KINETIKO ENERGY LTD

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDING 30 JUNE 2026

HIGHLIGHTS

Health, Safety and Environment

- **No accidents, injuries, health, or environmental incidents reported during the quarter.**
- **Over 2,107 person-hours recorded this quarter without reportable safety incidents, with safety meetings conducted before each shift at well sites.**

Rolling Cluster Development Strategy Implemented

- **The Company announced the implementation of the Rolling Cluster Development Strategy (RCDS), commencing with Phase 1 Brakfontein Compressed Natural Gas (CNG) development.**
- **Phase 1 connects four existing Brakfontein wells to a central manifold and a mobile, modular CNG facility, with a Key Well to be drilled to determine the Phase 2 cluster location.**
- **The RCDS is a risk-managed, incremental capital programme that enables staged scale-up from CNG production through to a full-field LNG operation across the Company's broader tenement package.**

Field Development Plan Adopted

- **Kinetiko approved a Field Development Plan (FDP) for Phase 1 of the Brakfontein Rolling Cluster, bridging exploration and production.**
- **The FDP is based on existing wells producing high-quality, high-methane gas with minimal impurities, streamlining processing and enabling a simplified and accelerated start-up.**
- **Adoption of the FDP facilitates access to South African strategic partner funding and project debt.**
- **The Company is expediting permitting applications for a Bulk Sampling Permit and a Production Right over Exploration Right 271.**

Development Partnerships

- **The binding Joint Development Agreement with FFS Refiners, with initial R6.2m advanced.**
- **Cresco, a leading South African project finance group, is engaged to identify and source development finance and additional project development partners.**

Cash

- **The Company had approximately $479k in available funds as at 30 June 2026, which comprised of $167k in cash and $312k from joint venture entity balances and funds advanced by FFS Refiners.**

Capital Raising – Subsequent to Quarter End

- **Subsequent to quarter end, the Company received firm commitments for an A$5.4 million Placement (before costs) at an issue price of $0.03 per new share, a 14% discount to the last traded price.**

- **Major shareholder Talent 10 Holdings (Pty) Ltd, an entity associated with KKO non-executive director Mxolisi Mgojo, has committed a total of $3,000,000 in the Placement, subject to shareholder approval.**
- **Proceeds will focus on progressing the Phase 1 field development at the Company's Brakfontein cluster of wells, targeting first commercial gas in late 2027, and will support the drilling of further exploration wells.**

Kinetiko Energy Ltd (ASX: KKO and OTCQB: KKOBF) (Kinetiko or the Company) is developing an energy solution for South Africa, focused on commercialising its 100% owned advanced shallow conventional gas projects in the Mpumalanga Province. The Company is pleased to provide the following update on its gas field development and production activities during the April-June 2026 quarter.

