



AFRO ENERGY

Operations Update – SAOGA Gas Group:

- Aeromag surveys
- Korhaan Well Drilling Project

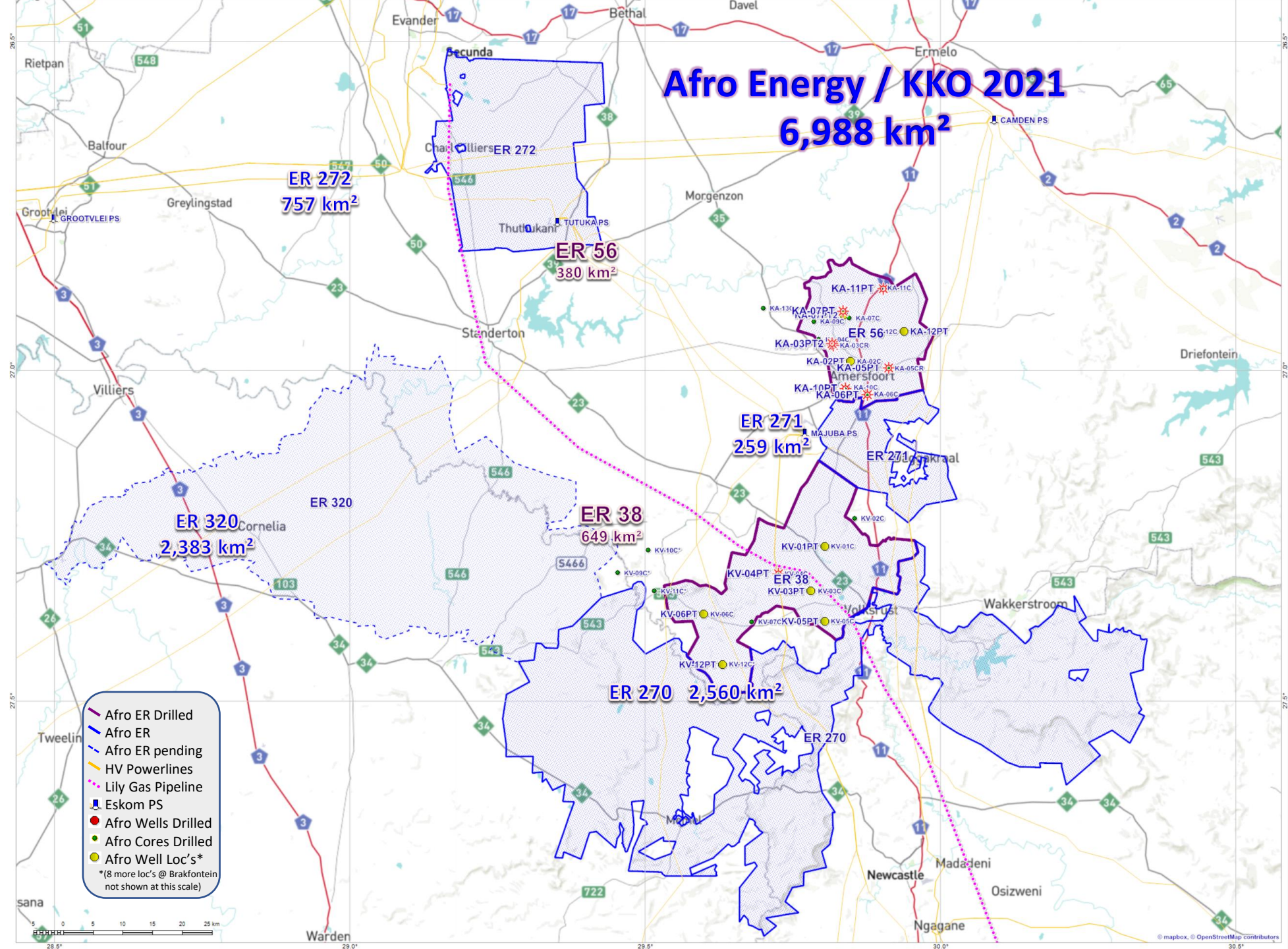


AFRO ENERGY

HOLDINGS

Nick de Blocq - 14 October 2021

Our acreage of close to 7000 km² is larger in size than about 37 countries (and 50 dependencies).



