



KINETIKO
ENERGY LTD

Kinetiko Energy Limited
ACN:141 647 529

283 Rokeby Rd
SUBIACO WA 6008
Phone: +61 8 6315 3500
Fax: +61 8 9481 1947

Email: info@kinetikoenergy.com.au
Web: www.kinetikoenergy.com.au

ASX: KKO

10 July 2012

ASX ANNOUNCEMENT

Kinetiko makes fifth application for 2,394km² of prospective CBM tenure in South Africa

- **The South African Petroleum Regulator has received Kinetiko's fifth technical commercial permit application (TCP) for 2,394km² of prospective land (100% Kinetiko)**
- **This new acreage is immediately west and adjacent to the Amersfoort Project where Kinetiko has an existing GIP estimate of 1.7tcf**
- **Kinetiko's existing four (100% owned) TCP applications of 7,911km² over prospective adjacent land were recently granted by South African regulators after six months**
- **Independent oil and gas consultants Gustavson Associates has estimated: Prospective resources, Gas In Place (GIP) of (P50) 9.3tcf at Kinetiko's four existing TCPs**
- **Kinetiko's potential exploration area now totals 18,992Km² of which 11,906 Km² is granted and is actively being explored**

PERTH-based gas exploration company Kinetiko Energy Limited (ASX: KKO) is pleased to report it has applied for a fifth Technical Cooperation Permits (TCPs) adjacent to Kinetiko's Amersfoort Project in South Africa.

A TCP gives Kinetiko 12 months to perform desktop studies and the unique right to apply for exploration rights over the area. The TCP also confers the right to access exploration data held by the regulatory authorities.

Kinetiko's TCPs cover Karoo coal basin areas that have been identified as being highly prospective for commercial accumulations of coal bed methane.



“We are very excited to add another prospective TCP to our extensive land portfolio in South Africa,” Kinetiko Managing Director Andrew Lambert said. “We have the largest Coal Bed Methane (CBM) exploration acreage in South Africa and we are actively drilling with strong indications of good gas accumulations.”

Independent US Oil and Gas consulting firm Gustavson Associates has estimated a (P50) Gas in Place (GIP) resource of 9.3tcf at the Company’s existing four 100% owned TCPs, using a conservative probabilistic method.

A review of the gas resources on the Amersfoort project is being undertaken by Gustavson Associates. Results are expected by August.

Competent Persons:

The resource estimates used in this announcement have been compiled by Michelle G. Bishop, an American Institute of Professional Geologists Certified Professional Geologist with more than 30 years’ experience in oil and gas fields. Ms Bishop is an employee of Gustavson Associates LLC. As such Ms Bishop qualifies as a competent person as defined by clause 20 of the VALMIN Code and under ASX listing rule 5.11. Ms Bishop and Gustavson Associates have consented in writing to the use of their resource estimates in this announcement.

The Amersfoort Project is located at the heart of South Africa’s energy generation and transmission infrastructure situated in Mpumalanga (formerly Eastern Transvaal) in South Africa about 250Km ESE of Johannesburg. Mpumalanga is a highly prospective area for coal-bed methane (CBM) with well documented, gassy coal measures.

Kinetiko is the operator of two gas licences in the Amersfoort Project (49% owned) covering 1,601km² under an agreement with South African BEE company: Badimo Gas Ltd.

US based independent oil and gas consultant: Gustavson Associates (Boulder, Colorado) estimated the Amersfoort Project to have Gas In Place (GIP) Prospective Resources of 1.7 trillion cubic feet (tcf), and 1.1tcf (P₅₀) Contingent Resource. The aim of the exploration program is to increase Resource/ Reserve certainty.

About Kinetiko Energy

Kinetiko Energy Limited (ASX: KKO) is an Australian-based company focused on advanced coal bed methane (CBM) opportunities in Southern Africa.

Kinetiko have Prospective Resource estimates of “Gas in Place” of 1.7tcf on the Amersfoort Project, and 9.3tcf “Gas Initially in Place” on Kinetiko’s (100% owned) Technical Cooperation Permit areas near to the existing project.

South Africa has extensive coal basins with evidence of gassy coals and a growing demand for energy derived from gas. Kinetiko is an early mover in the region and is pursuing new gas projects that will help supply the energy hungry economy and create jobs.

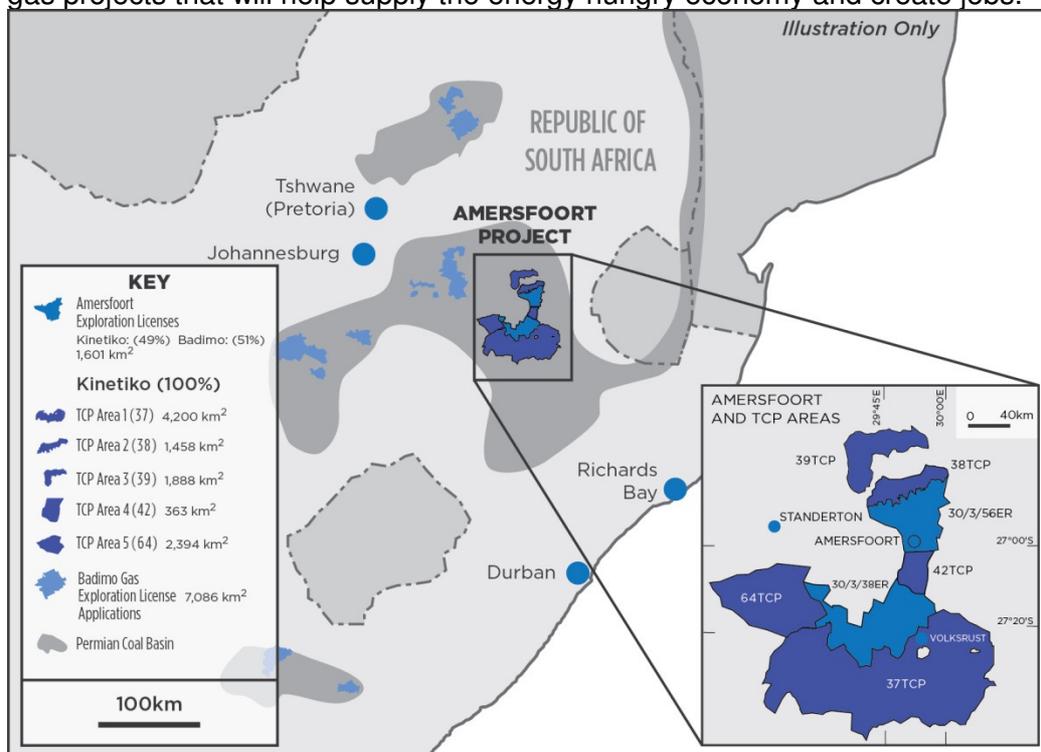


Figure 1: Kinetiko’s exploration tenure; granted, under application and MOU with Badimo Gas

For more information on Kinetiko visit: www.kinetikoenergy.com.au Andrew Lambert, Managing Director, Kinetiko Limited +61 8 6315 3500