

Kibo Energy PLC (Incorporated in Ireland)  
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ISIN: IE00B97C0C31  
("Kibo" or "the Company")



**Dated: 25 September 2019**

**Kibo Energy PLC ('Kibo' or the 'Company')**

**Reorganization of the Mabesekwa Coal Independent Power Project Arrangements ("MCIPP")**

Kibo Energy PLC, the multi-asset, Africa focused, energy company, is pleased to announce that it has signed a binding Heads of Agreement ('the Agreement') with Shumba Energy Ltd ('Shumba') and various subsidiaries of each party ('the Parties') to reorganise the arrangements for the MCIPP and its associated coal asset in Botswana.

Kibo and Shumba hold 85% and 15% interests respectively in Kibo Energy Botswana (Pty) Ltd ("KEB"), the company currently holding the MCIPP which consists of:

- a) a 761 Mt coal Mineral Resource ("MCIPP Resource" – see Table 1) held entirely within KEB, with KEB having right to a 303Mt subset ("MCIPP KEB Assets"), and Shumba retaining rights over the balance (the "MCIPP Retained Assets");
- b) studies investigating the construction of a 300MW integrated power project at Mabesekwa; and
- c) certain water and land use permits and environmental certification in place (see announcement dated 30 November 2017).

Under the reorganization the MCIPP Retained Assets will be consolidated back into KEB and Kibo's interest in KEB will be reduced to 35% to 40% to maintain Kibo's look-through interest in the MCIPP Resource and make sundry adjustments to recognise Kibo's project expenditure. An additional Joint Venture to be incorporated between Kibo and Shumba ("KP2") will enable continuation of the advancement and operation of the existing MCIPP energy projects in Botswana. Kibo, Shumba and their respective subsidiaries will retain their existing interests in the MCIPP (Kibo 85%) and the existing shareholder agreement between them to govern their joint venture and shareholder interests, including the protection of minority interests.

As part of this reorganization the relationship between Kibo and Shumba will be expanded to include jointly managing and overseeing the development of a bespoke 300MW power station (the 'KP1 Power Plant') through the incorporation of a new company to be held 35%-40% by Kibo and the balance by Shumba. Shumba would provide the full development funding requirement for associated feasibility and technical studies. The KP1 Power Plant is in addition to the MCIPP and envisaged to provide power to a Petrochemical plant ('PCP') which will provide first Botswana, with up to 80% of its domestic liquid / gas fuel requirements, and later the Southern African market at large. Currently all of Botswana's liquid / gas fuel is imported. It has been agreed that the consolidated MCIPP Resource will

supply the PCP, the KP1 Power Plant and the MCIPP power plant with coal. The following commercial off take agreements will be signed to enable the above arrangements:

- Coal Sale Agreements with KEB to establish the MCIPP Resource as a secure and exclusive feedstock supply of coal for:
  - The PCP for 100% of its feedstock requirements (on the back of a binding Coal Supply Agreement already put in place by Shumba);
  - The KP1 Power Plant for 100% of its fuel needs; and
  - The MCIPP Power Station for 100% of its fuel needs
- Power Purchase Agreement between the PCP and the KP1 Power Plant for exclusive supply of the necessary 300MW of electricity to the PCP.
- Power Purchase agreements between MCIPP power plant and future commercial off takers.

A variety of shareholders' and joint development agreements will govern the management of the various joint ventures, including minority interest protections, with details of Kibo's final interests in the various entities and the MCIPP Resource to be advised upon completion of the reorganization.

The Agreement is conditional on a variety of commercial and technical Conditions Precedent such as the signing of a definitive agreement within ten business days, execution of the above commercial offtake agreements, and a longstop date of 20 March 2020.

#### Petrochemical Plant

For further background and to put the reorganization into context, Shumba recently acquired 80% of Coal Petroleum Ltd ('CP'). CP is a company that has been focused on the development of a commercial scale liquid fuels production facility in Botswana. CP has partnered with PowerChina International Group Limited ("PowerChina International") and Wison Group ("Wison"), both leading Chinese EPC companies with a proven track record and recent experience in the coal-based power & coal to liquid technologies ('CTL') for the execution of the Bankable Feasibility Study ('BFS'). PowerChina International is the world's largest hydropower, electricity and infrastructure construction group and Wison is China's leading technical solution provider in energy sector, specializing in technologies and engineering construction services, including petrochemical, refinery, C1 chemical, central processing facility and LNG & power generation. The technical aspects of a Bankable Feasibility Study for the PCP, which will be built at Mabesekwa, will be undertaken in conjunction with the two Chinese conglomerates and is nearing completion, with project financing discussions advanced.

