

## JOINT DEVELOPMENT AGREEMENT EXECUTED WITH FFS REFINERS TO COMMENCE GAS FIELD DEVELOPMENT

### HIGHLIGHTS

- Binding Joint Development Agreement executed between Kinetiko, its wholly owned subsidiary Afro Energy (Pty) Ltd and FFS Refiners (Pty) Ltd for co-development of a pilot gas plant for the production of LNG at Brakfontein.
- The Joint Development Agreement establishes development initiatives in commencing Phase 1a of Project Alpha, including, but not limited to:
  - co-funded drilling of five additional production wells and upgrading existing production wells at Brakfontein
  - Gas testing and appointment of a competent person for certification of gas reserves
  - compilation of an LNG business case proposal for further gas field development;
  - co-funded application for a production right; and
  - creation of a JDA Steering Committee for supervision and direction of the proposed development activities
- Joint funding commitments of the Parties for Phase 1a of approximately sixty four million three hundred and twelve thousand rand (R64,312,000) (AUD\$5,675,000)<sup>1</sup>.

Kinetiko Energy Ltd (ASX: KKO) (Kinetiko or the Company) is pleased to announce it has executed a Joint Development Agreement (JDA) with FFS Refiners (Pty) Ltd (FFS), providing the framework under which Kinetiko, Afro Energy (Pty) Ltd (wholly owned subsidiary of KKO) (Afro) and FFS (Parties) will commence the initial phase (Phase 1a) being the first of four potential phases (together known as Project Alpha) of the Parties' co-development opportunity in securing the supply of liquefied natural gas (LNG) to the South African market. This binding agreement formalises the intention agreed under the Terms Sheet (refer to Announcement dated 1 July 2025).

### Kinetiko Executive Chairman Adam Sierakowski commented:

*"Kinetiko and FFS have been working together for some time to plan a framework using the complementary skill sets of both companies for providing gas produced from a field of wells at Brakfontein to eager South African customers. The execution of the JDA crystallises this vision as the parties co fund the first phase and work to complete an LNG business case to develop an initial cluster of wells capable of driving an LNG liquefaction plant producing 5,000tpa. With the recent flow testing success of two Brakfontein wells, timing is ideal to formalize this JDA and ultimately work with FFS to scale the relationship to producing 125,000tpa".*

<sup>1</sup> Assuming exchange rate of AUD/R of 11.33 Rant to 1 AUD as at 11 October 2025



**FFS Managing Director Andrew Canning commented:**

*"FFS is excited to continue its collaboration with Kinetiko to extend the exploration activities undertaken thus far to small-scale LNG production via a staged investment program. This initiative represents an important element of FFS's diversification strategy in meeting its vision of creating sustainable energy solutions. Our respective teams have embraced a common ethos of diligent preparation and collaboration and we look forward to Project Alpha evolving as a significant contributor to the Southern African energy market."*

**Key Terms of the Joint Development Agreement**

The JDA is binding and represents the first formal agreement entered into in respect of KKO and FFS' proposed collaboration, further to the execution of the Non-Binding Terms Sheet on 1 July 2025 (refer to announcement on 1 July 2025). A summary of the key material terms of the JDA is set out below:

The JDA also recognises the collaborative framework to scale Project Alpha to further phases that was established under the Terms Sheet (refer to Announcement dated 1 July 2025), noting the key phases of potential development and proposed activities are as follows:

- **(Phase 1a – Gas Field Development Activities)**

The JDA establishes development initiatives in commencing Phase 1a of Project Alpha, including, but not limited to:

- co-funded drilling of five additional production well and upgrading existing production wells at Brakfontein
- Gas testing and appointment of a competent person for certification of gas reserves
- compilation of an LNG business case proposal for further gas field development;
- co-funded application for a production right; and
- creation of a JDA Steering Committee for supervision and direction of the proposed development activities

- **(Phase 1b – LNG Proof of Concept 5,000tpa)** The JDA Steering Committee preparing an LNG business case agreeable to the Parties, the execution of special purpose vehicle agreements and incorporate Project Alpha SPV entity with KKO and FFS each holding 50% of the issued share capital. The SPV will be responsible for the ordering and commissioning an LNG liquefaction plant cryobox of 5,000tpa capacity and design and construction of gas, water and power reticulation systems, as well as the marketing and distribution of LNG to customers. The outcomes of the Phase 1b will be incorporated in the full-scale LNG production business case required by the JV Parties to scale up LNG production.

