KINETIKO ENERGY LTD

ABN 45 141 647 529

Financial Report
for the Year Ended
30 June 2026

C O N T E N T S

Corporate Directory

Directors
Adam Sierakowski
Dirk Robert Bulder
Donald Mzolisa Jones Ncube
Robert Scharnell
Mxolisi Donald Mbuyisa Mgojo

Company Secretary
Simon Whybrow

Public Officer
Adam Sierakowski

Principal Activity
Shallow Conventional Gas Exploration

Principal Place of Business
Level 24, St Martins Tower
44 St Georges Terrace
PERTH WA 6000

Registered Office
Level 24, St Martins Tower
44 St Georges Terrace
PERTH WA 6000

Auditors
BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Stock Exchange Listing
Australian Securities Exchange
Home Exchange: Perth
Code: KKO

Share Registry
Automic Registry Services
Level 5, 191 St Georges Terrace
PERTH WA 6000

Chairman’s Address

Dear Shareholders,

It is with great pleasure that I present to you the Chairman’s address for the financial year ended 30 June 2026, a year in which Kinetiko Energy has made the long-anticipated transition from explorer to gas field developer.

A Year of Transition

In last year’s address, I described a technical turning point in the Company’s journey. The task before us in FY2026 was to demonstrate that this turning point was real, repeatable and commercial, and I am pleased to report that our focus through the year has been to deliver exactly that.

The optimised drilling procedures developed with our experienced internal technical team and external consultants Oilfield Technologies Australia were applied in the field to two production test wells at Brakfontein, and both delivered results that met or exceeded our expectations. ER271-KA03PT06 was drilled to a total depth of 405 metres, on time and on budget, and recorded a peak choke test flow of 1,600 Mscfd — more than three times the best historical result achieved at Brakfontein. ER271-KA03PT10 was completed to 417 metres with 144 metres of net pay and recorded a peak flow of 370 Mscfd.

Extended flow testing across the two wells recovered a combined 7,954 Mscf of gas, with methane content consistently above 98%. ER271-KA03PT10 flowed for 40 continuous days with no discernible decline, and both wells sustained rates materially above the 50 Mscfd initial flow rate that independent certifier Sproule B.V. assessed as the threshold for commercial viability.

From Testing to Development

With a track record for exploration success for over a decade the board determined late last year that given the rapid depletion of South Africa’s only gas sourced from Mozambique and the priority for sovereign energy independence its focus should be how best to expedite development to gas production and establish a significant onshore domestic gas alternative. Rather than pursue a single large-scale project, we spent much of the year working alongside a team of highly qualified geologists, reservoir engineers, petrophysicists and production engineers to design a staged vision for development of our gas fields.

The result, announced in April 2026, is the Rolling Cluster Development Strategy. It deploys capital incrementally across at least four phases, beginning with a compressed natural gas facility at Brakfontein that connects four existing wells to a central manifold and a mobile, modular CNG plant, and scaling through hybrid CNG/LNG clusters to a full-field LNG or direct to existing infrastructure operation across our broader tenement package. Each phase is validated by the one before it, the infrastructure is designed to carry forward without re-engineering, and the programme has the capacity to be part-funded from early revenue. In doing so, it transforms what would traditionally be a high-risk, single-site development into a sequence of manageable and well-understood gas producing phases.

Underpinning that strategy is the Field Development Plan for Phase 1, completed by our technical team during the June quarter and adopted by the Board shortly after year-end. The FDP is the document that turns a gas discovery into a gas producing project: it sets out the technical, commercial, regulatory and environmental steps required to produce gas safely and efficiently, and it enables us to engage with South African government regulator, financiers, utilities and off takers as a developer rather than as an explorer. With the FDP adopted, we have commenced applications for a Bulk Sampling Permit — which permits limited production ahead of a full Production Right — and for a Production Right over area within Exploration Right 271.

Our tenure position has also strengthened. The Petroleum Agency of South Africa granted the second of three term renewals of Exploration Rights 270, 271 and 272 in August 2025, securing 2,983 km² for a further two years and taking our total permitted area to 5,366 km², including ER383, on which Environmental Authorisation has been granted.

Chairman's Address (continued)

Partnerships

An asset of this scale is best developed in partnership, and during FY2026 our relationships moved from intention to firm commitment.

- In September 2025 we executed a binding Joint Development Agreement with FFS Refiners, converting the term sheet signed at the start of the year into a committed framework for Project Alpha. Kinetiko is the Operator for Phase 1a, which is jointly funded to approximately R64.3 million (A$5.7 million) and covers co-funded drilling, well upgrades, gas testing and certification of reserves by a competent person. FFS advanced the first tranche of R6.2 million in November 2025.

- Our joint venture with the Industrial Development Corporation of South Africa, through Afro Gas Development SA (Pty) Ltd, remains in place as the vehicle for scaling to full-field LNG production.

- We engaged Cresco, a leading South African project finance group, to source development finance and identify further project development partners now that the adoption of the FDP provides a concrete basis for their assessment.

Board Enhancement

We also strengthened the Board with the appointment of Mr Mxolisi Mgojo as a Non-Executive Director in October 2025. Mr Mgojo led Exxaro Resources as Chief Executive Officer for six years and has served as President of both the Minerals Council South Africa and Business Unity South Africa. His judgement on South African industry, government and capital markets is already proving valuable as we move into the permitting and financing phase.

Capital

Kinetiko was well supported by its shareholders through the year. In November 2025, we raised $3.15 million, cornerstoned by South African and Australian investors, with funds directed primarily to Phase 1a gas field development at Brakfontein, the production right application and gas testing. In December we joined the OTCQB Market under the ticker KKOBF, broadening our access to North American capital markets and our visibility with the energy majors, utilities, infrastructure groups and financiers that follow emerging gas developers.

Subsequent to year-end, we received firm commitments for a further placement of approximately $5.4 million, again strongly supported by our largest shareholders as well as by new investors. Talent 10 Holdings, associated with Mr Mgojo, has committed $3 million of that total, subject to shareholder approval. The proceeds are directed at driving the field development plan including, further exploration drilling, gas production permitting, and building out our leadership team.

In August 2026, we secured a further A$1.26 million in non-dilutive funding under a co-operation and settlement agreement with Mulilo Newcastle Wind Power, enabling land use on ER 270 for the Newcastle wind power facility. The arrangement affects approximately 1.1% of that exploration right, and leaves our rights outside the defined zones intact, and carries a right of first refusal to supply gas should the Newcastle project procure gas-fired generation. The funds will be applied to expediting the Phase 1 production cluster at Brakfontein.

Outlook for FY2027

The year ahead will be one of execution. Our priorities are to progress the Bulk Sampling Permit and Production Right applications, to complete civil works, installation and commissioning of the Phase 1 CNG facility, to drill the Key Well that will determine the location of the Phase 2 cluster, and to advance potential for certification of additional gas reserves. With first commercial gas production targeted for in late 2027.

Chairman’s Address (continued)

The demand fundamentals for our product remain strong. South Africa’s energy supply constraints are acute, our granted exploration rights sit within the country’s primary power-producing region alongside existing energy infrastructure and demand centres, and domestic appetite for locally produced gas continues to build. Our task is to deliver into that market on schedule and within budget and, in doing so, to begin converting our 2C contingent resource of approximately 6 Tcf into greater certified reserves and revenue.

Acknowledgements

On behalf of the Board, I thank our management team, staff, contractors and partners in South Africa for their work through a demanding year, and for a safety record of no accidents, injuries, health or environmental incidents across more than 15,051 person-hours. I also want to thank you, our shareholders, for your continued support and belief in Kinetiko’s vision through what has been a demanding but rewarding year. The Company enters FY2027 well funded and with a defined development plan, committed partners, a permitting pathway and a production target.

Yours sincerely,

Adam Sierakowski
Executive Chairman

Directors' Report

The directors of Kinetiko Energy Ltd submit herewith the financial report of the consolidated entity consisting of Kinetiko Energy Ltd ("the Company" or "Kinetiko") and its controlled entities ("the Group") for the financial year ended 30 June 2026. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report as follows:

Directors

The names of the directors in office during the financial year and until the date of this report are:

Adam Sierakowski
Donald Mzolisa Jones Ncube
Dirk Robert Bulder
Robert Scharnell
Mxolisi Donald Mbuyisa Mgojo (appointed 3 October 2025)

Information on Directors

Adam Sierakowski, Executive Chairman
Mr Sierakowski is a lawyer and founding director of the legal firm Palisade Corporate (formerly Price Sierakowski). He has more than 22 years of experience in legal practice, much of which he has spent as a corporate lawyer, consulting and advising on a range of transactions to a variety of large private and listed public entities. He has advised and guided many companies undertaking IPO, RTO, fundraising and M&A activities in Australia and overseas.

As the co-founder of Trident Capital, Mr Sierakowski has also advised a variety of public and private clients on the structuring of transactions and has been engaged in co-ordinating fundraising both domestically and overseas. He has acted as chairman of many listed and unlisted public companies and has expertise in a variety of sectors including resources, energy, technology, agri/aquaculture, biotech, industrial and financial services.

Mr Sierakowski is a member of the Australian Institute of Company Directors and the Association of Mining Exploration Companies.

Special responsibilities:
- None

Directorships held in other ASX-listed companies in the past 3 years:
- Connected Minerals Limited, Non-Executive Director, appointed 3 December 2018, resigned 26 August 2026.
- Raptor Metals Limited, Non-Executive Chair, appointed 11 December 2025 – current.

Donald Mzolisa Jones Ncube, Non-Executive Director
Mr Ncube graduated with a master's degree in Manpower Studies at the University of Manchester in December 1984.

Mr Ncube is recognised and respected as one of the reputable pioneers of Black Economic Empowerment. He is the founder and former Chairman and Chief Executive Officer of Real Africa Holdings (Pty) Ltd, a listed company on the Johannesburg Securities Exchange, that unbundled and distributed assets worth 3 billion Rand to shareholders in 2003.

Mr Ncube carved his professional career in the mining industry. He worked for the Anglo-American Corporation for 22 consecutive years and was the first South African black to sit on the Board of Anglo-American Corporation. Mr Ncube has a performance track record as Chairman of successful corporations such as Sun International, Oceana Fishing Group, South African Airways and Atomic Energy Corporation.

Directors' Report (continued)

Information on Directors (continued)
Mr Ncube is currently the Chairman of Badimo and Afro Energy.

Special responsibilities:
- None

Directorships held in other ASX-listed companies in the past 3 years:
- None

Dirk Robert Bulder, Executive Director
Rob Bulder qualified as a Chartered Accountant in 1987 and has over 30 years of commercial experience.

Mr Bulder has held numerous senior management and executive board positions in the manufacturing, financial services, IT, airline and gas industries, overseeing multi-billion Rand budgets. These positions included that of Group Financial Director of Paragon Business Communications Ltd, a company listed on the Johannesburg Stock Exchange, as well as the position of (acting) Executive Vice-President of South African Airways SOE and CEO of South African Airways Technical Division (Pty) Ltd, a multi-billion Rand division of SAA Ltd and that of the Vice President of Business Development for SAA Ltd.

Mr Bulder has been the Finance Director of Badimo for more than a decade.

Special responsibilities:
- Oversee South African Governance requirements
- Interim Chief Executive Officer (assumed December 2024)

Directorships held in other ASX-listed companies in the past 3 years:
- None

Robert Scharnell, Non-Executive Director
Mr Scharnell is an experienced international business executive with over 30 years of demonstrated achievement at Chevron Corporation in establishing and implementing business strategy. He has conducted business in over 20 countries and under complex situations, for large values including negotiating multi-lingual agreements, sales/purchase transactions, and settling claims and disputes on the scale of over $1 billion in value.

Mr Scharnell's breadth of experience extends beyond the core energy business, with a career highlight in managing the creation and implementation of an award winning economic development and social impact project in Africa. This project transformed Chevron's approach to improving lives within the communities in which it operates.

Special responsibilities:
- None

Directorships held in other ASX-listed companies in the past 3 years:
- None

Directors' Report (continued)

Information on Directors (continued)

Mxolisi Donald Mbuyisa Mgojo, Non-Executive Director (appointed 3 October 2025)
Mr Mgojo is a director of Talent 10 Holdings Group, one of Kinetiko's largest shareholders and has been in the mining industry since 2001. Prior to that, his career includes 10 years as a software engineer and 8 years in the finance industry.

