

COMPLETION OF \$2.2M PLACEMENT BACKED BY DIRECTORS AND TOP SHAREHOLDERS

HIGHLIGHTS

- Firm commitments received for A\$2.2M Placement (before costs) at an issue price of \$0.04 per New Share.
- KKO Directors have agreed to subscribe for a total of up to \$310,000 in the Placement (subject to shareholder approval).
- Funds will be used primarily for exploration and continuing the production test program incorporating optimisation protocols and working capital purposes.

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 that it has received firm commitments from professional and sophisticated investors to raise up to \$2,203,000 (before costs) through a placement ("**Placement**"). The Placement was not underwritten and was strongly supported by the largest Shareholders and Directors.

As part of the Placement, the Company has also negotiated a debt conversion of a loan in the amount of \$500,000 via the issue of new fully paid ordinary shares in the Company ("**Debt Conversion Shares**") on the same terms as the Placement ("**Loan**").

Executive Chairman, Adam Sierakowski commented:

"The successful capital raising again demonstrates the Company's commitment by its major stakeholders to support the journey of delivering a world class on shore gas discovery to development outcomes. The next valuable milestone is establishing through production test wells drilling commercial gas flowrates and depletion curves. This funding supports the production test well currently underway at the Brakfontein site with initial results expected to be delivered in July 2025.

The Company continues to grow its technical knowledge in this unique geological setting and engage global oil and gas experts and is extremely confident the next production test wells will be successful"



Details of the Placement and the Loan

Placement

The Company has received firm commitments for a Placement to professional and sophisticated investors (“**Placement Participants**”) to raise approximately \$2.2M (before costs) through the Placement of approximately fifty five million and seventy five thousand (55,075,000) new fully paid ordinary shares in the Company at an issue price of \$0.04 per share (“**Placement Shares**”), together with one free attaching unlisted option for every one (1) Placement Share subscribed for and issued, exercisable at \$0.07 per option on or before 30 June 2027 (“**Placement Options**”).

The Company’s Directors have subscribed for a total of up to seven million seven hundred and seventy five thousand (7,750,000) Placement Shares in the Placement (“**Director Placement Shares**”), representing a contribution of up to \$310,000. The issue of Director Placement Shares and free attaching Placement Options (together, the “**Director Placement Securities**”) are subject to shareholder approval, which will be sought at a general meeting to be held by the Company in mid to late July 2025.

The Placement will be completed in the following two tranches:

- Tranche 1 will consist of the issue of 47,325,000 Placement Shares to unrelated Placement Participants within the Company’s placement capacity under ASX Listing Rule 7.1, together with the issue of 47,325,000 Placement Options within the Company’s placement capacity under ASX Listing Rule 7.1 (“**Tranche 1 Placement Securities**”); and
- Tranche 2 will consist of the issue of the Director Placement Securities, being 7,750,000 Director Placement Shares and 7,750,000 Placement Options (“**Tranche 2 Placement Securities**”), which will be subject to shareholder approval pursuant to ASX Listing Rule 10.11.

The issue price of \$0.04 per New Share represents:

- 20.0% discount to the last traded price on Friday, 6th June 2025, being \$0.05; and
- 24.9% discount to the 10-day VWAP price, being \$0.053269.

A notice of general meeting pertaining to the approvals sought by the Company for the issue of the Director Placement Securities, along with further information in respect of the Placement, will be dispatched to Company shareholders in due course.

Use of Funds & Indicative Timetable for Placement

The Company intends to use the funds raised under the Placement in accordance with the table below:

Allocation of funds	Amount	Percentage
Exploration and Development	\$1,483,000	67.3%
Corporate costs	\$350,000	15.9%
Working capital	\$350,000	15.9%

Allocation of funds	Amount	Percentage
Capital raising costs	\$20,000	0.9%
Total	\$2,203,000	100.0%

Note: The intended allocation of funds raised under the Placement set out in the table above is indicative only and the Company reserves the right to vary the amounts raised or allocated at its absolute discretion and further notes that there is no minimum amount required to be subscribed for to complete the Placement.

The indicative timetable for the Placement is provided below:

Event	Date
Trading halt	Tuesday, 10 June 2025
ASX Announcement of Placement	12 June 2025
Placement opening date	
Application form and monies due	5:00pm (AWST) Wednesday, 18 June 2025
Placement closing date	
Issue of Tranche 1 Placement Securities (and quotation of Placement Shares)	Thursday, 19 June 2025
Dispatch of Notice of General Meeting to shareholders of the Company	Late-June 2025
General Meeting held	Late-July 2025
Issue of Tranche 2 Placement Securities (and quotation of Placement Shares) subject to shareholder approval being obtained	Late-July 2025

Note: The dates shown in the table above are indicative only and the Company reserves the right to vary the dates without prior notice, which may have a consequential effect on the other dates in the table.

Loan Conversion

The Debt Conversion Shares will be issued at a deemed issue price of \$0.04 per Share (i.e., the issue price of the Placement Shares) are to be issued for repayment of \$500,000 of a loan from unrelated third parties on the same terms as the Placement. For the avoidance of doubt, the unrelated third parties will be receiving free attaching options on the same terms as the Placement Options (“**Debt Conversion Options**”).

The Debt Conversion Shares and Debt Conversion Options will be issued at the same time as the issue of the Tranche 1 Placement Securities, and utilising the Company’s existing placement capacity pursuant to Listing Rule 7.1.

Indicative Capital Structure

The pro-forma capital structure of the Company prior to, and upon completion of, the Placement and the issue of the Debt Conversion Shares is set out in the table below:

Securities	Existing	Completion of Placement ¹
Shares ²	1,432,535,103	1,432,535,103

Securities	Existing	Completion of Placement ¹
Placement Shares	-	42,575,000
Debt Conversion Shares	-	12,500,000
Undiluted Share capital	1,432,585,103	1,487,660,103
Options ³	26,750,000	26,750,000
Performance Rights ⁴	20,000,000	20,000,000
Placement Options ⁵	-	42,575,000
Debt Conversion Options		12,500,000
Fully diluted Share capital⁶	1,479,335,103	1,589,485,103

Notes:

1. Assumes that all Placement Shares are issued under the Placement.
2. Assumes no additional Shares are issued between the date of this Terms Sheet and completion of the Placement.
3. Existing Options, with various exercise prices and expiry.
4. Existing Performance Rights issued on 6 December 2024 following approval by shareholders at the Company's 2024 Annual General Meeting.
5. Options to be issued as part of the Placement, with an exercise price of seven cents (\$0.07) each and expiring on 30 June 2027, subject to the terms and conditions set out in Annexure B.

The capital structure in the table above is indicative only and the Company reserves the right to vary the number of securities it has on issue at its absolute discretion.

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For more information visit: www.kinetiko.com.au or contact,

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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),¹ 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.

¹ 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.