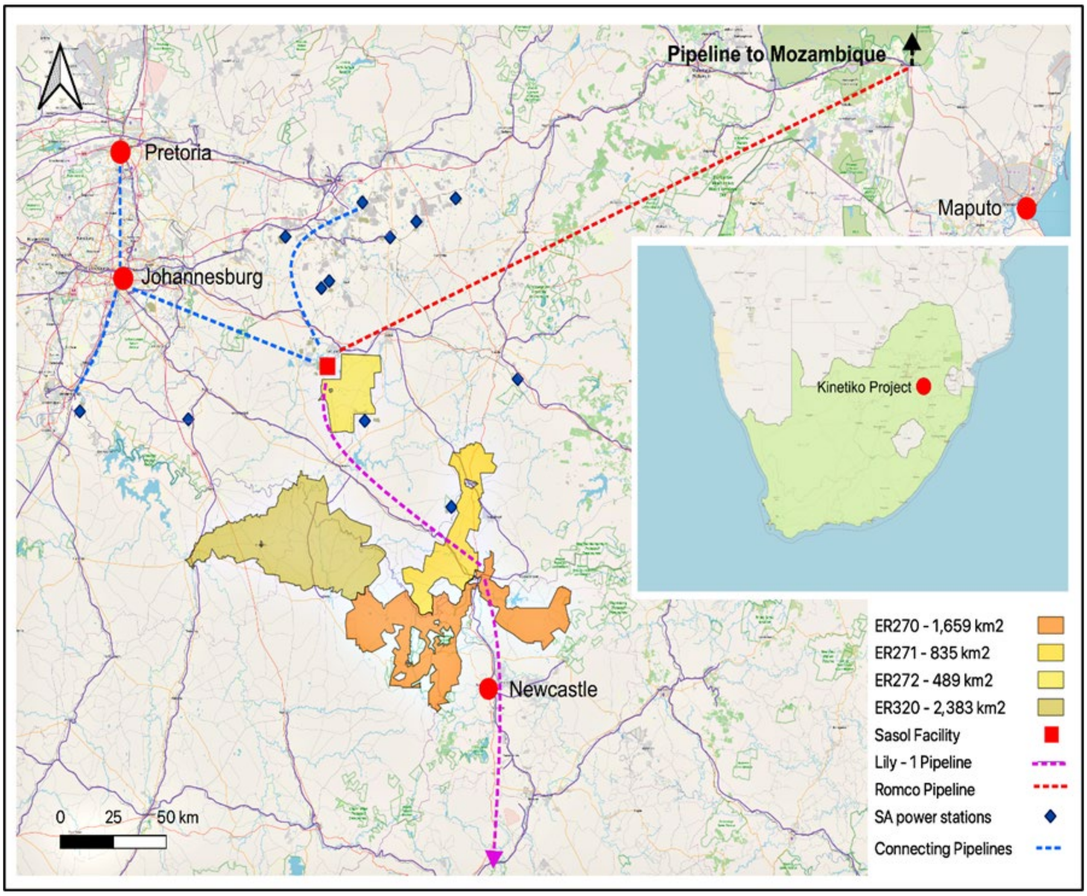

Figure 1: Project location map - a production-ready asset in South Africa's primary energy-producing region, adjacent to major infrastructure and demand centres.

Rolling Cluster Development Strategy

During the quarter, the Company announced the implementation of the Rolling Cluster Development Strategy (RCDS), beginning with Phase 1 Brakfontein CNG development (refer to ASX Announcement dated 20 April 2026). The RCDS marks Kinetiko's transition from exploration to production and is structured as a staged, capital-efficient, risk-managed programme in which capital is deployed incrementally, with each phase benefiting from improved technical validation, efficiencies in mobile infrastructure and commercial performance.

Successful production wells were completed at Brakfontein in August and September 2025 using optimised drilling procedures to support the commercial development of the initial cluster, in which four existing wells will be connected to a central manifold and a mobile, modular CNG facility. Phase 1 infrastructure has been designed to be modular and integrated across subsequent phases, minimising re-engineering as clusters are added.

Indicative phases of the RCDS have been further refined during the quarter as follows:

- **Phase 1** - establishing a CNG surface facility at the Brakfontein cluster using existing wells and drilling a Key Well to determine the Phase 2 cluster location.
- **Phase 2** - leveraging Phase 1 data to guide the drilling of approximately 10 new optimised wells for a hybrid LNG/CNG production cluster.
- **Phase 3** - targeting a larger gas compartment with additional wells and a mini-LNG plant.
- **Phase 4** - expanding to a full-field LNG operation across the Company's broader tenement package.

A key element of the RCDS is its capital efficiency, with the ability to be self-funded from early revenue, optionality to attract joint-venture capital partners and potential access to existing government capital support programmes.

Field Development Plan - Transitioning to Gas Producer

The Company's technical team completed the Field Development Plan (FDP) for Phase 1 of the Brakfontein Rolling Cluster during the quarter, with the FDP subsequently approved and announced after quarter-end.

Subsequent to the end of the quarter, Kinetiko advised that it had adopted the FDP (refer to ASX Announcement dated 1 July 2026). The FDP is a comprehensive strategic blueprint that outlines the technical, commercial and environmental steps required to extract natural gas from the Company's contingent resources safely and efficiently. It represents a major milestone in transitioning the Company's gas discovery into producing assets with commercial viability. The key elements of the FDP are:

- Field Description and Geological Overview;
- Reservoir Management;
- Drilling & Completion Plan;
- Production & Processing Facilities;
- Project Execution & Management;
- Regulatory & permitting;
- Environmental & Social Impact Assessment;
- Technology & Innovation;
- Logistics & Supply Chain Management;
- Human Resources & Workforce Development;
- Risk & Uncertainty Management; and
- Project Monitoring & Control.

Consistent with industry practice, the FDP is the foundation for gas field commercialisation and ensures the onshore gas assets are developed in a manner that maximises recovery, optimises returns and aligns with government and environmental regulations. The robust assessment undertaken in the FDP facilitates engagement with South African capital partners, including institutional financiers, government utilities and development funds, and, together with the ability to grow incremental cash flow, provides the opportunity to optimise capital efficiency and financial resilience.