Mr Mgojo has a BSc degree in Computer Science (Northeastern Univeristy, USA), an Honours degree in Energy Studies (Rand Afrikaans University), a Diploma in International Finance Management and an MBA (Henley Management College, UK). Mr Mgojo has also completed a Societé Generale Investment Banking and Corporate Finance Programme (Kellogg, USA) and an Advanced Management Programme (Wharton).

Career highlights include his appointment in April 2016 as CEO of Exxaro Resources Limited, succeeding Mr Sipho Nkosi, a position he held until his retirement in July 2022.

Special responsibilities:
- None

Directorships held in other ASX-listed companies in the past 3 years:
- None

Company Secretary

Simon Whybrow (ACPA, FGIA, FCG)
Mr Whybrow is a Certified Practising Accountant and Chartered Secretary and has over 25 years corporate and commercial experience within both ASX-listed and unlisted companies. Mr Whybrow was Chief Financial Officer, Chief Operating Officer and Company Secretary for ASX-listed security company Threat Protect Australia Ltd (ASX: TPS) from 2016 to 2020. Prior to that he was involved in several listed and unlisted, public and private, mining companies including chief financial officer and company secretary for RMA Energy Limited 2007 to 2010.

Principal Activities
The principal activity of the Group during the financial year was shallow conventional gas exploration.

Operating Results
The loss for the year ended 30 June 2026 after providing for income tax amounted to $4,616,090 (2025: $5,542,251).

The directors of the Company submit herewith the operations report of the Company for the financial year ended 30 June 2026.

Directors' Report (continued)

Review of Operations
During the year the Group undertook the following activities:

Production Testing and Drilling

- Completed and tested two production test wells at Brakfontein within Exploration Right 271 using the optimised drilling procedures developed during the prior year. Both wells are located within 500 metres of one another and of historic production test wells and form the foundation of the initial producing cluster.
- **ER271-KA03PT06** – drilled in late August 2025 to a total depth of 405 metres, on time and on budget, with 141.5 metres of net pay sandstone logged between 175 and 388 metres. A choke test on completion recorded a peak gas flow of 1,600 Mscfd, more than three times the best historical result at Brakfontein (500 Mscfd, January 2013) and more than four times the peak recorded at ER271-KA03PT10.
    - Extended flow testing of ER271-KA03PT06 delivered the Group's highest sustained rates to date, producing up to 188 Mscfd over the first 14 days. Following an initial decline, flow plateaued after 27 days of continuous testing, by which time the well had recovered 4,432 Mscf at an average rate of 164 Mscfd.
- **ER271-KA03PT10** – drilled and completed in August 2025 to a total depth of 417 metres, with geophysical logging confirming 144 metres of net pay between 199 and 395 metres. A choke test on completion recorded a peak gas flow of 370 Mscfd.
    - Extended flow testing of ER271-KA03PT10 showed no discernible decline over 40 days of continuous flow, recovering 3,522 Mscf at an average rate of 91 Mscfd.
- The two wells produced a combined volume of 7,954 Mscf during extended flow testing, with methane content consistently above 98%. Sustained rates from both wells materially exceeded the 50 Mscfd initial flow rate assumed by independent certifier Sproule B.V. in its July 2023 reserve assessment as the threshold for commercial viability.
- Data from the extended flow tests was applied to reservoir modelling, depletion curve analysis and feasibility work, and subsequently incorporated into the Field Development Plan, including the identification of additional well locations for the next development phase.

Directors' Report (continued)

Review of Operations (continued)

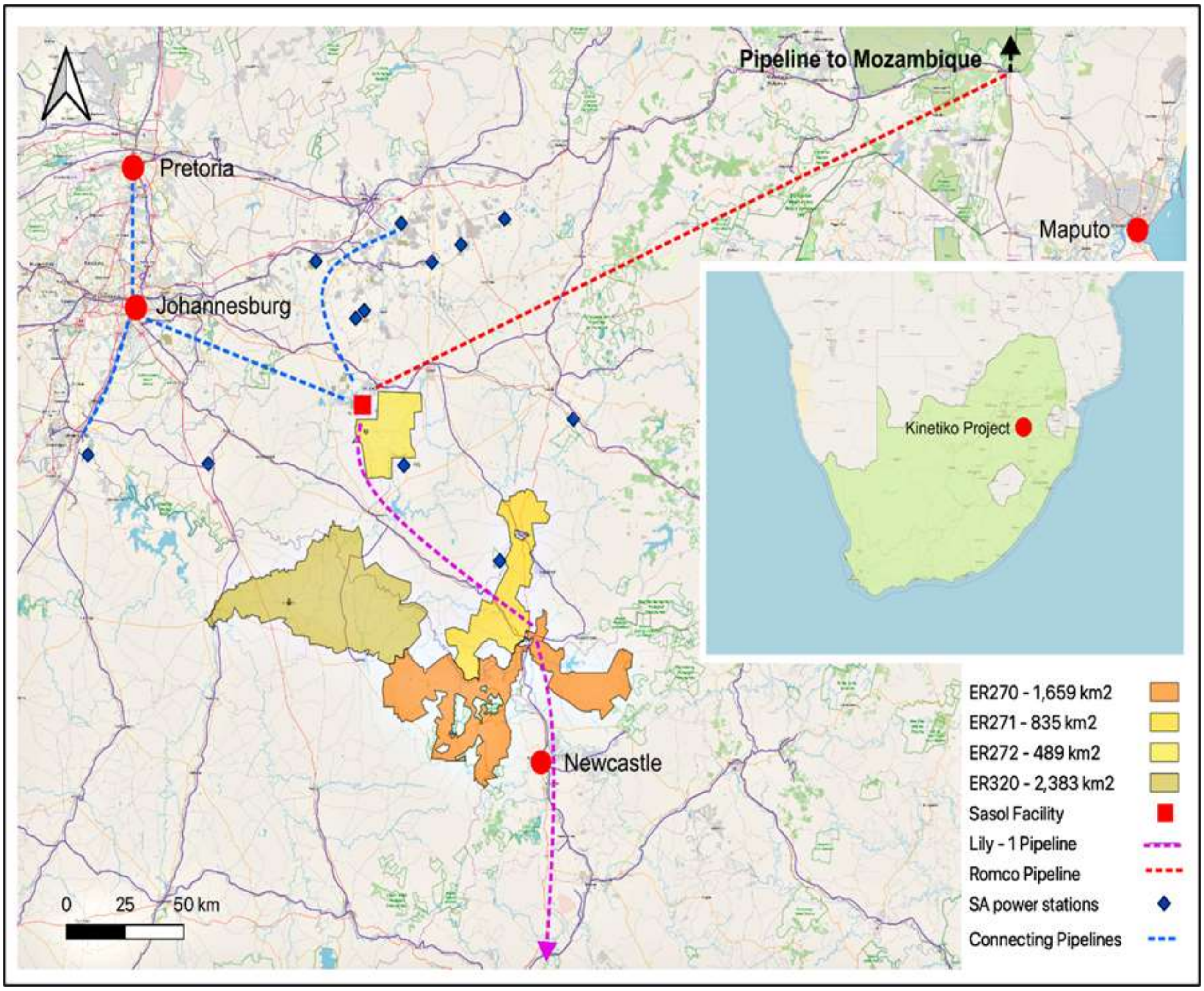

Figure 1 – Project location map – a production-ready asset in South Africa's primary energy-producing region, adjacent to major infrastructure and demand centres.

Directors' Report (continued)

Review of Operations (continued)

Figure 2 – Drilling rig on site for commencement of drilling at well 271-KA03PT06, Brakfontein.

Directors' Report (continued)

Review of Operations (continued)

Figure 3 – Production test well 271-KA03PT06 being choke tested.

Directors' Report (continued)

Review of Operations (continued)

Figure 4 – Production test well 271-KA03PT06 daily gas flow rate. The volume recovered during 27 days of continuous testing was 4,432 Mscf of approximately 98.5% methane.

Rolling Cluster Development Strategy

- Following completion of the production test well programme, the Group worked with a team of geologists, seismologists, petrophysicists and production engineers to develop its understanding of the Karoo Basin geology and to identify the optimal pathway to commercialise its contingent resource of approximately 6 Tcf (2C, gross).

- In April 2026 the Group announced the Rolling Cluster Development Strategy (RCDS), a staged, capital-efficient and risk-managed programme that replaces a single large-scale development with a sequenced roll-out in which capital is deployed incrementally and each phase benefits from improved technical validation and commercial performance. The RCDS marks the Group's transition from exploration to production.

- Indicative phases of the RCDS, as refined during the year, are:

  - **Phase 1** – establish a compressed natural gas (CNG) surface facility at the Brakfontein cluster using existing wells, connecting four wells to a central manifold and a mobile, modular CNG facility, and drill a Key Well to determine the Phase 2 cluster location;

  - **Phase 2** – apply Phase 1 data to guide the drilling of approximately 10 new optimised wells for a hybrid LNG/CNG production cluster;

  - **Phase 3** – target a larger gas compartment with additional wells and a mini-LNG plant; and

  - **Phase 4** – expand to a full-field LNG operation across the Group's broader tenement package.

Directors' Report (continued)

Review of Operations (continued)

- Phase 1 infrastructure has been designed to be modular and integrated across subsequent phases, minimising re-engineering as clusters are added. The programme can be self-funded from early revenue, has optionality to attract joint-venture capital partners, and may provide access to existing South African government capital support programmes.

Field Development Plan

- The Group's technical team completed the Field Development Plan (FDP) for Phase 1 of the Brakfontein Rolling Cluster during the June 2026 quarter, with formal adoption announced shortly after year-end.

- The FDP is a strategic blueprint setting out the technical, commercial and environmental steps required to extract natural gas from the Group's contingent resources safely and efficiently. It covers field description and geological overview, reservoir management, drilling and completion, production and processing facilities, project execution and management, regulatory and permitting requirements, environmental and social impact assessment, technology, logistics and supply chain, workforce development, risk and uncertainty management, and project monitoring and control.

- The FDP is based on existing wells producing high-methane gas with minimal impurities, which streamlines processing and supports a simplified and accelerated start-up. The gas is a shallow conventional accumulation held in sandstone above the coals, sealed and compartmentalised by dolerite sills and dykes; it does not require fracking and is not a coal bed methane play.

- The assessment underpinning the FDP facilitates engagement with South African capital partners, including institutional financiers, government utilities and development funds, and supports access to strategic partner funding and project debt.

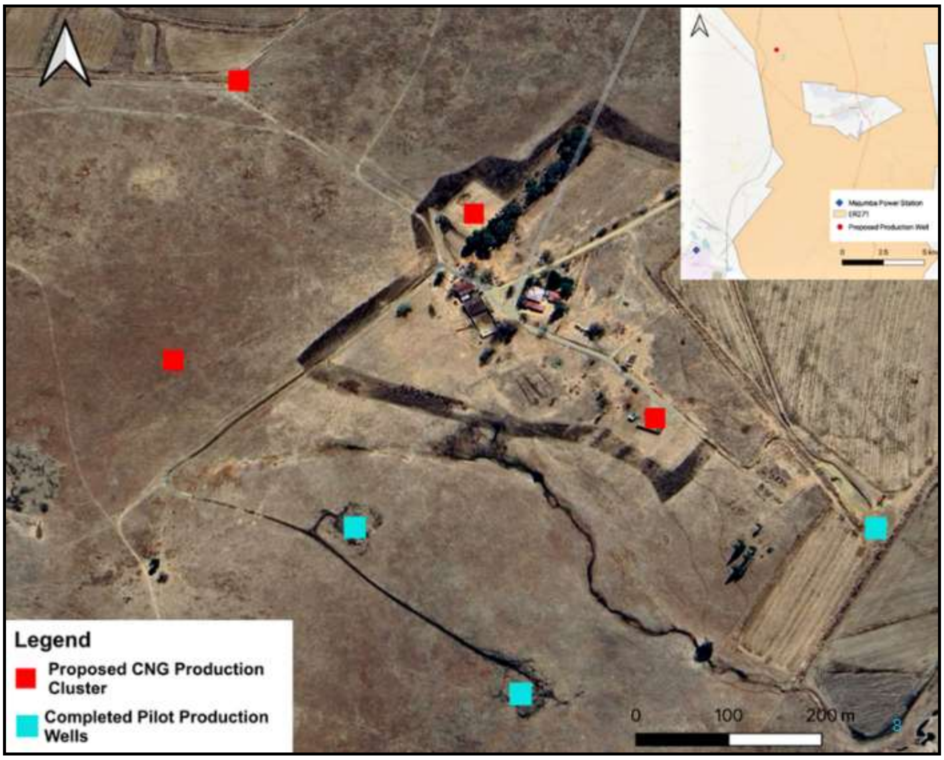

Figure 5 – Brakfontein Phase 1 – proposed CNG production cluster (red) alongside completed pilot production wells (blue).

