

KINETIKO COMPLETES FIRST OF FIVE WELLS, FOCUS SHIFTS TO SECOND TEST

HIGHLIGHTS

- Drilling at well 271-23PT was completed, reaching a terminal depth of 463 metres on 16 October 2024
- 271-23PT did not produce commercial quantities of gas during a choke test at terminal depth, and no flow testing was conducted
- Initial geological assessments suggest that the well intersected an unusually small, well-sealed compartment, which is considered a geological anomaly
- Despite the unexpected result at well 217-23PT, Kinetiko is moving forward confidently with the next four wells, which are positioned in geologically promising locations supported by historical data and strong gas resource potential
- Drilling was completed ahead of schedule and without any incidents
- The drill rig has been mobilised to a second production test well site, located 40 km to the southwest, adjacent to the Lily pipeline
- Spudding of the second well is expected later this week

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. Drilling at well 271-23PT commenced on Friday, 27 September and was completed ahead of schedule on 16 October 2025. This is the first well in the Company's five-well production test program aimed at identifying development sites for future gas well clusters as part of the development of its 100% owned conventional shallow gas assets.

Kinetiko Executive-Chairman Adam Sierakowski commented:

"While the results from 271-23PT were disappointing, our strategy remains focused on exploring and identifying the most commercially viable production test wells. Geological risks are inherent in such programs, but the consistent gas saturations encountered in all 13 previous test wells highlight this result as an anomaly. With the low cost and rapid drilling of shallow conventional wells, we can quickly move forward with the following production test well, which will spud this week."



Observations from Well 271-23PT

Well 271-23PT was located 5km East of the Majuba power station. It was positioned adjacent to a core well where logging results established the intersection of 131.5m of gassy sandstone pay zones and the coals had some of the highest gas content of nearly 13 m³/tonne (ASX Announcement 30 November 2022). However, despite logging results correlating with the core well, the production test well lacked sufficient compartment size to hold commercial volumes of gas. A choke test at terminal depth did not produce commercial gas quantities. Following the introduction of water into the well and additional testing, it was determined that the well intersected a very small, well-sealed compartment.

The shallow nature of the target geology has delivered greater water and gas saturations in each of the previous 13 test wells drilled by the Company over the past decade. As such, this result is assessed as an anomaly. Exploration has confirmed the consistent, widespread existence of gas-bearing porous sandstones throughout Kinetiko's exploration rights, and the Company remains robustly confident in its targeted remaining four production test wells intersecting commercial gas.

Kinetiko's exploration advantage lies in the low cost of drilling shallow conventional wells, allowing the company to use test drilling as an efficient method for discovering commercial onshore gas. The 271-23PT drilling was completed without incident and below budget, costing less than AUD\$500,000. This has enabled the Company to build a multi-well exploration program at a fraction of the cost compared to traditional onshore gas exploration and development and supports the Company's strategy to conduct expansive drilling programs in strategic locations to maximise the potential of commercial fields being developed.

The Company will continue to monitor well 271-23PT to gather further data, providing valuable information that will inform future drilling efforts to optimise production from the wells and potentially re-working well 271-23PT.

Next Steps and Broader Production Well Program

The remaining four production test wells are strategically located near key infrastructure, including gas pipelines and transmission lines, positioning Kinetiko as a potential supplier to South Africa's energy market. The program will flow-test each well for an extended period to gather critical data on flow rates, reservoir pressure, and depletion curves. This data will inform the economic modelling for future gas field developments.

Based on prior reserves, Kinetiko anticipates exceeding flow rate targets of 50,000 SCF/day for each additional well, and with drilling progressing rapidly, the company remains poised to unlock significant onshore gas resources in South Africa.

The Company will regularly update the market on the drilling and flow testing results of each individual well as it progresses through the program.

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Table 1: Production test well technical details:

| | |
|----------------------------------|--|
| Well Name | 271-23PT |
| Location | S 27.08189 E 29.83339 ELEV: 1,703m |
| Well Type | Vertical |
| Permit | ER271 |
| Entity Holders | Afro Energy (Pty) Ltd (100% owned subsidiary) |
| Resource | Natural Gas - Methane |
| Formation | Lower Karoo |
| Gross Thickness | 463m |
| Net Pay Thickness | 131m |
| Geological Rock Types | Sandstones, siltstones, mudstones and coal overlain by dolerite sill |
| Depth of Zone Tested | 236-455m |
| Type of Test and Duration | N/A |
| Phases Recovered | N/A |
| Flow Rates | N/A |
| Choke Size | N/A |
| Volume Recovered | N/A |

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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 CEO Mr. Nick de Blocq, who has over 36 years of experience in energy minerals exploration and production. He is assisted by registered Petroleum Geologist, Mr Paul Tromp, who has over 40 years of onshore oil and gas field experience. Mr de Blocq 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.

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, establishing a substantial world-class onshore gas project.

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

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