With the approved FDP, Kinetiko has commenced gas production permitting applications, including a Bulk Sampling Permit - a faster permitting process enabling a limited amount of gas production before a Production Right is granted - and a Production Right over Exploration Right 271.

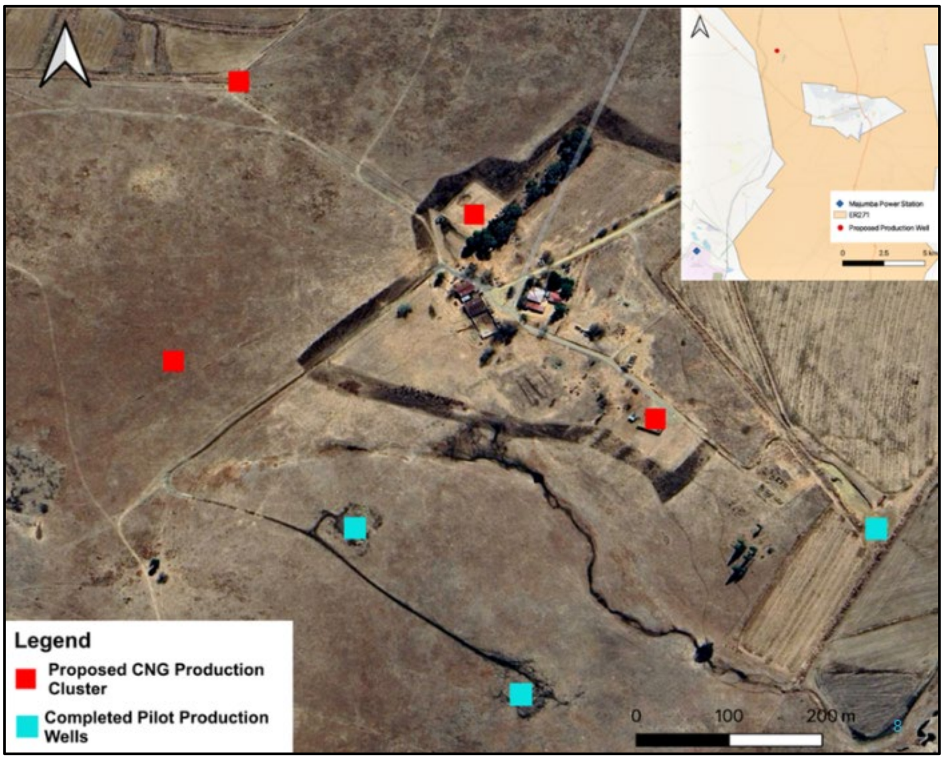

Figure 2: Brakfontein Phase 1 - proposed CNG production cluster (red) alongside completed pilot production wells (blue).

Brakfontein Production Cluster

The proposed Phase 1 production cluster is located within Exploration Right 271 at Brakfontein and comprises existing wells situated within close proximity of one another and of historic production test wells (refer Figure 2). Technical data from the extended flow tests completed in the December 2025 quarter has been incorporated into the FDP and continues to support reservoir optimisation and feasibility work, including the identification of additional well locations for Phase 2 of the RCDS.

The gas is a shallow conventional accumulation sitting in sandstone above the coals, sealed and compartmentalised into reservoirs by dolerite sills and dykes. It does not require fracking and is not a coal bed methane play, and its high methane content with minimal impurities streamlines processing and supports a simplified, accelerated start-up.

Joint Development Agreement – FFS Refiners

The binding Joint Development Agreement (JDA) executed with FFS Refiners (FFS) in October 2025 continues to underpin Phase 1a gas field development activities at Brakfontein. The JDA establishes the framework for co-developing Project Alpha, a staged liquefied natural gas (LNG) initiative targeting supply to the South African market, structured across multiple phases from initial gas field development through to full LNG production expansion.

FFS Refiners has committed aggregate Phase 1a funding of R28,656,000 (approximately A$2.58 million), with the first tranche of R6,200,000 (approximately A$560,000) received by Kinetiko's wholly owned subsidiary, Afro Energy (Pty) Ltd, in November 2025. Activities under Phase 1a, including co-funded drilling of additional production wells, gas testing and reserve certification work, continue to be progressed in conjunction with the RCDS.

Development Partnerships and Project Funding

The Company holds an agreement with the Industrial Development Corporation of South Africa (IDC) to co-develop a gas pilot plant and to scale to a full production field LNG operation. Afro Gas Development SA (Pty) Ltd was incorporated to commence the joint venture with the IDC.