Directors' Report (continued)

Review of Operations (continued)

Tenure and Permitting

- The Petroleum Agency of South Africa (PASA) granted second-term renewals of Exploration Rights ER270, ER271 and ER272, with granting letters issued between 21 and 29 August 2025 for a further two-year term from the date of issue. The approved applications included work programmes providing for continued drilling of core and production test wells and further exploration across all three tenements.
- The renewals secure tenure across 2,983 km² and bring the total permitted area to 5,366 km² including ER383.
- **ER383** – Environmental Authorisation was granted during the September 2025 quarter. At 30 June 2026 the Group was awaiting a decision from the Department of Forestry, Fisheries and the Environment in respect of submissions made by interested and affected parties.
- **ER271** – the Production Right application progressed throughout the year. Following completion of the FDP, the Group commenced a Production Right application and an application for a Bulk Sampling Permit, the latter providing a faster permitting pathway that enables a limited volume of gas production ahead of the grant of a Production Right.

Development Partnerships

- In September 2025 the Group executed a binding Joint Development Agreement (JDA) with FFS Refiners (Pty) Ltd (FFS) and Kinetiko's wholly owned subsidiary Afro Energy (Pty) Ltd, formalising the framework for co-developing **Project Alpha**, a staged liquefied natural gas (LNG) initiative targeting supply to the South African market. Kinetiko was appointed Operator for Phase 1a and manages all operational, permitting and reporting responsibilities.
- Phase 1a comprises co-funded drilling of five additional production wells and upgrades to existing wells at Brakfontein, gas testing and appointment of a competent person for certification of gas reserves, preparation of an LNG business case, a co-funded production right application, and formation of a JDA Steering Committee to oversee development activities.
- Subsequent phases contemplated under the JDA are a 5,000 tpa LNG proof-of-concept plant to be developed through a special purpose vehicle held 50:50 by Kinetiko and FFS (Phase 1b), scale-up to approximately 25,000 tpa across an expanded production right area (Phase 2), and further expansion across additional Kinetiko tenements to a potential 125,000 tpa (Phase 3).
- Phase 1a is jointly funded to an aggregate of approximately R64.3 million (A$5.7 million). The initial R20 million budget is contributed 67.5% by Kinetiko and 32.5% by FFS, with the remaining R44.3 million funded equally. FFS advanced the first tranche of R6,200,000 (approximately A$560,000), net of a management fee of R300,000, to Afro Energy in November 2025.
- The Group maintains its agreement with the Industrial Development Corporation of South Africa (IDC) to co-develop a gas pilot plant and scale to a full production field LNG operation, through the joint venture entity Afro Gas Development SA (Pty) Ltd.
- Cresco, a South African project finance group, was engaged to identify and source development finance opportunities and additional project development partners.
- In October 2025, the Executive Chairman and a majority of the Board hosted senior South African government representatives at the Brakfontein production test well cluster, demonstrating the scale and progress of the Group's shallow conventional gas development in Mpumalanga.

Directors' Report (continued)

Review of Operations (continued)

Corporate

- Mr Mxolisi Mgojo was appointed as a Non-Executive Director effective 3 October 2025. Mr Mgojo has more than 40 years' experience across South African industry, including as Chief Executive Officer of Exxaro Resources Limited from 2016 to 2022, President of the Minerals Council South Africa from 2017 to 2021, and President of Business Unity South Africa from 2024.

- The Company's application to join the OTCQB Market was approved and trading commenced on 23 December 2025 under the ticker KKOBF. The quotation broadens access to North American capital markets, supports US dollar trading during US market hours and increases visibility with energy majors, utilities, infrastructure groups and financiers. The OTCQB structure imposes no additional reporting requirements, as the Company's ASX disclosures already meet OTCQB standards.

ESG (Environment, Social & Governance)

- No accidents, injuries, health or environmental incidents were reported in any quarter during the year, across more than 15,051 person-hours worked.

- Safety meetings were conducted before every shift at well sites, with all work executed in accordance with the Group's health, safety and environment protocols.

- The Group's activities supported 44 direct and indirect roles, comprising local South African employment, expatriate personnel, operations consultants and supplier personnel across management, exploration, environmental, skilled, casual and legal functions.

- Local procurement and employment continued to be prioritised, with South African suppliers and contractors engaged across drilling, wireline logging, surface and downhole equipment, water and waste management, environmental practice, safety management systems and legal services.

- Environmental auditing, application support and community engagement continued in support of the ER383 and ER271 applications.

Funding

- In November 2025 the Company received firm commitments from professional and sophisticated investors to raise $3,152,971 (before costs) through the placement of 48,507,252 fully paid ordinary shares at $0.065 per share. The placement was not underwritten and was completed in two tranches: 33,122,637 shares issued to unrelated participants within the Company's capacity under ASX Listing Rule 7.1, and 15,384,615 shares subscribed for by related parties of Directors, which received shareholder approval at the annual general meeting held on 28 November 2025.

- Funds raised were primarily allocated to Phase 1a gas production development at the Brakfontein cluster, the production right application, gas testing and certification of gas reserves, with a portion applied to additional exploration activities and general working capital.

- The Group ended the year with approximately $479,000 in available funds, comprising $166,000 in cash and $313,000 held in joint venture entity balances (Afro Gas Development SA (Pty) Ltd) and funds advanced by FFS Refiners. The Group had no debt at 30 June 2026.

Directors' Report (continued)

Review of Operations (continued)

Competent Persons Statement

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 Group confirms that it is not aware of any new information or data that materially affects 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.

Material Business Risks

The Group makes every effort to identify materials risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Group or by investors in the Company, nor are they in order of significance. Actual events may be different to those described.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

a) Tenure and access risk

Applications

While the Group does not anticipate there to be any issues with the grant of its Exploration and Production Right applications, there can be no assurance that the applications (or any future applications) will be granted. While the Group considers the risk to be very low, there can also be no assurance that when the relevant Exploration and Production Rights are granted, they will be granted in their entirety. In mitigation, however, we have received both written, verbal and implied support for our plans and projects from both the Regulator (a State entity and gatekeeper for permitting) and the Department of Minerals and Energy, the authority for the permit awarding. There is a risk of NGO activity that could delay, but not preclude, the startup of activities in either an Exploration Right or Production Right area.

Renewal

Exploration rights are subject to periodic renewal. The extension of these rights falls under the discretion of the relevant regulatory authorities, including the Petroleum Agency of South Africa (PASA), and is subject to fulfilling all regulatory requirements. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas over a portion of the Rights. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group. Although we have already entered a second renewal period, we have had no indication of any change in conditions.

Access

A number of the Rights overlap certain third-party interests that may limit the Group's ability to conduct exploration and mining activities, including private land and servitudes for railways, roads, grid lines and pipelines.

Where the Project overlaps private land, exploration and mining activity, the Company may require authorisation or consent from the owners of that land. The Group is required to enter into land access agreements to undertake its proposed exploration program on the Rights. However, the Group's current proposed exploration program is not impacted by the known sites of registered heritage significance. In any case where environmental issues (including heritage significance) are found to be in conflict with our field activities, our large geographical spread allows us to show flexibility to avoid said conflict.

Directors' Report (continued)

Material Business Risks (continued)

b) Exploration Risk

Potential investors should understand that exploration and development are high-risk undertakings. There can be no assurance that exploration of the Project, or any other Rights that may be acquired in the future, will result in the discovery of an economic gas reserve. Even if apparently viable appraisal targets are identified, there is no guarantee that it can be economically exploited. To date, however, we have struck gas in 100% of the 46 boreholes we have drilled across our three existing tenements under Exploration Rights.

The success of the Group will also depend upon the Group having access to sufficient development capital and access to gas exploration and production third party contractors to undertake exploration activities, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Exploration Rights, a reduction in the cash reserves of the Group and possible relinquishment of its projects.

c) Climate Change

The operations and activities of the Group are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Group. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates. The Group's approach is to focus on the mitigating consequence of gas as a greening effect on the environmental landscape, as it is destined to replace coal and other polluting liquid fuels like heavy fuel oil and diesel for thermal industry usage and power generation.

d) Reliance on Key Personnel

The Group's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Group's business.

e) Environmental

The operations and proposed activities of the Group are subject to Australian and South African laws and regulations concerning the environment. As with most exploration projects, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive, however, these standards and specifications follow an international benchmark and are not expected to change. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes.

Directors' Report (continued)

Material Business Risks (continued)

f) Black Economic Empowerment (BEE)

According to relevant legislation contained in the Mineral and Petroleum Resources Development Act 28 of 2002 (MPRDA) the BEE component of any company wishing to apply for Production Rights for mineral mining or petroleum extraction need to have no less than a 26% participation at the level of the Rights Holder for permit application processing to proceed. The Group is currently oversubscribed for their BEE participation due to Level 1 BEE investors from South Africa on the register. The Upstream Petroleum Resource and Development Bill was assented to on 29th October 2024 but will only come into effect at a future date determined by the President. This Act once in effect requires a minimum of 10% BEE participation and provides the state an option to acquire a 20% carried interest in all exploration and production rights.

g) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group, as well as on its ability to fund its operations.

h) Additional requirements for capital

The Group's capital requirements depend on numerous factors. The Group may require further financing and any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Group.

Significant Changes in State of Affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

- On 4 September 2025, the Group announced that the Petroleum Agency of South Africa had granted the Group's second renewal application for ER 270, 271 and 272 for a further term of two (2) years.

  The renewals secure tenure across 2,983 km² and bring the total permitted area to 5,366 km² including ER383, underpinning the Group's accelerated development strategy.

- On 13 September 2025, the Group announced that it had executed a binding Joint Development Agreement ("JDA") with FFS Refiners to co-develop Project Alpha at Brakfontein.

  Phase 1a provides for:
  - Co-funded drilling of five additional production wells
  - Upgrades to existing wells
  - Gas testing and reserve certification
  - Preparation of an LNG business case
  - Application for a production right

  Total Phase 1a funding is approximately R64.3 million, with staged contributions from both parties.

  On or about 5 November 2025, FFS advanced the first tranche of funding of R6.2 million, net of fees, to Afro Energy (Pty) Ltd, Kinetiko's wholly owned subsidiary. This advance formed part of FFS's total Phase 1a funding commitment of approximately R28.7 million.

Directors' Report (continued)

Significant Changes in State of Affairs (continued)

The JDA establishes a Joint Development Steering Committee and contemplates progression to:

- Phase 1b, 5,000 tpa LNG proof-of-concept plant
- Phase 2, 25,000 tpa LNG production
- Phase 3, potential expansion to 125,000 tpa across additional tenements

Execution of the JDA represented a significant milestone in the Group's commercialisation pathway.

- On 18 September 2025, following shareholder approval granted at the Company's General Meeting to allow the Company's Directors to participate in the Placement announced on 12 June 2025, 7,750,000 at $0.04 each and 7,750,000 free attaching options, representing a contribution of $310,000, were issued to Directors.

  Furthermore, 3,000,000 unlisted options were issued to Mr Robert Scharnell following shareholder approval at the Company's General Meeting.

- On 3 October 2025, highly credentialed former Exxaro CEO, Mr Mxolisi Mgojo, was appointed as a Non-Executive Director, strengthening the Board as Kinetiko advances its South African gas commercialisation strategy.

- On 3 December 2025, the Group completed a placement raising approximately $3.15 million before costs through the issue of 48,507,252 new fully paid ordinary shares at $0.065 per share, cornerstoned by key South African and Australian investors.

- On 23 December 2025, the Group commenced trading on the OTCQB Market in the United States under ticker KKOBF. The OTCQB quotation enhances visibility with North American investors and broadens access to gas-focused capital markets. The Group continues to comply with ASX reporting requirements, which satisfy OTCQB standards.

Matters subsequent to the end of the financial year

- July 2026 – the Board adopted the Field Development Plan for Phase 1 of the Brakfontein Rolling Cluster, bridging exploration and production. Adoption of the FDP enabled the commencement of gas production permitting applications, including a Bulk Sampling Permit and a Production Right over Exploration Right 271, and supports engagement with South African government entities, domestic energy utilities and local institutional investors.