#### **Lock Up Provisions**

Under the Agreement, and for a period of 12 months, Shumba and related parties may not sell or otherwise dispose of more than 5% of the total shares that it holds in Kibo at the date the Agreement is signed in any subsequent calendar month.

**Louis Coetzee, CEO of Kibo, commented,** *"This reorganization enables us to more fully leverage and de-risk the MCIPP Resource by pursuing three different potential revenue streams, including a further 250 – 300MW power plant in addition to the existing MCIPP 300MW plant currently being*

*advanced and significant exposure to a large PCP to be planned for development and supported by two major Chinese conglomerates (Botswana is described by the World Bank one of the world's fastest growing economies, averaging 5% per annum over the past decade). With the strong local and international support, and supply agreements already in place, we are exposed to a much larger opportunity in addition to what we are already developing in Botswana, further strengthening our existing relationship with Shumba.*

*Recent emphasis has been on our major other projects, including the MCPP in Tanzania, Benga in Mozambique, and Mast Energy in the UK, where notable advances have been made. Now the spotlight is on Mabesekwa; this is a tipping point for the project, which we believe offers a significant value - lift to shareholders. We look forward to updating shareholders as the projects advance."*

**\*\*ENDS\*\***

For further information please visit [www.kibo.energy](http://www.kibo.energy) or contact:

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## Notes

Kibo Energy PLC is a multi-asset, Africa focused, energy company positioned to address the acute power deficit, which is one of the primary impediments to economic development in Sub-Saharan Africa. To this end, it is the Company's objective to become a leading independent power producer in the region.

Kibo is simultaneously developing three similar coal-fuelled power projects: the Mbeya Coal to Power Project ('MCP') in Tanzania; the Mabesekwa Coal Independent Power Project ('MCIPP') in Botswana; and the Benga Independent Power Project ('BIPP') in Mozambique. By developing these projects in parallel, the Company intends to leverage considerable economies of scale and timing in respect of strategic partnerships, procurement, equipment, human capital, execution capability / capacity and project finance.

Additionally, the Company has a 60% interest in MAST Energy Developments Limited ('MED'), a private UK registered company targeting the development and operation of flexible power plants to service the Reserve Power generation market.

**Mabesekwa Coal Resource Statement (SAMREC-Compliant) from Competent Persons' Report  
prepared by Gemecs (Pty) Ltd for Sechaba Natural Resources (Pty) Limited, – 31 January 2018**