Cresco, a leading South African project finance group, has been engaged to identify and source development finance opportunities and additional project development partners. Adoption of the FDP enables engagement with numerous South African government entities, domestic energy utilities and local institutional investors (refer to ASX Announcement dated 1 July 2026).

Capital Raising – Subsequent to Quarter End

Subsequent to the end of the quarter, the Company received firm commitments from professional and sophisticated investors to raise approximately A$5,400,000 (before costs) through a private placement (Placement), issuing approximately 180,000,000 new fully paid ordinary shares at $0.03 per share – a 14% discount to the last traded price of $0.035 on 27 July 2026 (refer to ASX Announcement dated 30 July 2026). The Placement was strongly supported by the Company's largest shareholders, as well as new investors.

Talent 10 Holdings (Pty) Ltd, a major shareholder related to non-executive director Mxolisi Mgojo, has subscribed for 100,000,000 Placement Shares, representing a contribution of $3,000,000. The issue of these Director Related Placement Shares is subject to shareholder approval, which will be sought at a general meeting to be held as soon as possible.

The Placement will be completed in two tranches: Tranche 1 comprising 50,000,000 Placement Shares issued to unrelated participants within the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A; and Tranche 2 comprising 130,000,000 Placement Shares, including the Director Related Placement Shares, subject to shareholder approval pursuant to ASX Listing Rule 10.11. GBA Capital Pty Ltd has been engaged as lead manager and bookrunner for the Placement.

The Placement complements proposed project funding from the Company's existing joint development agreements, and proceeds will be applied indicatively towards:

- Phase 1 development of the CNG gas production facility;
- drilling of further exploration wells;
- gas production permitting;
- securing a new chief executive officer; and
- costs of the offer and working capital.

Information Required by Listing Rule 5.4.1

The Company had cash outflows for exploration and evaluation incurred during the fourth quarter of the 2026 financial year in the amount of approximately ZAR 4.9m (A$439k) to cover, inter alia:

- Drilling services
- Preparation of a large drilling rig
- Proof-of-Concept GTP project equipment and services
- Wellsite equipment
- Contractor fees
- Consultants
- Owner's Engineer and other professional services
- Waste management solutions
- Plant hire
- Environmental auditing and application support
- Salaries, wages and day-rates
- Legal advice
- Office / G&A

Information Required by Listing Rule 5.3.5 – Payments to Related Parties

During the June 2026 quarter, approximately $161k was paid to directors (approximately $134k) and their associates for directors' fees, company secretarial, corporate, capital-raising and legal fees, and other reimbursements (approximately $27k).

Commitment to Domestic Employment

Direct and indirect employment from Kinetiko Energy activities. The table below illustrates the employment effect of the Company's operational status across the 2026 annum to date:

	Management	Exploration	Environmental	Casual Employment	Skilled	Legal	Sub Total
Local RSA Employment	3	1		4			**8**
Expatriates	2						**2**
Operations Consultants	2	1	2				**5**
Suppliers	6	3	2		16	2	**29**
Total Employment	**13**	**5**	**4**	**4**	**16**	**2**	**44**

Company	Application
SLR Consulting	Environmental Practitioners
Imbuzie Consulting & Training	Safety Management Systems
Environmental Drilling Remediation Services	Safety Management Systems
Ubuntu Rock Drilling	Core and Production drilling rig, casing and related services
Interwaste Environmental Solutions	Water and Waste Management
Cliffe Dekker Hofmeyr	Legal services
Nupen Staude de Vries	Legal services
LOG Projects	Surface and Downhole Equipment and Services
Oilfield Technologies	Consultation
Geoline Wireline	Wireline Logging

Tenure Status as at 30 June 2026

Tenement reference	Nature of interest
ER383	The Company is awaiting the Department of Forestry, Fisheries and Environment decision with respect to submissions made by interested and affected parties.
ER270	The second renewal application was granted by the Petroleum Agency of South Africa (PASA) on 29 August 2025.
ER271	The second renewal application was granted by PASA on 29 August 2025. Production Right application is ongoing, with a Production Right application and a Bulk Sampling Permit application commenced following adoption of the Field Development Plan.
ER272	The second renewal application was granted by PASA on 21 August 2025.