- July 2026 – the Company received firm commitments from professional and sophisticated investors to raise approximately $5,400,000 (before costs) through the placement of approximately 180,000,000 fully paid ordinary shares at $0.03 per share, a 14% discount to the last traded price of $0.035 on 27 July 2026. The placement was strongly supported by the Company's largest shareholders as well as new investors and is to be completed in two tranches: 50,000,000 shares issued to unrelated participants under ASX Listing Rules 7.1 and 7.1A, and 130,000,000 shares subject to shareholder approval under ASX Listing Rule 10.11. GBA Capital Pty Ltd was engaged as lead manager and bookrunner.

- Talent 10 Holdings (Pty) Ltd, a major shareholder related to Non-Executive Director Mr Mxolisi Mgojo, subscribed for 100,000,000 placement shares representing a contribution of $3,000,000. The issue of these shares is subject to shareholder approval, to be sought at a general meeting.

- Proceeds of the placement 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, targeting first commercial gas in late 2027.

Directors' Report (continued)

Matters subsequent to the end of the financial year (continued)

- August 2026 – Afro Energy (Pty) Ltd executed a Co-operation and Settlement Agreement with Mulilo Newcastle Wind Power (MNWP) and Mulilo Renewable Project Developments, resolving an overlap between Exploration Right 270 and the proposed Newcastle wind energy facility in KwaZulu-Natal.
- Afro Energy granted MNWP exclusive use of a defined 18.54 km² exclusion zone, approximately 1.1% of ER270, and retains all exploration and related rights outside that zone, including the ability to renew or convert the Exploration Right.
- Consideration is the Rand equivalent of A$1,260,720, non-dilutive, with a non-refundable 20% payable on execution and the balance following Financial Close of the Newcastle project, targeted on or before 31 December 2026. Funds will be applied to expediting the Phase 1 gas production cluster at Brakfontein.
- The Agreement also grants Afro Energy a right of first refusal to supply natural gas should gas-fired generation be procured for the project, although neither Mulilo party is obliged to procure gas.

No other matters or circumstance has arisen since 30 June 2026 that has affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

As Kinetiko Energy Ltd is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Kinetiko Energy Ltd securities.

In the opinion of the Directors, it would prejudice the interests of the Group to provide additional information, beyond that which is reported in this Annual Report, relating to likely developments in the operations of the Group and the expected results of those operations in financial years subsequent to 30 June 2026.

Dividends Paid or Recommended

No dividends were paid during the financial year (2025: nil) and no recommendation is made as to payments of future dividends.

Meetings of Directors

During the financial year, nine (9) meetings of Directors were held. Attendances by each director were as follows:

	Number eligible to attend	**Number Attended**
Adam Sierakowski	9	9
Robert Bulder	9	9
Donald Ncube	9	9
Robert Scharnell	9	9
Mxolisi Mgojo	7	7

Directors' Report (continued)

Directors' Share and Option Holdings

As at the date of this report, the interests of the directors in the Company were:

Director	Ordinary Shares	Unlisted Options	Performance Rights
Adam Sierakowski	80,325,836	6,000,000	7,500,000
Robert Bulder	35,919,384	3,250,000	5,000,000
Donald Ncube	253,120,880	5,000,000	-
Robert Scharnell	3,111,865	5,500,000	-
Mxolisi Mgojo	213,026,558	-	-

Share Options

As at the date of this report, the unissued ordinary shares of the Company under option are as follows:

Grant date	Expiry date	Exercise price	Number under option
24 November 2023	31 December 2026	$0.12	24,750,000
29 August 2024	31 December 2026	$0.12	2,000,000
24 June 2025	30 June 2027	$0.07	55,075,000
4 September 2025	31 December 2026	$0.12	2,000,000
17 September 2025[1]	23 August 2028	$0.12	3,000,000
			86,825,000

[1] The unlisted options were issued to Mr Robert Scharnell following shareholder approval granted on 17 September 2025.

Performance Rights

As at the date of this report, the performance rights on issue are as follows:

Grant date	Expiry date	Number
27 November 2024	6 December 2029	20,000,000
		20,000,000

Remuneration Report (Audited)

The directors are pleased to present the Group's 2026 remuneration report which sets out remuneration information for the Group's Non-Executive directors, managing director and other key management personnel.

The report contains the following sections:

(a) Principles used to determine the nature and amount of remuneration
(b) Compensation of key management personnel
(c) Services agreements
(d) Shareholdings of key management personnel
(e) Options on issue
(f) Performance rights
(g) Loans with key management personnel
(h) Other transactions with key management personnel
(i) Use of remuneration consultants
(j) Voting and comments made at the Company's 2025 Annual General Meeting

The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

Directors' Report (continued)

Remuneration Report (continued)

(a) Principles used to determine the nature and amount of remuneration

The remuneration policy of the Group has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the company.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board of Directors (Board) reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes or Binomial methodologies. Performance rights are valued based on the terms and conditions associated with the granting of the rights and recognised over time based on the vesting conditions.

The Board policy is to remunerate Non-Executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the Non-Executive directors and reviews their remuneration annually based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive directors is subject to approval by shareholders at the annual general meeting (currently $250,000). Fees for Non-Executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in employee option plans.

The objective of the Group's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Directors' fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors' Report (continued)

Remuneration Report (continued)

(a) Principles used to determine the nature and amount of remuneration (continued)

Performance based remuneration

An employee may be granted long term incentives by way of performance rights and options, which vest after certain predetermined periods of service.

The Directors, Chief Executive Officer and other key management personnel have been granted long term incentives by way of unlisted options and performance rights which vest upon the satisfaction of certain predetermined performance or service conditions. Details of these incentives are contained at paragraphs (e) and (f) below.

Company performance, shareholder wealth and Directors' and Executives' remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and Executives. This is facilitated through the issue of options or performance rights to Directors and Executives to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

The table below sets out summary information about the Group's earnings and movement in shareholder wealth for the year to 30 June 2026:

	30 June 2026 $	**30 June 2025 $**	**30 June 2024 $**	**30 June 2023 $**	**30 June 2022 $**
Revenue and other income	124,152	211,456	358,224	102,403	718
Net loss before tax	(4,615,260)	(5,442,599)	(5,232,581)	(4,335,534)	(5,818,849)
Net loss after tax	(4,616,090)	(5,542,251)	(5,232,581)	(4,335,534)	(5,818,849)
Share price	0.039	0.06	0.082	0.087	0.066
Basic loss per share (cents)	(0.3)	(0.4)	(0.4)	(0.6)	(0.9)
Diluted loss per share (cents)	(0.3)	(0.4)	(0.4)	(0.6)	(0.9)
Dividends	-	-	-	-	-

Remuneration governance

The Group has not formed a remuneration committee. The role of a remuneration committee is instead carried out by the full Board in accordance with the Nomination and Remuneration Committee charter. The Corporate Governance statement provides further information on the role of this committee.

Directors' Report (continued)

Remuneration Report (continued)

(b) Compensation of key management personnel

The key management personnel of the Group are the Directors, Chief Executive Officer and the Company Secretary. There are no Executives, other than Directors, Chief Executive Officer and the Company Secretary, who have the authority and responsibility for planning, directing and controlling the activities of the Group.

Directors

Adam Sierakowski	Executive Chairman
Dirk Robert Bulder	Executive Director; Interim Chief Executive Officer (assumed December 2024)
Donald Mzolisa Jones Ncube	Non-Executive Director
Robert Scharnell	Non-Executive Director
Mxolisi Mgojo	Non-Executive Director (appointed 3 October 2025)

Company Secretary
Simon Whybrow

The emoluments for each Director and key management personnel of the Group for the year ended 30 June 2026 are as follows:

Year ended 30 June 2026		**Short-term**			**Post Employment**		
	Salary & Fees	*Bonuses*[2]	*Non Cash*	*Share Based Payments*	*Superannuation*	**Total**	**Performance Based Remuneration**
	$	*$*	*$*	*$*	*$*	*$*	**%**
Directors							
A Sierakowski	208,890	34,815	7,326	-	-	251,031	13.87%
D Bulder	316,000[1]	42,000	7,326	-	-	365,326	11.50%
D Ncube	60,000	-	7,326	-	-	67,326	-
R Scharnell	60,000	-	7,326	96,895[3]	-	164,221	-
M Mgojo (appointed October 2025)	45,000	-	7,326	-	-	52,326	-
Company Secretary							
S Whybrow	60,000	-	-	-	-	60,000	-
	749,890	76,815	36,630	96,895	-	960,230	

[1] Mr Bulders' fees for the year is comprised of director fees of $60,000 plus a salary of $256,000 for his role as interim Chief Executive Officer of the Company. Refer to paragraph (c)(iii) below.

[2] The Board resolved to remunerate Mr Sierakowski and Mr Bulder with discretionary bonuses as part of their performance in their respective roles as Executive Chairman and Interim Chief Executive Officer.

[3] Refer to section (e) below for further details.

Directors' Report (continued)

Remuneration Report (continued)

(b) Compensation of key management personnel (continued)

The emoluments for each Director and key management personnel of the Group for the year ended 30 June 2025 are as follows:

Year ended 30 June 2025	Short-term				Post Employment	Total
	Salary & Fees	*Bonuses*	*Non Cash*	*Share Based Payments*[4]	*Superannuation*	
	$	*$*	*$*	*$*	*$*	*$*
Directors						
A Sierakowski	208,890	-	7,770	56,881	-	273,541
D Bulder	260,000[1]	-	7,770	42,661	-	310,431
D Ncube	82,002[2]	-	7,770	42,661	-	132,433
R Scharnell	60,000	-	7,770	-	-	67,770
Chief Executive Officer						
N de Blocq (resigned December 2024)	191,131[3]	-	7,770	71,101	-	270,002
Company Secretary						
S Whybrow	60,000	-	-	21,331	-	81,331
	862,023	-	38,850	234,635	-	1,135,508

[1] Mr Bulders' fees for the year is comprised of director fees of $60,000 plus a salary of $200,000 for his role as interim Chief Executive Officer of the Company.

[2] Mr Ncube's fees for the year is comprised of non-executive director fees of $60,000 plus consultancy fees of $22,002 relating to services associated with the renewal of exploration rights 271 and 272.

[3] Mr de Blocq resigned his role as Chief Executive Officer in December 2024. The total salary for the year includes compulsory medical contributions of $14,502.

[4] Refer to Note 15(b) for further details. The total remaining balance of $266,631 was recognised as a share based payment, of which $234,635 was in respect to key management personnel and $31,996 to other management personnel.

(c) Service agreements

The agreements related to remuneration are set out below:

Current Agreements

(i) The Company entered into an employment agreement with Adam Sierakowski, whereby the base remuneration for services provided by Mr Sierakowski as Executive Director of the Company is $189,900 per annum. Effective from 1 January 2024, the remuneration was revised to $208,890 per annum.

The term of the employment agreement commenced on 1 January 2021 and continues until terminated in accordance with the agreement.

Directors' Report (continued)

Remuneration Report (continued)

(c) Service agreements (continued)

(ii) The Company entered into a service agreement with Donald Ncube, whereby the remuneration for services provided by Mr Ncube as Non-executive Director of the Company is $60,000 per annum, commencing 21 September 2023.

(iii) The Company entered into a service agreement with Dirk Robert Bulder, whereby the remuneration for services provided by Mr Bulder as a Director of the Company is $60,000 per annum, commencing 21 September 2023.

During the year ended 30 June 2025, the Company entered into an employment agreement with Mr Bulder, whereby the base remuneration for his services as the Interim Chief Executive Officer of the Company is $240,000 per annum. The term of the employment agreement commenced on 1 September 2024, however the effective date commenced in December 2024 upon the ceasing of Nicholas de Blocq Van Scheltinga's role as Chief Executive Officer, and continues until terminated in accordance with the termination provisions of the agreement.

Key specifics of the terms of the employment agreement are as follows:

Remuneration:	$240,000 per annum
Remuneration review:	On or about 1 October 2025 and on each anniversary of that date thereafter

Effective from 1 November 2025, the Company revised Mr Bulder's remuneration to $264,000 per annum.

(iv) The Company entered into a service agreement with Robert Scharnell, whereby the remuneration for services provided by Mr Scharnell as Non-executive Director of the Company is $60,000 per annum, commencing 24 November 2023.

(v) The Company entered into a service agreement with Mxolisi Mgojo, whereby the remuneration for services provided by Mr Mgojo as Non-executive Director of the Company is $60,000 per annum, commencing 3 October 2025.

(vi) The Company has agreed with Trident Management Services Pty Ltd, a company in which Adam Sierakowski is a Director and shareholder, to pay $5,000 per month for Mr Simon Whybrow's services as Company Secretary.

Terminated Agreements

There were no terminated agreements during the year ended 30 June 2026.

