of up to 85%. The Company is confident these revised methods will achieve consistent and enhanced gas deliverability.

Well 271-KA03PT10 is located at Brakfontein, adjacent to historic production test wells that have exhibited strong gas flows, and is expected to become part of a cluster of producing wells that will supply gas to a pilot micro LNG plant to deliver maiden commercial LNG sales."

Production Well Program

The production test program will individually flow-test each of the wells for an extended period. This process is designed to capture critical data on flow rates, reservoir pressure, and depletion curves, which will then be used to model the economics of future gas field developments.

Each well has been designed using adjusted drilling parameters, including reduced water volume, limited HV foam use, and controlled down-hole pressure. These address the key drivers of restricted permeability gas flow in earlier wells.

Each of the production test wells are located near essential infrastructure, including gas pipelines and transmission lines, further positioning Kinetiko as a potential major supplier to South Africa's power grid. The Company will regularly update the market on the drilling and flow testing results of each individual well as it progresses through the program.



Figure 1: shows drilling rig on site for spudding well 271-KA03PT10



Figure 2: Production Test Well Location

Projected Resource Growth and Future Plans

Kinetiko's existing 6 TCF (2C) contingent resource, equivalent to 1 billion barrels of oil, is expected to grow significantly as a result of the current five-well testing program, all of which will be hundreds of meters deeper than completed tests to the north.

The updated drilling techniques are also expected to unlock additional gas in previously underperforming wells, with remediation trials planned using surfactants and water removal protocols.

Each well has been carefully positioned based on successful results from prior exploration, which identified extensive gassy pay zones. The results of this program will also aid in converting a portion of the Company's 5.8 TCF of 2U Prospective Resources into contingent resources¹.

The success of this program is expected to further de-risk future drilling campaigns and accelerate Kinetiko's transition from exploration to production, positioning the Company as a key contributor to South Africa's energy future.

¹ The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

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About Kinetiko Energy

Kinetiko Energy is a gas exploration company with a focus on advanced onshore shallow conventional gas opportunities in South Africa.

Kinetiko's tenements are located in South Africa's primary power-producing region, near aging coal-fired power stations and infrastructure. As South Africa shifts towards modern power solutions, the gas from Kinetiko's deposits is expected to provide base load power and act as backup to renewables as part of the country's long-term energy future.

The Company has achieved maiden gas reserves with positive economics and has 6 trillion cubic feet (Tcf) of 2C contingent resources (alternatively described as having 2.8 Tcf of 1C contingent resources),² establishing a substantial world-class onshore gas project.

Kinetiko's vision is to commercialise an energy solution for South Africa.

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Competent Persons and Compliance Statements

Unless otherwise specified, information in this report relating to operations, exploration, and related technical comments has been compiled by registered Petroleum Geologist, Mr Paul Tromp, who has over 40 years of onshore oil and gas field experience. Mr Tromp consents to the inclusion of this information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affect the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



² Refer to the Company's announcement dated 21 August 2023 titled 'Maiden Gas Reserves & Major Increase in Contingent Resource Confirms Positive Economics & Enormous Scalability'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement dated 21 August 2023 and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.