- ENDS -

Authorised for release by the Board of Kinetiko Energy Limited

For more information visit: www.kinetiko.com.au or contact:

Adam Sierakowski

Executive Chairman

08 6211 5099

adam@kinetiko.com.au

Mark Flynn

Investor Relations

+61 416 068 733

mark@kinetiko.com.au

About Kinetiko Energy

Kinetiko Energy (ASX: KKO | OTCQB: KKOBF) is a gas field developer focused on commercialising its 100%-owned shallow conventional gas projects in South Africa. The Company's flagship Brakfontein project holds independently certified 2P reserves. The broader Mpumalanga project holds a 2C contingent resource of approximately 6 trillion cubic feet (Tcf), underpinning a staged development programme from initial CNG production through to full-field LNG at scale. Kinetiko's projects are located in South Africa's primary power-producing region, where gas is expected to play a central role in base load energy supply and the country's long-term energy transition.

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.

Resources and Reserves

Total Contingent Resources Calculated for the Three Kinetiko Licenses (in Bcf, Net - 49%):

Licence	1C	2C	3C
Total CBM and SST CR	1,394.5	2,955.4	8,540.3

Contingent resources (Bcf, gross) calculated across the three Kinetiko licences:

Licence	1C	2C	3C
Total CBM and SST CR	2,846.0	6,031.4	17,429.1

Prospective Convectional Resources Calculated for the Three Kinetiko Licenses (in Bcf, Net - 49%):

Licence	1U	2U	3U
ER 271	-	-	-
ER 270	1,568	2,652	4,114
ER 272	148	199	259
Total	1,717	2,851	4,373

Prospective convectional resources (Bcf, gross) calculated across the three Kinetiko licences:

Licence	1U	2U	3U
ER 271	-	-	-
ER 270	3,201	5,413	8,396
ER 272	303	406	529
Total	3,504	5,819	8,925

Summary of Net Gas Reserves for ER 271 Gas Field Development Project (Net - 49%):

Reserves	PDP	PDNP	PUD	Total Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)
Gas (MMCF)	0.0	321.1	1,605.5	1,926.6	3,149.5	4,923.2

Net gas reserves (MMCF) for the ER 271 gas field development project (gross):

Reserves	PDP	PDNP	PUD	Total Proved (1P)	Proved + Probable (2P)	Proved + Probable + Possible (3P)
Gas (MMCF)	0.0	655.3	3,276.5	3,931.8	6,427.5	10,047.4

The Company notes that the Gross figures listed in the table above represent Afro Energy's 100% interest in the exploration rights whereas Net figures relate to Kinetiko's 49% economic interest in Afro Energy.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) in respect of prospective resources relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development, and further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons. 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 that announcement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

KINETIKO ENERGY LIMITED

ABN	Quarter ended ("current quarter")
45 141 647 529	30 June 2026

Consolidated statement of cash flows			Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(197)	(948)
	(e)	administration and corporate costs	(263)	(1,364)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		3	18
1.5	Interest and other costs of finance paid		-	(10)
1.6	Income taxes paid		-	(11)
1.7	Government grants and tax incentives		-	-
1.8	Other – net GST and VAT (paid) / refunded		(12)	84
1.9	**Net cash from / (used in) operating activities**		**(469)**	**(2,231)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	-	(423)
	(d)	exploration & evaluation, net of funds contributed by joint venture partner	(439)	(2,000)
	(e)	investments	-	-
	(f)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal or in respect of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	8
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Loans to other entities/individuals	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Funds advanced by joint venture partner (FFS Refiners) pursuant to joint development agreement	-	146
2.6	**Net cash from / (used in) investing activities**	**(439)**	**(2,269)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,333
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(119)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(100)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**3,114**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,375	1,885
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(469)	(2,231)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(439)	(2,269)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,114

Consolidated statement of cash flows		Current quarter $A’000	Year to date (12 months) $A’000
4.5	Effect of movement in exchange rates on cash held	12	(20)
4.6	**Cash and cash equivalents at end of period**	**479**	**479**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A’000**	**Previous quarter $A’000**
5.1	Bank balances	167	1,076
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – bank balances in respect of Afro Gas Development SA (Pty) Ltd and FFS Refiners joint ventures	312	299
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**479**	**1,375**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	161
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(469)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(439)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(908)
8.4	Cash and cash equivalents at quarter end (item 4.6)	479
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	479
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.52

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: YES

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company continues to evaluate various funding strategies to support project development. Management remains confident in its ability with securing equity and or debt financing, a capability consistently demonstrated by proven track record of historical successful capital raises. (Please refer to the company's ASX announcement dated 30/07/2026 regarding a capital raise).

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Yes. Based on the responses provided in items 8.8.1 and 8.8.2 above, the Company expects to maintain operations and achieve its objectives.	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2026

Authorised by the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.