Directors' Report (continued)

Remuneration Report (continued)

(d) Shareholdings of key management personnel

2026	Balance at 01/07/25 No.	Shares Held at Appointment No.	Shares Purchased[1] No.	Shares Purchased[2] No.	Balance at 30/06/26 No.
Directors					
A Sierakowski	78,325,836	-	2,000,000	-	80,325,836
D Bulder	35,669,384	-	250,000[3]	-	35,919,384
D Ncube	251,120,880	-	2,000,000	-	253,120,880
R Scharnell	361,865	-	2,500,000	250,000	3,111,865
M Mgojo (appointed October 2025)	-	197,641,943	15,384,615	-	213,026,558
Company Secretary					
S Whybrow	573,916	-	-	-	573,916
	366,051,881	197,641,943	22,134,615	250,000	586,078,439

[1] Following shareholder approval, shares purchased during the year related to the Company's June and November 2025 Share Placements.

[2] Shares purchased during the year through on-market purchases.

[3] Pursuant to the Company's September 2025 General Meeting, Mr Bulder and/or his nominee(s) were approved to participate in the June 2025 Share Placement and apply for up to 1,250,000 shares, of which 250,000 shares were acquired under Mr Bulder's name and the balance of 1,000,000 shares acquired by an associated nominee.

(e) Options on issue

2026	Balance at 01/07/25 No.	Options Held at Appointment No.	Options Issued[1] No.	Options Issued[2] No.	Balance at 30/06/26 No.
Directors					
A Sierakowski	4,000,000	-	2,000,000	-	6,000,000
D Bulder	3,000,000	-	250,000	-	3,250,000
D Ncube	3,000,000	-	2,000,000	-	5,000,000
R Scharnell	-	-	2,500,000	3,000,000	5,500,000
M Mgojo (appointed October 2025)	-	-	-	-	-
Company Secretary					
S Whybrow	1,750,000	-	-	-	1,750,000
	11,750,000	-	6,750,000	3,000,000	21,500,000

[1] Free attaching unlisted options were issued during the year as part of the June 2025 Share Placement.

[2] Unlisted options were issued following shareholder approval granted on 17 September 2025. Refer below for further details.

June 2025 Placement

Pursuant to shareholder approval allowing the Company's Directors to participate in the June 2025 Share Placement, 7,750,000 shares at $0.04 each and 7,750,000 free attaching unlisted options were issued to the Directors and associated nominee on 18 September 2025.

Directors' Report (continued)

Remuneration Report (continued)

(e) Options on issue (continued)

Director Options
Following shareholder approval granted at a General Meeting held on 17 September 2025, 3,000,000 unlisted options were issued to Mr Robert Scharnell which vested immediately.

The total fair value of the options granted was $96,895 which was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price	$0.12
Weighted average life of the options	2.93 years
Weighted average underlying share price	$0.077
Expected share price volatility	79.64%
Risk-free interest rate	3.402%
Expiry date	23 August 2028
Value per option	$0.03230

(f) Performance rights

2026	**Balance at 01/07/25**	**Balance at 30/06/26**
	No.	**No.**
Directors		
A Sierakowski	7,500,000	7,500,000
D Bulder	5,000,000	5,000,000
D Ncube	-	-
R Scharnell	-	-
M Mgojo (appointed October 2025)	-	-
Company Secretary		
S Whybrow	-	-
	12,500,000	12,500,000

During the year ended 30 June 2026, there were no changes to performance rights held by Directors.

The total fair value of the performance rights granted to Directors was $850,000 which was calculated using the share price of $0.068 at the date that shareholder approval was granted, being 27 November 2024.

Pursuant to the terms and conditions, the performance rights will vest and convert into shares upon the independent certification, in accordance with the PRMS Guidelines, of 2P Reserves of at least one (1) trillion cubic feet within the area comprising licences ER 270, 271, 272 and 383 ("Vesting Condition").

The performance rights were issued on 6 December 2024 and has a period of five (5) years from issue date. To the extent that the performance rights have not converted into shares on or before the expiry date, all unconverted performance rights held will automatically lapse.

As the Board has assessed the probability of the vesting condition being achieved is 0%, no amount has been recognised in respect of the performance rights for the year ended 30 June 2026.

Directors' Report (continued)

Remuneration Report (continued)

(g) Loans with key management personnel

No loans were advanced to or received from key management personnel during the year.

(h) Other transactions with key management personnel

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

		2026 $	2025 $
(i)	Payments to Trident Management Services Pty Ltd, a company of which Adam Sierakowski is a director and shareholder, for company secretarial services provided by Simon Whybrow.	60,000	60,000
(ii)	Payments to Palisade Corporate, a company of which Adam Sierakowski is a director and shareholder, for legal services provided.	87,180	48,683
(iii)	Payments to Trident Management Services Pty Ltd, a company of which Adam Sierakowski is a director and shareholder, for rental of office space.	24,000	24,000
	Amounts outstanding at reporting date Aggregates amount payable to Key Management Personnel and their related entities at reporting date.		
(i)	Payables	163,678	172,273
(ii)	Accrued expenses	39,408	-
		203,086	172,273

(i) Use of remuneration consultants

The Group did not employ the services of remuneration consultants during the financial year.

(j) Voting and comments made at the Company's 2025 Annual General Meeting

The approval of the remuneration report was passed by way of a poll as indicated in the results of Annual General Meeting (AGM) dated 28 November 2025. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The Company's resolution to elect Mr Mxolisi Mgojo and re-elect Mr Donald Ncube as Directors were passed via a poll.

The approval of the issue of 15,384,615 and 30,769,230 placement shares to Talent 10 Holdings (Pty) Ltd and Phefo Power (Pty) Ltd respectively, being entities related to Mr Mgojo, were passed via a poll.

End of audited remuneration report

Directors' Report (continued)

Indemnification of Officers

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnification of Auditors

The Group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group of any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Company or any related party.

Non-Audit Services

The Group may decide to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor or a related practice of the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

No non-audit services have been provided by the Group's auditors in the year ended 30 June 2026. Remuneration paid to the Group's auditors is detailed in Note 17 of this report.

Rounding of Amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporation Instruments to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included in this Financial Report on page 34.

Environmental Regulations

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

The Group has considered its compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the period of 1 July 2025 to 30 June 2026, the Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Directors' Report (continued)

Proceedings on Behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

The Group was not a party to any such proceedings during the financial year.

Signed in accordance with a resolution of the Board of Directors:

Adam Sierakowski
Chairman

Dated at Perth, 23 September 2026

Consolidated Entity Disclosure Statement
As at 30 June 2026

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Kinetiko Energy Limited	Body Corporate	-	N/A	Australia	Yes	N/A
Afro Energy (Pty) Ltd	Body Corporate	-	100	South Africa	No	South Africa
Afro Gas Development SA (Pty) Ltd	Body Corporate	-	55	South Africa	No	South Africa

Basis of preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295(3B)(a) of the *Corporation Acts 2001* defines Australian resident as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295(3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

- **Foreign tax residency**
  Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY DAVE ANDREWS TO THE DIRECTORS OF KINETIKO ENERGY LTD

As lead auditor of Kinetiko Energy Ltd for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kinetiko Energy Ltd and the entities it controlled during the year.

Dave Andrews

Director

BDO Audit Pty Ltd

Perth

23 September 2026

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Fax: +61 8 6382 4601
www.bdo.com.au

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INDEPENDENT AUDITOR'S REPORT

To the members of Kinetiko Energy Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kinetiko Energy Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of capitalised exploration and evaluation assets

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 10 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. Refer to Note 10 of the Financial Report for a description of the accounting policy and significant judgments applied to capitalised exploration and evaluation expenditure. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* ("AASB 6"), the recoverability of exploration and evaluation expenditure requires significant judgment in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the area of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date, which included obtaining and assessing supporting documentation such as license status records; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 10 of the financial report

Other information

The directors are responsible for the other information. The other information comprises the information contained in Directors' report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 22 to 30 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Kinetiko Energy Ltd, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Dave Andrews

Director

Perth, 23 September 2026

Directors' Declaration

The directors of the Group declare that:

a) the financial statements and notes, as set out on pages 40 to 71 comply with Accounting Standards and the *Corporations Act 2001* and other mandatory professional reporting requirements;

b) gives a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended to 30 June 2026;

c) in the Directors' opinion, the financial statements and notes are prepared in accordance with International Financial Reporting Standards and Interpretations as adopted by the International Accounting Standards Board; and

d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

In the Directors' opinion:

(i) At the date of the declaration there are reasonable grounds to believe that the Company will be able to pay its debts as when they become due and payable; and

(ii) the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2026.

This declaration is made in accordance with a resolution of the Board of Directors.

Adam Sierakowski
Chairman

Dated at Perth, 23 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 $	30 June 2025 $
Other Income			
Other income	**2(a)**	124,152	211,456
Total Income		124,152	211,456
Expenses			
Depreciation	**9**	(213,972)	(146,235)
Administration expenses		(368,180)	(304,715)
Consultancy and professional costs	**2(b)**	(753,836)	(675,747)
Employment and contractor expenses		(1,132,352)	(898,284)
Travel expenses		(108,703)	(95,001)
Occupancy expenses		(36,588)	(34,050)
Foreign exchange gain/(loss)	**2(b)**	501,533	224,689
Share based payments	**15**	(145,463)	(329,288)
Exploration and evaluation expenditure	**10**	(2,478,784)	(3,362,437)
Interest expense and finance charges		(3,067)	(32,987)
Total expenses		(4,739,412)	(5,654,055)
Loss before income tax expenses		(4,615,260)	(5,442,599)
Income tax expense	**3**	(830)	(99,652)
Loss after income tax expense for the year		(4,616,090)	(5,542,251)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		1,909,893	3,008,577
Total comprehensive loss for the year net of tax		(2,706,197)	(2,533,674)
Total loss for the year attributable to:			
Owners of Kinetiko Energy Ltd		(4,619,669)	(5,560,481)
Non-controlling interest		3,579	18,230
		(4,616,090)	(5,542,251)
Total comprehensive loss attributable to:			
Owners of Kinetiko Energy Ltd		(2,709,776)	(2,551,904)
Non-controlling interest		3,579	18,230
		(2,706,197)	(2,533,674)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 $	30 June 2025 $
Loss per share for loss from operations attributable to equity holders of the company:			
Basic loss per share (cents)	**4**	(0.3)	(0.4)
Diluted loss per share (cents)	**4**	(0.3)	(0.4)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	30 June 2026 $	30 June 2025 $
CURRENT ASSETS			
Cash and cash equivalents	**5(a)**	478,634	1,885,237
Receivables	**7**	40,171	168,206
Other	**8**	42,549	504,047
TOTAL CURRENT ASSETS		561,354	2,557,490
NON CURRENT ASSETS			
Property, plant & equipment	**9**	1,491,243	727,472
Capitalised exploration and evaluation assets	**10**	71,365,127	69,455,234
TOTAL NON CURRENT ASSETS		72,856,370	70,182,706
TOTAL ASSETS		73,417,724	72,740,196
CURRENT LIABILITIES			
Trade & other payables	**11**	731,883	720,196
Income tax		-	11,224
Borrowings	**12**	124	109,984
TOTAL CURRENT LIABILITIES		732,007	841,404
TOTAL LIABILITIES		732,007	841,404
NET ASSETS		**72,685,717**	**71,898,792**
EQUITY			
Contributed equity	**13(a)**	108,267,554	104,919,895
Reserves	**14(b)**	7,381,284	5,325,928
Accumulated losses	**14(a)**	(43,072,783)	(38,453,114)
Equity attributable to owners of Kinetiko Energy Ltd		72,576,055	71,792,709
Non-controlling interest		109,662	106,083
TOTAL EQUITY		**72,685,717**	**71,898,792**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

Year ended 30 June 2026	**Ordinary Shares**	**Accumulated Losses**	**Reserves**	**Non-controlling Interests**	**Total Equity**
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2025	104,919,895	(38,453,114)	5,325,928	106,083	71,898,792
Other comprehensive loss					
Loss for the year	-	(4,619,669)	-	3,579	(4,616,090)
Other comprehensive income	-	-	1,909,893	-	1,909,893
Total comprehensive loss for the year	-	(4,619,669)	1,909,893	3,579	(2,706,197)
Transactions with owners in their capacity as owners					
Shares issued during the year	3,462,971	-	-	-	3,462,971
Share issue costs	(115,312)	-	-	-	(115,312)
Share based payments (refer to Note 15)	-	-	145,463	-	145,463
	3,347,659	-	145,463	-	3,493,122
Balance at 30 June 2026	**108,267,554**	**(43,072,783)**	**7,381,284**	**109,662**	**72,685,717**

