



4th of May 2011

MINISTERIAL APPROVAL FOR SECTION 11 TRANSFER OF GAS LICENCE EQUITY TO KINTIKO ENERGY LTD

Kinetiko Energy Ltd is pleased to announce that Ministerial approval has been given to the transfer of a 49% equity in the Amersfoort gas licenses from Badimo Gas Ltd to Kinetiko Energy. At a signing ceremony in the Petroleum Agency of South Africa attended by the Mr. Mthozami Xiphu, CEO of PASA, Mr. Don Ncube Executive Chairman of Badimo, Mr. Adam Sierakowski, Chairman of Kinetiko, and Dr James Searle a Director of Kinetiko, new license documents were signed under Ministerial authority.

Application was made to the Minister of Mineral Resources for transfer of 49% equity in the Amersfoort gas exploration licenses from Badimo to Kinetiko as required under Section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002. In addition the approval for consolidation of the original 4 licenses areas into 2 of the same area and an amended work program was sought and granted.

Kinetiko wishes to acknowledge the efforts of Mr. Ncube, Kinetiko's legal advisors in South Africa Bowman Gilfillan, and the Petroleum Agency of South Africa for bringing this process to a successful conclusion.

As the Amersfoort CBM Project operator Kinetiko is now looking forward to commencing operations in South Africa as soon as possible after the imminent listing of the company on the Australian Stock Exchange.

James Searle
Director