Total Mabesekwa Resource – Table 1

AREA NAME	AREA (m <sup>2</sup> )	SEAM	RESOURCE CLASS	GROSS IN SITU TONNES	GEOLOGICAL LOSS %	MINEABLE IN SITU TONNES	SEAM THICKNESSES (m)	DEPTH BELOW SURFACE (m)
PL428	26 728 764	SG	MEASURED	0	5%	0		
PL428	26 728 764	SG	INDICATED	0	10%	0		
PL428	26 728 764	SG	INFERRED	3 374 600	15%	2 868 410	2.47	46.6
		<b>SG</b>	<b>TOTAL</b>	<b>3 374 600</b>		<b>2 868 410</b>	<b>2.47</b>	<b>46.6</b>
PL428	26 728 764	SF	MEASURED	3 580 000	5%	3 401 000	3.77	46.9
PL428	26 728 764	SF	INDICATED	16 894 500	10%	15 205 050	3.04	43.6
PL428	26 728 764	SF	INFERRED	2 579 400	15%	2 192 490	2.86	43.1
		<b>SF</b>	<b>TOTAL</b>	<b>23 053 900</b>		<b>20 798 540</b>	<b>3.13</b>	<b>44.1</b>
PL428	26 728 764	SE	MEASURED	1 701 500	5%	1 616 425	2.91	39.4
PL428	26 728 764	SE	INDICATED	23 255 200	10%	20 929 680	3.21	40.5
PL428	26 728 764	SE	INFERRED	37 555 800	15%	31 922 430	3.92	35.1
		<b>SE</b>	<b>TOTAL</b>	<b>62 512 500</b>		<b>54 468 535</b>	<b>3.63</b>	<b>37.2</b>
PL428	26 728 764	SD	MEASURED	8 283 900	5%	7 869 705	3.81	50.8
PL428	26 728 764	SD	INDICATED	47 821 700	10%	43 039 530	3.40	44.0
PL428	26 728 764	SD	INFERRED	12 132 300	15%	10 312 455	2.79	35.4
		<b>SD</b>	<b>TOTAL</b>	<b>68 237 900</b>		<b>61 221 690</b>	<b>3.34</b>	<b>43.3</b>
PL428	26 728 764	SC	MEASURED	22 123 800	5%	21 017 610	4.49	44.1
PL428	26 728 764	SC	INDICATED	104 931 800	10%	94 438 620	4.58	41.2
PL428	26 728 764	SC	INFERRED	32 729 100	15%	27 819 735	4.16	36.3
		<b>SC</b>	<b>TOTAL</b>	<b>159 784 700</b>		<b>143 275 965</b>	<b>4.48</b>	<b>40.6</b>
PL428	26 728 764	SB	MEASURED	41 178 500	5%	39 119 575	6.32	46.4
PL428	26 728 764	SB	INDICATED	209 968 000	10%	188 971 200	6.64	46.0
PL428	26 728 764	SB	INFERRED	61 192 400	15%	52 013 540	6.55	44.4
		<b>SB</b>	<b>TOTAL</b>	<b>312 338 900</b>		<b>280 104 315</b>	<b>6.58</b>	<b>45.7</b>
PL428	26 728 764	SA	MEASURED	37 900 600	5%	36 005 570	7.54	54.1
PL428	26 728 764	SA	INDICATED	146 796 100	10%	132 116 490	6.48	54.8
PL428	26 728 764	SA	INFERRED	35 578 200	15%	30 241 470	6.16	56.7
		<b>SA</b>	<b>TOTAL</b>	<b>220 274 896</b>		<b>198 363 526</b>	<b>6.61</b>	<b>55.0</b>
			<b>TOTAL COAL ALL SEAMS</b>	<b>849 577 400</b>	<b>10%</b>	<b>761 100 985</b>		

**Kibo Mabesekwa Coal Resource Statement (SAMREC Compliant)**

**Approx. 303 Mt subset of Resource in Table 1 taken from Competent Persons' Report prepared  
by Gemecs (Pty) Ltd for Kibo Energy PLC – 11 June 2018**