Year ended 30 June 2025	**Ordinary Shares**	**Accumulated Losses**	**Reserves**	**Non-controlling Interests**	**Total Equity**
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2024	103,037,676	(32,892,633)	1,992,263	87,853	72,225,159
Other comprehensive loss					
Loss for the year	-	(5,560,481)	-	18,230	(5,542,251)
Other comprehensive income	-	-	3,008,577	-	3,008,577
Total comprehensive loss for the year	-	(5,560,481)	3,008,577	18,230	(2,533,674)
Transactions with owners in their capacity as owners					
Shares issued during the year	1,897,200	-	-	-	1,897,200
Share issue costs	(14,981)	-	-	-	(14,981)
Share based payments (refer to Note 15)	-	-	325,088	-	325,088
	1,882,219	-	325,088	-	2,207,307
Balance at 30 June 2025	**104,919,895**	**(38,453,114)**	**5,325,928**	**106,083**	**71,898,792**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 $	30 June 2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,241,844)	(1,716,404)
Interest received		18,598	153,613
Interest and other costs of finance paid		(12,930)	(23,124)
Payment of taxes		(10,568)	(36,284)
Payments for exploration and evaluation expenditure		(1,998,955)	(3,400,685)
Net cash used in operating activities	**5(b)**	(4,245,699)	(5,022,884)
Cash flows from investing activities			
Deposit paid on property, plant and equipment		-	(256,612)
Payments for property, plant and equipment		(414,842)	(441,924)
Funds advanced from joint venture partner		142,964	-
Net cash used in investing activities		(271,878)	(698,536)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	**5(c)/13(a)**	3,332,971	1,413,000
Proceeds for application of ordinary shares		-	80,000
Proceeds from borrowings	**12**	-	500,000
Repayment of borrowings	**12**	(100,000)	(125,000)
Repayment of contributions from joint venture partners	**12**	-	(1,400,849)
Share issue costs		(121,997)	(72,220)
Net cash provided by financing activities		3,110,974	394,931
Net decrease in cash and cash equivalents		(1,406,603)	(5,326,489)
Cash and cash equivalents at the beginning of the financial year		1,885,237	7,211,726
Cash and cash equivalents at the end of the financial year	**5(a)**	478,634	1,885,237

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 1: Summary of material accounting policies

The consolidated financial report includes the financial statements and notes of Kinetiko Energy Ltd (“Kinetiko” or “the Company”) and its controlled entities (“the Group”).

The financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards and Interpretations and other mandatory professional reporting requirements. The financial report of the Group also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs.

The financial statements were authorised for issue by the Directors on 23 September 2026.

The notes to the financial statements are organised into the following sections:

(a) Key performance: Provides a breakdown of the key individual line items in the statement of profit or loss and other comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes

2. Loss from operations
3. Income tax expense
4. Loss per share

(b) Financial risk management: Provides information about the Group’s exposure and management of various financial risks and explains how these affect the Company’s financial position and performance:

Notes

5. Cash and cash equivalents
6. Financial risk management

(c) Other assets and liabilities: Provides information on other assets and liabilities in the statement of financial position that do not materially affect performance or give rise to material financial risk:

Notes

7. Receivables
8. Other assets
9. Property, plant and equipment
10. Capitalised exploration and evaluation assets
11. Trade and other payables
12. Borrowings

(d) Capital structure: This section outlines how the Group manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves:

Notes

13. Contributed equity
14. Reserves and accumulated losses

Note 1: Summary of material accounting policies (continued)

(e) Other: Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Group:

Notes

15. Share based payments
16. Key management personnel disclosures and related party transactions
17. Remuneration of auditors
18. Investment in controlled entities
19. Commitments and contingencies
20. Segment information
21. Events occurring after reporting period
22. Other accounting policies
23. Parent entity information

Basis of consolidation

The consolidated financial statements comprise of the financial statements of Kinetiko Energy Ltd ("Kinetiko" or "the Company") and its controlled entities ("the Group") as at 30 June 2026.

Subsidiaries are all those entities (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2026, the Group recorded a loss of $4,616,090 (2025: $5,542,251) and had net cash outflows from operating and investing activities of $4,517,577 (2025: $5,721,420). At 30 June 2026, the Group had a working capital deficit of $170,653 (2025: surplus of $1,716,086).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 1: Summary of material accounting policies (continued)

Going concern (continued)

In context of this operating environment, the ability of the Group to continue as a going concern is dependent on securing additional funding through debt or equity to continue to fund its operational and exploration activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- As disclosed in Note 21, subsequent to balance date, the Group announced that it has received firm commitments from professional and sophisticated investors to raise approximately $5.4 million before costs;
- The Directors believe they can raise additional funding through debt or equity and has a recent proven history of successfully raising capital; and
- Cash spending can be reduced or slowed below its current rate if required.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Foreign currency

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 1: Summary of material accounting policies (continued)

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below and found in the following notes:

Note 10: Capitalised exploration and evaluation assets
Note 15: Share based payments

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Group from the adoption of these Accounting Standards and Interpretations are disclosed in Note 22. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 2: Loss from operations

	2026 $	2025 $
Loss from operations before income tax includes the following items of income and expenses		
(a) <u>Other Income</u>		
Interest income	18,598	153,613
Other income	105,554	57,843
Other income	124,152	211,456
(b) <u>Significant Expenses</u>		
Consulting and professional costs		
- Auditing costs	163,951	124,957
- Legal fees	101,581	47,371
- Accountancy fees	150,734	93,714
- Bookkeeping fees	52,461	95,964
- Other professional fees	285,109	313,741
	753,836	675,747
Foreign currency gain	(501,533)	(224,689)

Accounting Policy

<u>Interest Income</u>
Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Note 3: Income Tax Expense

(a) The prima facie income tax expense on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:

	2026 $	2025 $
Loss from operations	(4,615,260)	(5,442,599)
Income tax benefit calculated at 25% (2025: 25%)	(1,153,815)	(1,360,650)
Non-deductible legal fees	25,395	11,843
Non-deductible share based payments	36,366	82,322
Non-deductible exploration expenditure	619,696	840,609
(Non-assessable)/non-deductible foreign exchange	(125,383)	(56,172)
Other adjustments	623	63,672
	(597,118)	(418,376)
Movements in unrecognised timing differences	34,855	(35,916)
Unused tax losses not recognised as a deferred tax asset	563,093	553,944
Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	830	99,652

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 3: Income Tax Expense (continued)

(b) Unrecognised deferred tax balances: The following deferred tax assets have not been brought to account:	**2026** **$**	**2025** **$**
Unrecognised deferred tax asset – tax losses	2,312,569[1]	2,049,663[1]
Unrecognised deferred tax asset – other temporary differences	(59,939)	9,017
Net deferred tax assets not brought to account	2,252,630	2,058,680

[1] Further to the Company's acquisition of the remaining 51% interest in Afro Energy (Pty) Ltd, there are potential further net deferred tax assets in respect of foreign tax losses (with an estimated potential value of circa $2.3 million) that are being reviewed and therefore have not been included above due to their uncertainty.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

(a) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
(b) conditions for deductibility imposed by the law are complied with; and
(c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Accounting Policy

Current tax
Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be recognize.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to recognise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 3: Income Tax Expense (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are recognise or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax is recognised as an expense or income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Note 4: Loss per Share	**2026 Cents Per Share**	**2025 Cents Per Share**
Basic loss per share:	(0.3)	(0.4)
Diluted loss per share:	(0.3)	(0.4)

The loss for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2026 $	**2025 $**
Loss for the year after income tax	(4,619,669)	(5,560,481)

	2026 No.	**2025 No.**
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,514,979,951	1,433,470,553

Accounting Policy
Basic earnings per share is calculated as a net profit attributable to the owners of Kinetiko Energy Ltd, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to the owners of Kinetiko Energy Ltd, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 5: Cash and Cash Equivalents

(a) Reconciliation of Cash

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position, as follows:

	2026 $	2025 $
Cash at bank and in hand	166,417	1,638,198
Restricted cash – Afro Gas Development SA (Pty) Ltd[1]	248,706	247,039
Restricted cash – FFS Refiners (Pty) Ltd[2]	63,511	-
	478,634	1,885,237

[1] Represents monies held in Afro Gas Development SA (Pty) Ltd, a joint development entity incorporated to pool the interests of Afro Energy (Pty) Ltd and the Industrial Development Corporation of South Africa for the development of gas fields to produce gas for industrial, commercial, transportation or power generation applications.

[2] Represents monies contributed by FFS Refiners (Pty) Ltd as part of a joint development agreement to co-develop a pilot LNG plant at Brakfontein.

The cash and cash equivalents disclosed above and in the Consolidated Statement of Cash Flows includes restricted cash however these funds are not available for general use by the other entities within the Group.

Refer to Note 6 for the Group's financial risk management on cash.

(b) Reconciliation of Operating Loss After Income Tax to Net Cash Flow from Operations

	2026 $	2025 $
Loss for the year	(4,616,090)	(5,542,251)
Depreciation	213,972	146,235
Share based payments	145,463	329,288
Interest accrued	-	9,863
Changes in assets and liabilities:		
Trade and other payables	(103,234)	(385,949)
Receivables	120,073	437,660
Provisions	14,550	(5,340)
Prepayments	(20,433)	(12,390)
Net cash used in operating activities	(4,245,699)	(5,022,884)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 5: Cash and Cash Equivalents (continued)

(c) Non-Cash Financing and Investing Activities

Year ended 30 June 2026
On 18 September 2025, following shareholder approval at a General Meeting, trade payables of $50,000 and share application funds received in advance of $80,000 were satisfied via the issue of shares at $0.04 per share.

Furthermore, 7,750,000 free attaching options exercisable at $0.07 each on or before 30 June 2027 were issued to Directors and their related parties that participated in the Company's June 2025 Share Placement.

Year ended 30 June 2025
On 21 November 2024, 50,000 fully paid ordinary shares at $0.084 per share were issued to an employee as part of their remuneration package. Refer to Note 15(a) for further details.

On 27 November 2024, following shareholder approval at the Company's Annual General Meeting, a total of 20,000,000 performance rights were granted to Directors and other management personnel.

On 24 June 2025, as part of the Company's Share Placement, trade payables and borrowings totalling $480,000 were satisfied via the issue of shares at $0.04 per share. Refer to Note 13(a) for further details.

On 24 June 2025, 47,325,000 free attaching options exercisable at $0.07 each on or before 30 June 2027 were issued as part of Company's Share Placement.

Note 6: Financial Risk Management

Financial risk management and policies

The Group's exploration activities are being funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments. Funds are invested for various short term periods to match forecast cash flow requirements.

The Company holds the following financial instruments:

	2026 $	2025 $
Financial assets		
Cash and cash equivalents	478,634	1,885,237
Trade and other receivables	40,171	168,206
	518,805	2,053,443
Financial liabilities		
Trade payables and accruals	731,883	720,196
Borrowings	124	109,984
	732,007	830,180

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to fund the Group's operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 6: Financial Risk Management (continued)

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group are capital risk, credit risk, liquidity risk, and interest rate risk. The Board reviews and agrees policies for managing each of these risks and they are recognised below.

(a) Credit risk

Cash at bank is held with internationally regulated banks. As at 30 June 2026, all cash and cash equivalents were held with AA rated banks.

The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, as disclosed in the consolidated statement of financial position and notes to the financial statements. The Group does not hold any collateral.

No provisions have been made against these receivables as the full balance are expected to be recovered. Refer to Note 7 for further details.

(b) Capital risk

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

During the year ended 30 June 2026, the Group's strategy was to keep borrowings to a minimum. The Group's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

(c) Liquidity risk

Maturity profile of financial instruments

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Group's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates.

The directors monitor the cash-burn rate of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Group had insufficient cash reserves to meet its requirements, however as disclosed in Note 21, subsequent to balance date, the Group announced that it has received firm commitments from professional and sophisticated investors to raise approximately $5.4 million before costs.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 6: Financial Risk Management (continued)

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business and borrowings. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

As at 30 June 2026	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash	478,634	-	-	478,634	1.57
Receivables & other	40,171	-	-	40,171	-
	518,805	-	-	518,805	
Financial Liabilities:					
Trade payables & accruals	731,883	-	-	731,883	-
Borrowings	124	-	-	124	-
	732,007	-	-	732,007	

As at 30 June 2025	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash	1,885,237	-	-	1,885,237	3.38
Receivables & other	168,206	-	-	168,206	-
	2,053,443	-	-	2,053,443	
Financial Liabilities:					
Trade payables & accruals	720,196	-	-	720,196	-
Borrowings	109,984	-	-	109,984	24.00
	830,180	-	-	830,180	

(d) *Interest rate risk*

The sensitivity analysis has not been determined for the exposure to interest rate risk, because the directors of the Group consider it to be immaterial.