During August 2021, we received approval to consolidate three Exploration Rights into a single block called 12/3/271 ER

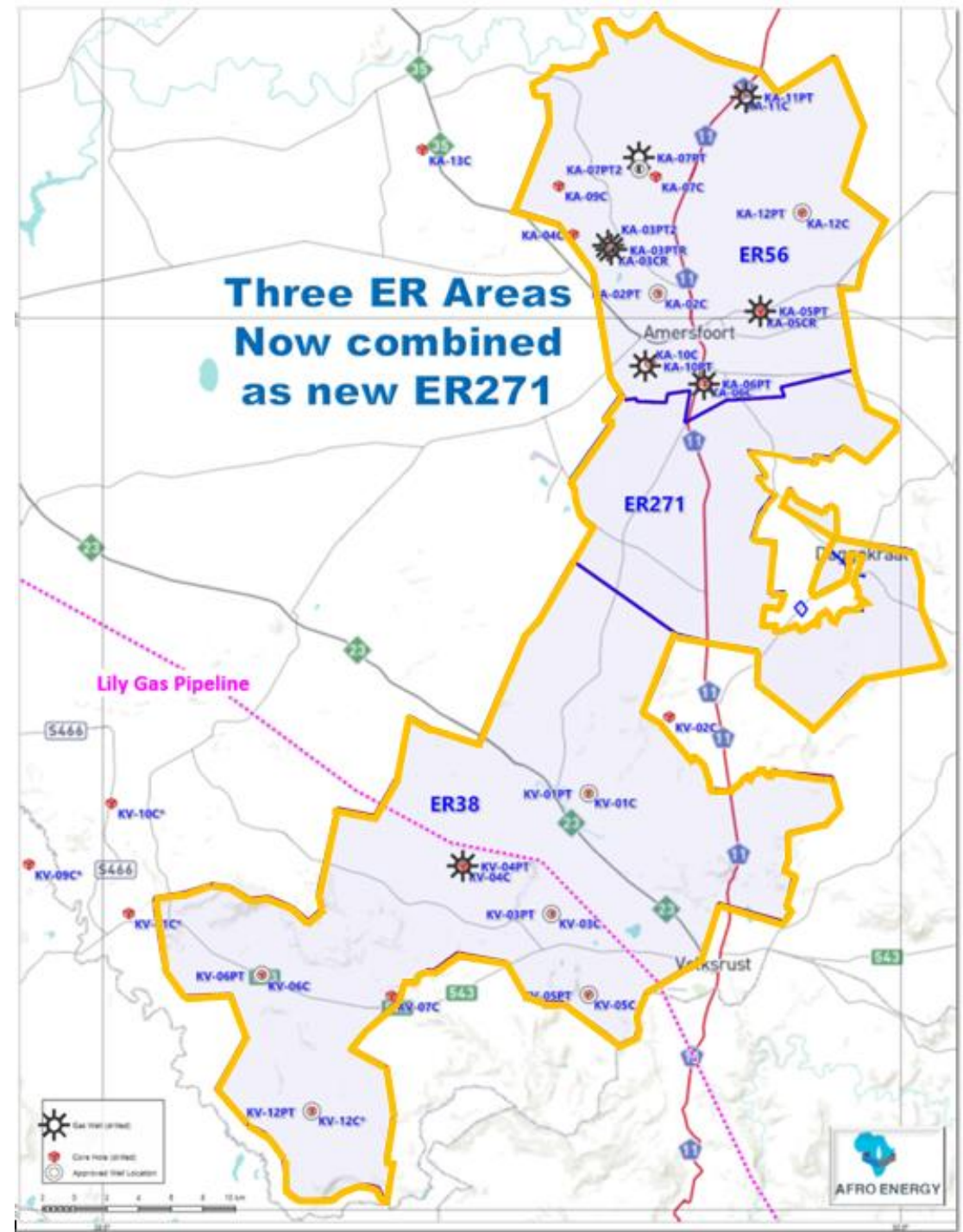


Table 1-1 Summary of Unrisked CBM Contingent Resource Estimates, Gross

Block	Resources	Resources Type	Unit=Billion Cubic Feet			Unit=Billion Cubic Meter		
			1C	2C	3C	1C	2C	3C
38ER	Gas In Place	Adsorbed Gas	482.7	1,110.0	2,158.4	13.7	31.4	61.1
		Free Gas	17.1	43.0	86.0	0.5	1.2	2.4
		Total	524.5	1,156.2	2,217.9	14.9	32.7	62.8
	Contingent Resources	Adsorbed Gas	312.3	715.7	1,408.8	8.8	20.3	39.9
		Free Gas	13.7	34.4	68.8	0.4	1.0	1.9
		Total	346.0	754.5	1,457.4	9.8	21.4	41.3
56ER	Gas In Place	Adsorbed Gas	191.0	438.2	845.6	5.4	12.4	23.9
		Free Gas	6.8	17.1	34.7	0.2	0.5	1.0
		Total	208.9	456.6	868.6	5.9	12.9	24.6
	Contingent Resources	Adsorbed Gas	123.0	283.3	553.4	3.5	8.0	15.7
		Free Gas	5.4	13.7	27.7	0.2	0.4	0.8
		Total	137.3	297.5	573.0	3.9	8.4	16.2
270ER	Gas In Place	Adsorbed Gas	1,701.2	3,931.9	7,589.5	48.2	111.3	214.9
		Free Gas	61.6	153.5	303.4	1.7	4.3	8.6
		Total	1,849.2	4,098.2	7,784.2	52.4	116.1	220.4
	Contingent Resources	Adsorbed Gas	1,098.5	2,537.6	4,969.4	31.1	71.9	140.7
		Free Gas	49.3	122.5	243.1	1.4	3.5	6.9
		Total	1,214.2	2,672.9	5,128.0	34.4	75.7	145.2