- **(Phase 2 – Full LNG Production)** Subject to the objectives of the Phase 1b production being met, the Parties intend to scale up the potential production of LNG over an expanded production right area, envisioned to be significantly larger than the Phase 1b development, scaling liquefaction capacity fivefold to 25,000tpa capacity.

- **(Phase 3 – LNG Production Expansion)** During the final phase, the parties intend to collaborate on the further expansion of LNG production over additional tenement areas held by Kinetiko beyond

the Brakfontein area envisioned to be significantly larger than the Phase 2 development up to 125,000tpa capacity.

### **Parties**

The parties to the JDA are listed as follows:

- (i) Kinetiko Energy Ltd;
- (ii) Afro Energy (Pty) Ltd; and
- (iii) FFS Refiners (Pty) Ltd.

### **Term**

The JDA commenced on the date of execution, being 10 October 2025 and shall continue until date on which the Project Alpha JV Entity is formally incorporated (i.e., pursuant to the terms of a Joint Venture Agreement), or unless terminated by the Parties in accordance with its terms.

### **Funding Arrangements**

The Parties have agreed to an aggregate funding commitment to Phase 1a of approximately sixty four million three hundred and twelve thousand rand (R64,312,000) (AUD\$5,675,000<sup>2</sup>). The first R20 000 000 with respect to Phase 1a Budget shall be comprised of a 67.5% contribution (R13,500,000) from KKO and a 32.5% contribution (R6,500,000) from FFS with the balance of the funding, namely R44,312,000 funded equally 50% by KKO and 50% FFS, with such commitments to be in accordance with the terms of the JDA and ancillary work programs, (with recognition that Kinetiko has already expended a significant portion of its contribution) (as may be amended from time to time) at the discretion of the JDA Steering Committee.

Further funding of Phases 1b, 2 and 3 will be subject to the success of Phase 1a and will recognise historic exploration costs incurred by Afro and may include third party equity or debt investment.

### **Operational Matters**

The Parties have designated operational responsibilities in respect of Phase 1a to Kinetiko (referred to as the 'Operator'). In accordance with the terms of the JDA, Kinetiko shall be responsible for a series of rights, duties and functions which include, but are not limited to:

- performing operations in accordance with agreed work programs, decisions of the JDA Steering Committee and applicable laws;
- submission of proposed work programs and budgetary reports (among other reports) to the JDA Steering Committee for approval;
- maintaining and operating all permits, consents and licences that may be required for the conduct of the operations; and
- review and assist the JDA Steering Committee in determining appropriate terms in respect of any proposed sales agreements for the supply of LNG from the projects, engineering and construction

<sup>2</sup> Assuming exchange rate of AUD/R of 11.33 Rand to 1 AUD as at 11 October 2025

agreements or transportation and operating services agreements (as required).

### **Joint Steering Committee**

The Parties have agreed upon the formation of the JDA Steering Committee which shall provide for the overall supervision and direction of operations. The JDA Steering Committee shall meet at least twice a year, and is composed of two (2) representatives, and one (1) alternative representative, of each of KKO (itself and on behalf of Afro) and FFS.

The JDA otherwise contains terms considered standard for an agreement in respect of energy and resources, having coverage of the matters listed above. Such terms include, but are not limited to, appropriate insurance coverage and compliance with relevant work and safety laws.

### **Overview of FFS Refiners**

FFS is a leading hydrocarbon solutions provider with over five decades of experience in the oil and gas industry. FFS' mission is to provide specialist, innovative and sustainable hydrocarbon solutions, developed by their in-house team for industrial and commercial clients. FFS is interested in further business opportunities through the natural gas value chain, with a focus on LNG, making them an ideal partner for Kinetiko in developing a regional LNG supply chain.

Further information in relation to FFS can be obtained via FFS' company web resource, accessible at <https://ffs-refiners.com/>.

**-ENDS-**

For more information visit: [www.kinetiko.com.au](http://www.kinetiko.com.au) or contact,

Adam Sierakowski  
**Executive Chairman**  
08 6211 5099  
[adam@kinetiko.com.au](mailto:adam@kinetiko.com.au)

Mark Flynn  
**Investor Relations**  
+61 416 068 733  
[mark@kinetiko.com.au](mailto:mark@kinetiko.com.au)

### 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),<sup>3</sup> 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.

<sup>3</sup> 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.