(e) *Foreign exchange risk*

The Group operates internationally and is currently exposed to foreign exchange risk with respect to the South African Rand, the US Dollar and the Great Britain Pound sterling.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. If the foreign exchange rates strengthened or weakened by 20% with all other variables held constant the Group's net asset value would have been $56,000 higher or $56,000 lower.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 6: Financial Risk Management (continued)

The Group's exposure to foreign currency risk at the end of the reporting year, expressed in the South African Rand and the US Dollar was as follows:

	2026		
	ZAR	**USD**	**AUD**
Cash	4,889,194	-	432,435
Receivables	43,227	-	3,823
Trade and other payables	(1,769,602)	-	(156,516)
Income tax	(10,445)	-	(924)
Borrowings	(1,400)	-	(124)

	2025		
	ZAR	**USD**	**AUD**
Cash	5,899,214	-	507,804
Receivables	7,238,540	-	623,094
Trade and other payables	(659,834)	(22,906)	(91,759)
Income tax	(130,393)	-	(11,224)
Borrowings	(1,400)	-	(121)

(f) *Fair value estimation*

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The Group's principal financial instruments consist of cash and deposits with banks, accounts receivable, trade payables and borrowings. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

Note 7: Receivables

	2026 **$**	**2025** **$**
Other receivables – VAT (payable)/refundable	(16,974)	82,498
Other receivables – GST refundable	52,282	26,815
Other receivables	4,863	58,893
	40,171	168,206

None of the other receivables are past due or impaired. Refer to Note 6 for the Group's financial risk management and policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 8: Other Assets

	2026 $	2025 $
Prepayments – other	42,549	22,115
Deposits paid	-	481,932
	42,549	504,047

Note 9: Property, Plant and Equipment

	2026 $	2025 $
Opening net book value	727,472	191,772
Additions	977,743	681,935
Depreciation charge for the year	(213,972)	(146,235)
Closing net book value	1,491,243	727,472
Cost	1,985,977	1,025,229
Accumulated depreciation	(510,960)	(296,988)
Foreign exchange differences	16,226	(769)
	1,491,243	727,472

Accounting Policy

Each class of property, plant and equipment is carried at cost less any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Plant and equipment	10% to 66.67%

Note 10: Capitalised Exploration and Evaluation Assets

	2026 $	2025 $
Opening balance	69,455,234	66,446,657
Foreign exchange differences	1,909,893	3,008,577
Closing balance	71,365,127	69,455,234

During the year ended 30 June 2026, the Group incurred $2,478,784 (2025: $3,362,437) in exploration and evaluation related expenditure that was expensed through the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Accounting Policy

<u>Exploration and evaluation costs</u>
Exploration and evaluation expenditures are expensed as incurred, except for acquisition costs associated with rights to explore.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 10: Capitalised Exploration and Evaluation Assets (continued)

Exploration assets acquired from third party are carried forward provided that either i) the carrying value is expected to be recouped through the successful development and exploitation or sale of an area of interest or ii) exploitation and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, active and significant operations in relation to the area are continuing and the rights of the tenure are current. If capitalised exploration and evaluation costs do not meet either of these tests, they are expensed to profit and loss.

Each area of interest is reviewed at least bi-annually to determine whether it is appropriate to continue to carry forward the capitalised costs.

Upon approval for the development of an area of interest, accumulated expenditure for the area of interest is transferred to capitalised development expenditure.

Critical accounting judgements, estimates and assumptions

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively sale, of the underlying mineral exploration properties. The Group undertakes at least on a bi-annual basis, a comprehensive review for indicators of impairment of those assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

During the year ended 30 June 2026, the Group conducted an impairment assessment in relation to the capitalised exploration and evaluation assets. Based on the assessment, no impairment indicators were identified and therefore no impairment has been recognised.

Note 11: Trade and other payables

	2026 $	2025 $
Trade payables and accruals	465,286	547,923
Trade payables and accruals – related parties[1]	203,086	172,273
Other payables – FFS Refiners (Pty) Ltd[2]	63,511	-
	731,883	720,196

[1] Refer to Note 16 for further details.

[2] Refer to Note 19(iii) for further details. Other payables represent the balance of FFS Refiner (Pty) Ltd's advance of ZAR 718,000 (approximately A$63,511) as part of its Tranche 1 commitment.

Refer to Note 6 for the Group's financial risk management and policies.

Trade payables are normally settled on 30 day terms. Trade payables are currently being settled in excess of 60 day terms. The amount of payables at reporting date exceeding normal trading terms is $152,273.

Accounting Policy

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 12: Borrowings

	2026 $	2025 $
Opening balance	109,984	1,467,441
Loan – Other	-	500,000
Repayments	(100,000)	(1,525,849)
Conversion of debt to equity	-	(400,000)
Accrued interest payable	(9,863)	9,863
Foreign exchange differences	3	58,529
Closing balance	124	109,984

Refer to Note 6 for the Group's financial risk management and policies.

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non- cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, which are capitalised until the asset is ready for its intended use or sale.

Note 13: Contributed Equity

(a) Issued Capital

Movements in share capital were as follows:

Year ended 30 June 2026		**Issue Price**	**Fully Paid Ordinary Shares**	**$**
1 July 2025	Opening Balance		1,479,910,103	104,919,895
18 September 2025	Issue of shares to Directors following shareholder approval	$0.040	7,750,000	310,000
21 November 2025	Issue of shares pursuant to placement	$0.065	33,122,637	2,152,971
3 December 2025	Issue of shares pursuant to placement	$0.065	15,384,615	1,000,000
	Share issue costs		-	(115,312)
30 June 2026	Closing Balance		1,536,167,355	108,267,554

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 13: Contributed Equity (continued)

Year ended 30 June 2025		**Issue Price**	**Fully Paid Ordinary Shares**	**$**
1 July 2024	Opening Balance		1,432,535,103	103,037,676
21 November 2024	Issue to shares to employee as part of remuneration package	$0.084	50,000	4,200
24 June 2025	Issue of shares pursuant to placement	$0.04	35,325,000	1,413,000
24 June 2025	Issue of shares to satisfy trade payables	$0.04	2,000,000	80,000
24 June 2025	Issue of shares in lieu of repayment of borrowings	$0.04	10,000,000	400,000
	Share issue costs		-	(14,981)
30 June 2025	Closing Balance		1,479,910,103	104,919,895

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(b) Options

The following unlisted options were on issue during the year ended 30 June 2026:

Exercise price	12c	7c	12c
Expiry date	31 December 2026	30 June 2027	23 August 2028
Opening balance	26,750,000	47,325,000	-
Issued during the year	2,000,000[1]	7,750,000[2]	3,000,000[3]
Closing balance	28,750,000	55,075,000	3,000,000

[1] Refer to Note 15(d) for further details.
[2] The unlisted options were issued as part of the Company's June 2025 Share Placement. Refer to Note 16 for further details.
[3] The unlisted options were issued to Mr Robert Scharnell, a Director of the Company, as part of his remuneration package. Refer to Note 15(c) for further details.

The following unlisted options were on issue during the year ended 30 June 2025:

Exercise price	10c	9c	12c	12c	7c
Expiry date	31 July 2024	10 February 2025	31 December 2026	31 December 2026	30 June 2027
Opening balance	2,000,000	1,000,000	-	24,750,000	-
Issued during the year	-	-	2,000,000[1]	-	47,325,000[2]
Expired during the year	(2,000,000)	(1,000,000)	-	-	-
Closing balance	-	-	2,000,000	24,750,000	47,325,000

[1] Refer to Note 15(a).
[2] The unlisted options were issued as part of the Company's June 2025 Share Placement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 13: Contributed Equity (continued)

(c) Performance Rights

The following performance rights were on issue during the year ended 30 June 2026:

Expiry date	6 December 2029
Opening balance	20,000,000
Closing balance	20,000,000

Note 14: Reserves and Accumulated Losses

14a) Accumulated Losses	**2026** **$**	**2025** **$**
Balance at beginning of financial year	(38,453,114)	(32,892,633)
Net loss	(4,619,669)	(5,560,481)
Balance at end of financial year	(43,072,783)	(38,453,114)

14b) Reserves

Share Based Payments Reserve	1,913,855	1,811,343
Options Issue Reserve	258,035	215,084
Foreign Currency Translation Reserve	5,209,394	3,299,501
Total Reserves	7,381,284	5,325,928

(i) Share Based Payments Reserve

Balance at beginning of financial year	1,811,343	1,486,255
Movement for year	102,512	325,088
Share Based Payments Reserve	1,913,855	1,811,343

(ii) Options Issue Reserve

Balance at beginning of financial year	215,084	215,084
Movement for the year	42,951	-
Options Issue Reserve	258,035	215,084

(iii) Foreign Currency Translation Reserve

Balance at beginning of financial year	3,299,501	290,924
Movement for year	1,909,893	3,008,577
Foreign Currency Translation Reserve	5,209,394	3,299,501

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 14: Reserves and Accumulated Losses (continued)

(iv) Nature and purpose of reserves

Share Based Payments Reserve
The Share Based Payments Reserve is used to recognise the fair value of shares, options and performance rights granted as remuneration and in satisfaction of loans advanced to the Company.

Options Issue Reserve
The Options Issue Reserve is used to recognise the fair value of options issued during the year.

Foreign Currency Translation Reserve
The Foreign Currency Translation Reserve is used to record exchange differences arising from the translation of the financial statements of foreign investments in subsidiaries and previously associates.

Note 15: Share Based Payments

During the year ended 30 June 2026, the following transactions were recognised as share based payments by the Group:

	2026 $	2025 $
Employee remuneration package (Note 15(a))	5,617	62,657
Director and management options (Note 15(b))	-	266,631
Director options (Note 15(c))	96,895	-
Corporate advisor options (Note 15(d))	42,951	-
	145,463	329,288

(a) During the year ended 30 June 2025, 50,000 ordinary shares and 2,000,000 unlisted options were issued to an employee as part of their remuneration package.

The total fair value of the shares and options granted to the employee was $4,200 and $64,074 respectively, with the fair value of the options granted calculated using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price	$0.12
Weighted average life of the options	2.42 years
Weighted average underlying share price	$0.08
Expected share price volatility[1]	77.50%
Risk-free interest rate	3.81%
Expiry date	31 December 2026
Value per option	$0.03204

[1] Expected volatility has been determined based on historical volatility of the Company's share price and the life of the options granted.

Based on the vesting conditions of the options, the remaining balance of $5,617 (2025: $62,657) was recognised as a share based payment during the year ended 30 June 2026.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 15: Share Based Payments (continued)

(b) In January 2024, following shareholder approval granted at the Company's Annual General Meeting on 24 November 2023, 24,750,000 unlisted Director and Management options exercisable at $0.12 per share on or before 31 December 2026 were issued by the Company:

Director Options	*No. of Options*	*Management Options*	*No. of Options*
Mr Adam Sierakowski	4,000,000	Mr Nicholas de Blocq	5,000,000
Mr Dirk Robert Bulder	3,000,000	Other management personnel	3,750,000
Mr Donald Ncube	3,000,000	**Total**	**8,750,000**
Mr Thomas Fontaine	3,000,000		
Mr Geoffrey Michael	3,000,000		
Total	**16,000,000**		

Pursuant to the vesting condition of the Director and Management Options, the options will vest upon the satisfaction of continuous service from the grant date of the options until 1 December 2024 by the relevant Director and Management personnel. Upon satisfaction of the vesting condition, the Director and Management Options are exercisable at any time on or before the expiry date, being 31 December 2026.

The total fair value of the options granted to Directors and Management was $852,455 which was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price	$0.12
Weighted average life of the options	3.10 years
Weighted average underlying share price	$0.08
Expected share price volatility[1]	76.50%
Risk-free interest rate	4.19%
Expiry date	31 December 2026

[1] Expected volatility has been determined based on historical volatility of the Company's share price and the life of the options granted.

During the year ended 30 June 2025, all remaining Director and Management options vested in full and a final amount of $266,631 was recognised as a share based payment.

(c) Pursuant to shareholder approval granted at a General Meeting held on 17 September 2025, 3,000,000 unlisted options were issued to Mr Robert Scharnell which vested immediately.