271ER	Gas In Place	Adsorbed Gas	143.2	330.1	641.0	4.1	9.3	18.2
		Free Gas	5.2	13.1	26.3	0.1	0.4	0.7
		Total	156.5	344.6	656.3	4.4	9.8	18.6
	Contingent Resources	Adsorbed Gas	91.9	213.9	423.5	2.6	6.1	12.0
		Free Gas	4.2	10.5	21.1	0.1	0.3	0.6
		Total	101.9	225.2	435.4	2.9	6.4	12.3
272ER	Gas In Place	Adsorbed Gas	344.1	795.3	1,531.7	9.7	22.5	43.4
		Free Gas	12.2	30.2	60.7	0.3	0.9	1.7
		Total	375.1	828.2	1,570.2	10.6	23.5	44.5
	Contingent Resources	Adsorbed Gas	223.0	516.2	997.1	6.3	14.6	28.2
		Free Gas	9.7	24.0	48.6	0.3	0.7	1.4
		Total	247.7	541.8	1,027.4	7.0	15.3	29.1
TOTAL	Gas In Place	Adsorbed Gas	2,862.2	6,605.5	12,766.2	81.0	187.1	361.5
		Free Gas	103.0	257.0	511.0	2.9	7.3	14.5
		Total	3,114.2	6,883.8	13,097.2	88.2	194.9	370.9
	Contingent Resources	Adsorbed Gas	1,848.8	4,266.7	8,352.2	52.4	120.8	236.5
		Free Gas	82.3	205.1	409.3	2.3	5.8	11.6
		Total	2,047.1	4,492.0	8,621.2	58.0	127.2	244.1

Note: This independent report by Gustavson excludes the entire ER320 which is an additional 2,383 km²

These are substantial numbers. Remember that Mossgas built a huge refinery and offshore platform and drilled multiple subsea completed production wells and produced gas for 20 years on 1 TCF (!!)

