

Board and Management

Adam Sierakowski
Non-Executive Chairman
Andrew Lambert
Managing Director
James Searle
Non-Executive Director
Geoff Michael
Non-Executive Director

The Key Project

The Amersfoort area of the Eastern Transvaal is one of the most prospective areas for CBM with well documented gassy coal measures. Kinetiko has 49% equity in Two onshore gas Exploration licenses covering 1,800km² under a Farm Out agreement with JV Partner South African company: Badimo Gas Ltd, Kinetiko is the Operator.

Independent oil and gas consultants Gustavson Associates of Boulder Colorado have estimated for the Amersfoort licenses a CBM gas in place (GIP) resource of 1.7tcf of which 1.12tcf are estimated to be prospective resources.

Enquiries:

Andrew Lambert, Managing Director

283 Rokeby Rd
SUBIACO WA 6008

Phone +61 8 6315 3500
Fax: +61 8 9481 1947
E: info@kinetikoenergy.com.au
www.kinetikoenergy.com.au

ASX Code: KKO

Announcements Office
ASX Limited

Via E Lodgement

23 September 2011



KINETIKO
ENERGY LTD

Operations Update – PASA Approval and Drilling Starts 27th September

Key Points:

- **Drilling Contractor to commence Drilling on 27th September;**
- **Petroleum Agency of South Africa (PASA) has approved the Drilling Environmental Management Plan;**
- **All farm Land Access Agreements required for first drilling program are in place.**

Kinetiko Energy Ltd ASX:KKO (“the Company” or “Kinetiko”) is pleased to announce an update on its operational activities and achievements since having been admitted to the Official List of the ASX Limited on Tuesday 19 July 2011. The Company successfully completed its IPO fundraising oversubscribed for the maximum subscription amount of \$10,000,000 during the month of June 2011 in a challenging fundraising environment.

PASA has approved Kinetiko’s Drilling Environmental Management Plan., The plan specifies strict water and drilling standards and regulatory approval indicates a growing confidence in coal bed methane exploration techniques and the Amersfoort Joint Venture.

Diamond Core Drilling is expected to commence 27th September and should be completed early December. Kinetiko has retained operational flexibility to add a second diamond rig to expedite the drilling program.



Amersfoort Proposed Drill Hole location sites 56ER

The Company awarded the Drilling Contract to “Earth Resources (Proprietary) Limited”, an experienced coal and CBM driller who will undertake drilling (Diamond Core) for a minimum of 8 drill holes of the 12 approved drill holes in tenement 56ER, near Amersfoort town.

Core samples of coal, coaly shale and carbonaceous shale from each drill hole will be sealed in containers and tested for gas (desorption). Conventional Gas accumulations may also be present and appropriate gas safety drilling protocols will be implemented.

Geophysical wireline logging will be conducted to aid stratigraphic analysis, well correlation and structural interpretation.

Gas desorption results will be completed 70-90 days after the final drill hole has been completed; the Company anticipates independently verified gas desorption results to be available by end-February 2012.

Company Background

The Company is in a joint venture with an established South African partner (Badimo) and is participating in the commercialisation of the coal bed methane exploration rights in the Amersfoort area.