The total fair value of the options granted was $96,895 which was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price	$0.12
Weighted average life of the options	2.93 years
Weighted average underlying share price	$0.077
Expected share price volatility[1]	79.64%
Risk-free interest rate	3.402%
Expiry date	23 August 2028
Value per option	$0.03230

[1] Expected volatility has been determined based on historical volatility of the Company's share price and the life of the options granted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 15: Share Based Payments (continued)

(d) On 4 September 2025, 2,000,000 unlisted options were issued to a corporate advisor for the provision of corporate advisory services which vested immediately.

The total fair value of the options granted was $42,951 which was calculated using the Black-Scholes option valuation methodology and applying the following inputs:

Weighted average exercise price	$0.12
Weighted average life of the options	1.32 years
Weighted average underlying share price	$0.085
Expected share price volatility[1]	77.95%
Risk-free interest rate	3.40%
Expiry date	31 December 2026
Value per option	$0.02148

[1] Expected volatility has been determined based on historical volatility of the Company's share price and the life of the options granted.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the period:

	2026		2025	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding at the beginning of the year	74,075,000	0.0881	27,750,000	0.1175
Issued during the year	12,750,000	0.0896	49,325,000	0.0720
Expired during the year	-	-	(3,000,000)	(0.0967)
Outstanding at the end of the year	86,825,000	0.0883	74,075,000	0.0881
Exercisable at the end of the year	**86,825,000**	**0.0883**	**74,075,000**	**0.0881**

The share options outstanding at the end of the year had a weighted average exercise price of $0.0883 (2025: $0.0881) and a weighted average remaining contractual life of 0.87 years (2025: 1.81 years).

No options were exercised during the year (2025: nil).

(e) During the year ended 30 June 2026, there were no changes to performance rights held by Directors and other management personnel.

The total fair value of the performance rights granted to Directors was $1,360,000 which was calculated using the share price of $0.068 at the date that shareholder approval was granted, being 27 November 2024.

Pursuant to the terms and conditions, the performance rights will vest and convert into shares upon the independent certification, in accordance with the PRMS Guidelines, of 2P Reserves of at least one (1) trillion cubic feet within the area comprising licences ER 270, 271, 272 and 383 ("Vesting Condition").

The performance rights were issued on 6 December 2024 and has a period of five (5) years from issue date. To the extent that the performance rights have not converted into shares on or before the expiry date, all unconverted performance rights held will automatically lapse.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 15: Share Based Payments (continued)

As the Board has assessed the probability of the vesting condition being achieved is 0%, no amount has been recognised in respect of the performance rights for the year ended 30 June 2026.

Critical accounting judgements, estimates and assumptions

Employees
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options granted is determined by an internal valuation using a Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The fair value of shares issued is determined by utilising the market price of the Company's shares at the date which shares are issued.

External Consultants
The Group measures the cost of equity-settled transactions with external consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by utilising the market price of the Company's shares at the date which shares are issued.

Note 16: Key Management Personnel Disclosures and Related Party Transactions

Refer to Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel (KMP) for the year ended 30 June 2026.

	2026	**2025**
	$	**$**
Short term employee benefits	863,335	900,873
Share based payments	96,895	234,635
	960,230	1,135,508

Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report of the directors' report and above.

Shares and options issued to key management personnel

June 2025 Placement
Pursuant to shareholder approval allowing the Company's Directors to participate in the June 2025 Share Placement, 7,750,000 shares at $0.04 each and 7,750,000 free attaching unlisted options were issued to the Directors and associated nominee on 18 September 2025.

Director Options
Refer to Note 15(c) for details of options issued to Mr Robert Scharnell during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 16: Key Management Personnel Disclosures and Related Party Transactions (continued)

Other transactions with key management personnel

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

		2026 $	2025 $
(i)	Payments to Trident Management Services Pty Ltd, a company of which Adam Sierakowski is a director and shareholder, for company secretarial services provided by Simon Whybrow.	60,000	60,000
(ii)	Payments to Palisade Corporate, a company of which Adam Sierakowski is a director and shareholder, for legal services provided.	87,180	48,683
(iii)	Payments to Trident Management Services Pty Ltd, a company of which Adam Sierakowski is a director and shareholder, for rental of office space.	24,000	24,000

Amounts outstanding at reporting date
Aggregates amount payable to Key Management Personnel and their related entities at reporting date.

(i)	Payables	163,678	172,273
(ii)	Accrued expenses	39,408	-
		203,086	172,273

Note 17: Remuneration of Auditors

	2026 $	2025 $
BDO Audit Pty Ltd		
Audit or review of the financial report	139,575	120,867
	139,575	120,867
BDO South Africa Incorporated		
Audit of the financial report of subsidiaries	24,376	4,090
	24,376	4,090
	163,951	124,957

The auditor of the Group is BDO Audit Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 18: Investment in Controlled Entities

For the year ended 30 June 2026, the consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	*Country of incorporation*	*Equity holding*	
		2026	*2025*
		%	*%*
Afro Energy (Pty) Ltd[1]	South Africa	100%	100%
Afro Gas Development SA (Pty) Ltd[2]	South Africa	55%	55%

[1] The entity was incorporated in 2015.
[2] The entity was incorporated on 12 October 2021 of which Afro Energy (Pty) Ltd holds a 55% interest in the entity. The remaining 45% interest is held by the Industrial Development Corporation of South Africa.

Note 19: Commitments and contingencies

(i) Evaluation and Exploration Expenditure

In order to maintain current rights of tenure to exploration tenements, Afro Energy is required to outlay rental and other associated expenditures to meet minimum expenditure requirements.

The minimum expenditure requirements committed at the reporting date but not recognised as liabilities is as follows:

	2026	**2025**
	$	**$**
Within one year	8,915,447	1,153,213
One to five years	1,485,908	16,821,295
	10,401,355	17,974,508

The Group's future expenditure requirements, as outlined in the Works Program submitted to the Petroleum Agency of South Africa in support of its Exploration Right renewal applications, may be amended upon application.

(ii) Afro Gas Development SA (Pty) Ltd

During the financial year ended 30 June 2022, Afro Energy (Pty) Ltd ("Afro Energy") entered into a joint development agreement (JDA) with the Industrial Development Corporation of South Africa ("IDC"). The JDA involves the development of gas fields to produce gas for industrial, commercial, transportation or power generation applications.

The parties agreed to pool their interests in a joint development entity incorporated in South Africa, Afro Gas Development SA (Pty) Ltd ("Afro Gas"), which will maintain the interest share of 55% Afro Energy and 45% IDC.

(iii) FFS Refiners (Pty) Ltd

On 1 July 2025, the Company announced that it had executed a non-binding term sheet with FFS Refiners (Pty) Ltd ("FFS Refiners") for the proposed co-development of a pilot gas liquefaction plant for the production of liquefied natural gas (LNG).

On 13 September 2025, the Company announced that its subsidiary, Afro Energy (Pty) Ltd ("Afro Energy"), had executed a binding joint development agreement ("JDA") with FFS Refiners ("Parties").

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 19: Commitments and contingencies (continued)

The JDA also recognised the collaborative framework to scale Project Alpha to further phases that was established under the non-binding terms sheet, noting key phases of potential development and proposed activities as follows:

Phase 1a – Gas Field Development
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 of existing production wells at Brakontein;
- 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 5,000 tpa
The JDA Steering Committee preparing an LNG business case agreeable to the Parties, the execution of special purpose vehicle agreements and incorporate Project Alpha SPV entity with the Company and FFS each holding 50% of the issued capital. The SPV will be responsible for the ordering and commissioning of 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 joint venture 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 the Company beyond the Brakfontein area, envisioned to be significantly larger than the Phase 2 development, of up to 125,000tpa capacity.

The Parties have agreed to an aggregate funding commitment to Phase 1a of approximately ZAR 64.312 million (AUD $5,675,000) with the first ZAR 20 million with respect to the Phase 1a budget comprised of a 67.50% contribution (ZAR 13.5 million) from Kinetiko and a 32.50% contribution (ZAR 6.5 million) from FFS Refiners.

For the remaining balance of approximately ZAR 44.312 million, the funding will be split equally, 50% by Kinetiko and 50% by FFS Refiners.

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 Energy and may include third party equity or debt investment.

Other than noted above, there has been no other significant changes to the Group's contingent assets or liabilities since 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 20: Segment Information

The Group currently does not have production and is only involved in exploration. As a consequence, activities in the operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and country of expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis.

Based on the above, management has determined that the Group has one operating segment being gas exploration in South Africa. As the Group is focused on gas exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. These areas of interest meet aggregating criteria and are aggregated into one reporting sector. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Accounting Policy
Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Note 21: Events Occurring After Reporting Period

- July 2026 – the Board adopted the Field Development Plan for Phase 1 of the Brakfontein Rolling Cluster, bridging exploration and production. Adoption of the FDP enabled the commencement of gas production permitting applications, including a Bulk Sampling Permit and a Production Right over Exploration Right 271, and supports engagement with South African government entities, domestic energy utilities and local institutional investors.

- July 2026 – the Company received firm commitments from professional and sophisticated investors to raise approximately $5,400,000 (before costs) through the placement of approximately 180,000,000 fully paid ordinary shares at $0.03 per share, a 14% discount to the last traded price of $0.035 on 27 July 2026. The placement was strongly supported by the Company's largest shareholders as well as new investors and is to be completed in two tranches: 50,000,000 shares issued to unrelated participants under ASX Listing Rules 7.1 and 7.1A, and 130,000,000 shares subject to shareholder approval under ASX Listing Rule 10.11. GBA Capital Pty Ltd was engaged as lead manager and bookrunner.

- Talent 10 Holdings (Pty) Ltd, a major shareholder related to Non-Executive Director Mr Mxolisi Mgojo, subscribed for 100,000,000 placement shares representing a contribution of $3,000,000. The issue of these shares is subject to shareholder approval, to be sought at a general meeting.

- Proceeds of the placement 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, targeting first commercial gas in late 2027.

- August 2026 – Afro Energy (Pty) Ltd executed a Co-operation and Settlement Agreement with Mulilo Newcastle Wind Power (MNWP) and Mulilo Renewable Project Developments, resolving an overlap between Exploration Right 270 and the proposed Newcastle wind energy facility in KwaZulu-Natal.

Note 21: Events Occurring After Reporting Period (continued)

- Afro Energy granted MNWP exclusive use of a defined 18.54 km² exclusion zone, approximately 1.1% of ER270, and retains all exploration and related rights outside that zone, including the ability to renew or convert the Exploration Right.
- Consideration is the Rand equivalent of A$1,260,720, non-dilutive, with a non-refundable 20% payable on execution and the balance following Financial Close of the Newcastle project, targeted on or before 31 December 2026. Funds will be applied to expediting the Phase 1 gas production cluster at Brakfontein.
- The Agreement also grants Afro Energy a right of first refusal to supply natural gas should gas-fired generation be procured for the project, although neither Mulilo party is obliged to procure gas.

No other matters or circumstance has arisen since 30 June 2026 that has affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 22: Other Accounting Policies

New and Amended Standards and Interpretations adopted
For the year ended 30 June 2026, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2025.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore no material change is necessary to the Group's accounting policies.

New Accounting Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2026.

As a result of this review, the Directors have identified that AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18), which replaces AASB 101 *Presentation of Financial Statements*, will be applicable for for-profit entities for annual reporting periods beginning on or after 1 January 2027.

The standard introduces significant changes to the presentation and disclosure of primary financial statements, most notably requiring categories of operating, investing, and financing in the statement of profit or loss, defining a mandatory operating profit subtotal, and setting new disclosure rules for management-defined performance measures.

The Group will adopt this standard from 1 July 2027 and based on a preliminary assessment, the Group expects that there will be a change to the layout of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026 (continued)

Note 23: Parent Entity Information

The following information is related to the parent entity, Kinetiko Energy Limited, as at 30 June 2026 and 30 June 2025.

	2026 $	2025 $
Current assets	489,414	2,486,253
Non-current assets	71,323,628	68,972,274
Total assets	**71,813,042**	**71,458,527**
Current liabilities	728,231	836,320
Total liabilities	**728,231**	**836,320**
Net assets	**71,084,811**	**70,622,207**
Contributed equity	108,267,554	104,919,895
Reserves	2,171,890	2,026,427
Accumulated losses	(39,354,633)	(36,324,115)
Total	**71,084,811**	**70,622,207**
Loss for the year	(4,619,669)	(5,560,481)
Other comprehensive loss for the year	1,909,893	3,008,577
Total comprehensive loss for the year	**(2,709,776)**	**(2,551,904)**