Resource Evaluation Report
Five License Blocks
Amersfoort, South Africa

Prepared on Behalf of:
Kinetiko Energy Ltd



Effective Date: 1 July 2020

Date of this Report: 23 July 2020

Submitted By:

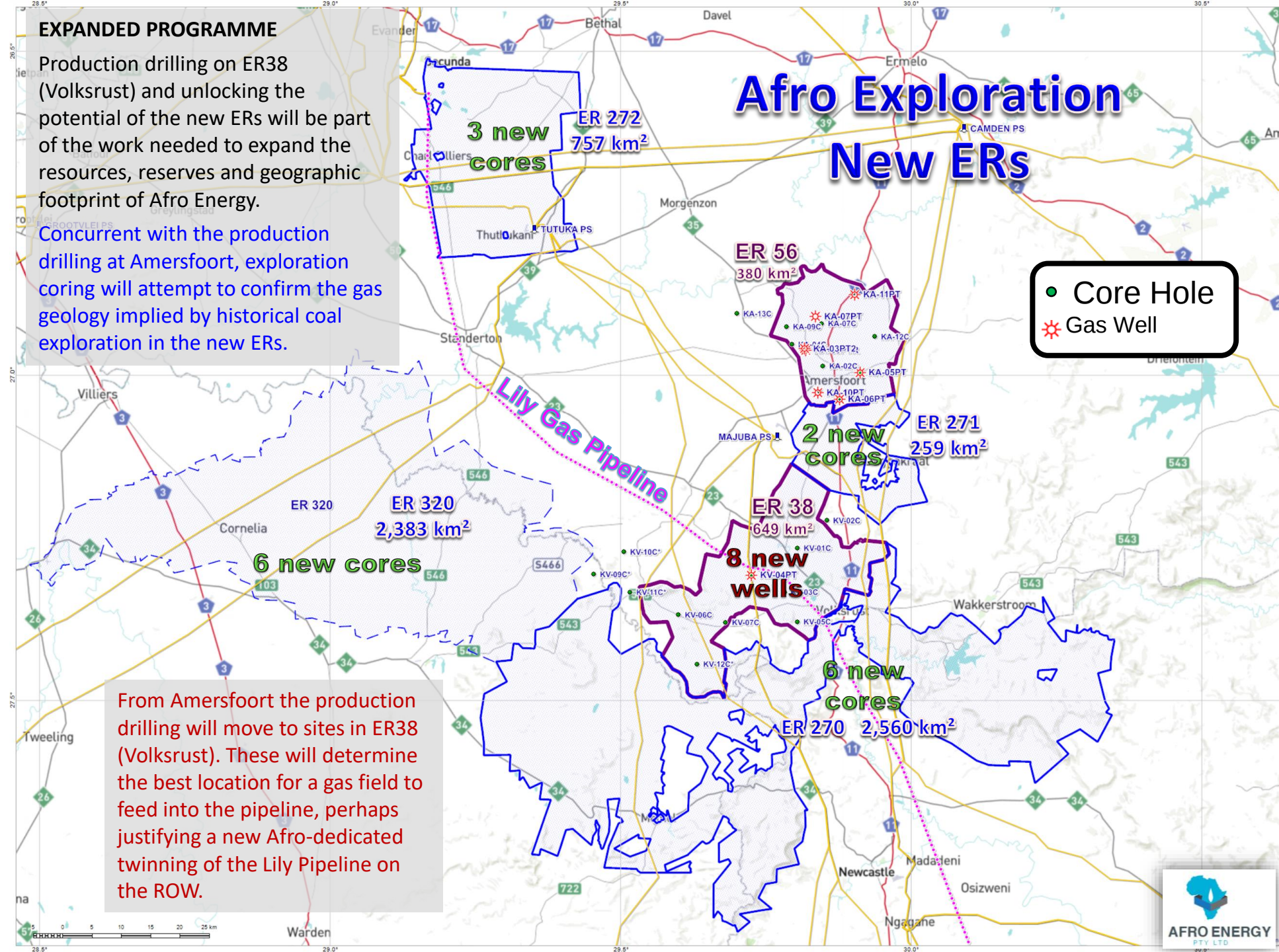

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GUSTAVSON ASSOCIATES
GEOLOGISTS • ENGINEERS • ECONOMISTS • APPRAISERS

EXPANDED PROGRAMME

Production drilling on ER38 (Volksrust) and unlocking the potential of the new ERs will be part of the work needed to expand the resources, reserves and geographic footprint of Afro Energy.

Concurrent with the production drilling at Amersfoort, exploration coring will attempt to confirm the gas geology implied by historical coal exploration in the new ERs.



From Amersfoort the production drilling will move to sites in ER38 (Volksrust). These will determine the best location for a gas field to feed into the pipeline, perhaps justifying a new Afro-dedicated twinning of the Lily Pipeline on the ROW.

Aeromag survey

- Three survey areas were identified for surveying, but one (SE of Volksrust) had to be changed after it was brought to our attention that it included a major watershed / river feeder and where mineral mining houses were being challenged in court for their attempts to prospect there.
- There are now three areas as per the map below: To the west of Newcastle, west of Volksrust and north of Standerton.
- A total area of 564 km² and 13,349 line km will be flown (8% of our total acreage).

Brakfontein Farm Gas Field

2 existing gas wells
8 permitted gas well locations

Our **KORHAAN**
well collection:



Production Wells

Standerton

8 development North
team of wells to sell gas
3 production tests North
5 production tests South

About two dozen core and perm test wells have been drilled to date, ALL of them cut gas in their borehole profiles.

16
Existing
Drilling
Permits

Transnet
Lily Gas Pipeline

Volksrust



