

JOINT DEVELOPMENT FUNDING ADVANCED TO ACCELERATE GAS FIELD DEVELOPMENT

HIGHLIGHTS

- FFS Refiners (Pty) Ltd has advanced R6,200,000 (AUD\$546,040¹) to Kinetiko's wholly owned subsidiary Afro Energy (Pty) Ltd being the first tranche of commitments to co-develop the first phase of a pilot gas plant for the production of LNG at Brakfontein.
- The funding advanced pursuant to an executed Joint Development Agreement ([refer ASX Announcement dated 13 October 2025](#)) to accelerate Phase 1a of Project Alpha, including, but not limited to:
 - co-funded drilling of additional production wells and developing completion strategies for 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;
 - Application for a production right; and
- The advance represents the first tranche of joint funding commitments of FFS totalling R28,656,000 (AUD\$2,525,069²) for Phase 1a Project Alpha.

Kinetiko Energy Ltd (ASX: KKO) (**Kinetiko** or the **Company**) is pleased to announce it has been advanced the first tranche of funding from FFS Refiners (Pty) Ltd (**FFS**), pursuant to the executed Joint Development Agreement (**JDA**) which provides 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**).

Kinetiko Executive Chairman Adam Sierakowski commented:

"With the recent execution of the JDA completed, FFS has advanced its first tranche of co funding to accelerate the phase 1a program of work. This valuable work should establish sufficient gas from the Brakfontein cluster of 7 wells with potential for additional production wells and work overs of existing wells to support a 5,000tpa LNG plant. It will also progress the production right application and work towards the certification of further gas reserves."

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

¹ Assuming exchange rate of AUD/R of 11.35 Rand to 1 AUD as at 4 November 2025

² Assuming exchange rate of AUD/R of 11.35 Rand to 1 AUD as at 4 November 2025



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 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

- **(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 incorporation of 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.

Phase 1a 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\$5,666,954³). The first R20,000,000 with respect to Phase 1a Budget shall be comprised of a 67.5% contribution of R13,500,000 from KKO and a 32.5% contribution of 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

³ Assuming exchange rate of AUD/R of 11.35 Rand to 1 AUD as at 4 November 2025

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.

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/>.

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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),⁴ establishing a substantial world-class onshore gas project.

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



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⁴ 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.

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.