

Kalahari GeoEnergy Ltd

(“Kalahari” or the “Company”)

Kalahari GeoEnergy Spuds first Exploration Well at Lochinvar Geothermal Target

Kalahari GeoEnergy, the Zambian based geothermal exploration Company, is pleased to announce it has spudded the second well in its exploration drilling programme near Lochinvar in Monze District, Southern Province, Zambia.

Lochinvar

The Lochinvar geothermal target lies within the Kafue Trough, a Karoo-era sedimentary basin over which the Company holds geothermal energy exploration rights and within which the Company has identified a number of geothermal targets.

Exploration Programme

In the period from 2011 the Company’s exploration programme has included hydrochemistry together with ground magnetic, resistivity (Magneto-Telluric) and Bouguer gravity geophysics surveys. The interpretation of the data gained has been used to create a conceptual model.

Exploration Well Programme

Based upon the results of the survey programmes and the conceptual model, the Company is commenced on 12th August 2013 a shallow, slim well drill programme, whose objectives include:

- To validate geophysics interpretation and refine conceptual model;
- Measure temperature gradient;
- Obtain geological data;
- Collect sub-surface hydrochemistry samples.

Peter Vivian-Neal, the CEO comments that “*The initial results conform to the conceptual model and are encouraging; a full analysis and interpretation will be undertaken following completion of the drill programme. Meanwhile, the drilling programme conforms to Zambia’s environmental regulations and appropriate approvals are in place*”.

Geothermal Energy in Zambia

Zambia hosts a number of geological structures associated with the East African Rift System, together with granites that are recognised as being prospective for geothermal energy. Historic work identified a number of prospective targets and a Zambian-Italian joint venture built a geothermal pilot plant on the Lake Tanganyika Rift structure in the 1980’s.

Zambia, while reliant on large scale hydro, does not have the current capacity to meet the demands of increasing investment in the agricultural, industrial and mining sectors, nor the domestic growth and rural electrification programmes; nationally, domestic access to power is currently less than 20%.

If geothermal energy is proved viable for the production of geothermal power in Zambia it will increase overall capacity and reduce supply constraints. Geothermal power is sustainable,

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operates continuously and is environmentally benign; the secondary application of heat for agro-industrial processes could have a significant impact in strengthening food security at a time of uncertainty as to the effects of climate change. The regulatory frame-work is in place and there is precedent, for the private sector production, transmission and sale of electrical power in Zambia.

About Kalahari Energy Ltd:

Formed in 2010, Kalahari Energy is a privately owned, Zambian-registered, exploration company focused on geothermal energy. The management and its' consultants have wide-ranging experience in exploration, development and energy utilisation.

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