Suppliers

Aeromag surveys:	Xcalibur
Drilling:	Torque Africa Exploration / Infin Drilling
Logging:	Wireline Workshop and Geoline collaborative
Cementation:	Rheopect
Equipment:	EFK Engineering
Perforating:	Exploration Geophysics (Botswana)
Personnel:	Akhona O&G Services (Cem Spec., HSE Officer, Dring Sup, etc)
Certification:	Gustavson, Ratway and Sproule

6 of our 8 major supply categories are South African companies

(we are flying the flag of local content)

1 is regional (Botswana)

1 is USA



Questions



How ready is Eskom to procure indigenous gas?

What does Eskom need to do on a technical level to move substantially to gas fired generation?

Will Eskom support a collaboration of local indigenous natural gas providers?

Has there been a calculation of a minimum requirement of natural gas input in order for it all to make sense to Eskom?

We are aware that there are lobbies in SA and other countries who are creatively attempting to write gas out of the transformation picture.

Does Eskom understand (in a material and practical sense) that there is no such thing as “clean” energy today, nor is there any such solution visible?

And is Eskom politically able to put enough focus on moving to cleaner sources (like gas) in order to reduce the reliance on coal and bridge the gap between today’s ‘not-so-green’ technologies which masquerade as clean – and the eventual, truly sustainable solutions which inevitably must come?

We need to:

Properly quantify every source presented as a transformative solution in terms of its real carbon footprint, no matter how inconvenient that truth may end up being;

Look at the huge benefits to carbon output that the USA, China, etc have gained over the last 5 years of replacing coal with gas, and try to emulate that path here in SA.

Agree that natural gas is absolutely and undeniably instrumental as a transition fuel.



Thank you

Nick de Blocq - 14 October 2021