Kibo Mabesekwa Resource 100% basis – Table 2

AREA NAME	AREA (m2)	RESOURCE CLASS	SEAM	GROSS IN SITU TONNES	GEOLOGICAL LOSS %	MINEBALE IN SITU TONNES	SEAM THICKNESS (m)	DEPTH BELOW SURFACE (m)
Mt300	11,556,050	MEASURED	SG	0	5	0		
Mt300	11,556,050	INDICATED	SG	0	10	0		
Mt300	11,556,050	INFERRED	SG	286,700	15	243,695	4.25	38.7
		<b>TOTAL</b>	<b>SG</b>	<b>286,700</b>		<b>243,695</b>	<b>4.25</b>	<b>38.7</b>
Mt300	11,556,050	MEASURED	SF	71,500	5	67,925	1.85	45.3
Mt300	11,556,050	INDICATED	SF	3,936,000	10	3,542,400	3.25	36
Mt300	11,556,050	INFERRED	SF	106,000	15	90,100	2.59	40.5
		<b>TOTAL</b>	<b>SF</b>	<b>4,113,500</b>		<b>3,700,425</b>	<b>3.21</b>	<b>36.3</b>
Mt300	11,556,050	MEASURED	SE	0	5	0		
Mt300	11,556,050	INDICATED	SE	4,547,700	10	4,092,930	2.22	40.7
Mt300	11,556,050	INFERRED	SE	27,000,600	15	22,950,510	4.29	33.4
		<b>TOTAL</b>	<b>SE</b>	<b>31,548,300</b>		<b>27,043,440</b>	<b>3.99</b>	<b>34.5</b>
Mt300	11,556,050	MEASURED	SD	811,300	5	770,735	4.3	63.4
Mt300	11,556,050	INDICATED	SD	18,401,100	10	16,560,990	3.32	39.9
Mt300	11,556,050	INFERRED	SD	5,086,600	15	4,323,610	2.39	36.6
		<b>TOTAL</b>	<b>SD</b>	<b>24,299,000</b>		<b>21,655,335</b>	<b>3.16</b>	<b>40</b>
Mt300	11,556,050	MEASURED	SC	13,196,900	5	12,537,055	5.82	40.5
Mt300	11,556,050	INDICATED	SC	43,405,100	10	39,064,590	4.91	38
Mt300	11,556,050	INFERRED	SC	8,550,500	15	7,267,925	4.68	33.9
		<b>TOTAL</b>	<b>SC</b>	<b>65,152,500</b>		<b>58,869,570</b>	<b>5.06</b>	<b>38</b>
Mt300	11,556,050	MEASURED	SB	26,782,000	5	25,442,900	6.18	44.5
Mt300	11,556,050	INDICATED	SB	75,963,000	10	68,366,700	5.86	41.4
Mt300	11,556,050	INFERRED	SB	15,522,600	15	13,194,210	5.52	47.7
		<b>TOTAL</b>	<b>SB</b>	<b>118,267,600</b>		<b>107,003,810</b>	<b>5.89</b>	<b>42.9</b>
Mt300	11,556,050	MEASURED	SA	18,315,900	5	17,400,105	7.58	49.3
Mt300	11,556,050	INDICATED	SA	61,491,700	10	55,342,530	6.5	47.7
Mt300	11,556,050	INFERRED	SA	13,733,000	15	11,673,050	5.18	51.2
		<b>TOTAL</b>	<b>SA</b>	<b>93,540,600</b>		<b>84,415,685</b>	<b>6.52</b>	<b>48.5</b>
<b>TOTAL COAL ALL SEAMS</b>				<b>337,208,200</b>		<b>302,931,960</b>		

**Kibo Mabesekwa Coal Resource Statement (SAMREC Compliant) Kibo's 85% Attributable  
Interest in Coal Resource in Table 2**

Kibo Mabesekwa Resource 85% Basis – Table 3

AREA NAME	AREA (m2)	RESOURCE CLASS	SEAM	GROSS IN SITU TONNES	GEOLOGICAL LOSS %	MINEBALE IN SITU TONNES	85% ATTRIBUTABLE	SEAM THICKNESS (m)	DEPTH BELOW SURFACE (m)
Mt300	11,556,050	MEASURED	SG	0	5	0	0		
Mt300	11,556,050	INDICATED	SG	0	10	0	0		
Mt300	11,556,050	INFERRED	SG	286,700	15	243,695	207,141	4.25	38.7
		<b>TOTAL</b>	<b>SG</b>	<b>286,700</b>		<b>243,695</b>	<b>207,141</b>	<b>4.25</b>	<b>38.7</b>
Mt300	11,556,050	MEASURED	SF	71,500	5	67,925	57,736	1.85	45.3
Mt300	11,556,050	INDICATED	SF	3,936,000	10	3,542,400	3,011,040	3.25	36
Mt300	11,556,050	INFERRED	SF	106,000	15	90,100	76,585	2.59	40.5
		<b>TOTAL</b>	<b>SF</b>	<b>4,113,500</b>		<b>3,700,425</b>	<b>3,145,361</b>	<b>3.21</b>	<b>36.3</b>
Mt300	11,556,050	MEASURED	SE	0	5	0	0		
Mt300	11,556,050	INDICATED	SE	4,547,700	10	4,092,930	3,478,991	2.22	40.7
Mt300	11,556,050	INFERRED	SE	27,000,600	15	22,950,510	19,507,934	4.29	33.4
		<b>TOTAL</b>	<b>SE</b>	<b>31,548,300</b>		<b>27,043,440</b>	<b>22,986,924</b>	<b>3.99</b>	<b>34.5</b>
Mt300	11,556,050	MEASURED	SD	811,300	5	770,735	655,125	4.3	63.4
Mt300	11,556,050	INDICATED	SD	18,401,100	10	16,560,990	14,076,842	3.32	39.9
Mt300	11,556,050	INFERRED	SD	5,086,600	15	4,323,610	3,675,069	2.39	36.6
		<b>TOTAL</b>	<b>SD</b>	<b>24,299,000</b>		<b>21,655,335</b>	<b>18,407,035</b>	<b>3.16</b>	<b>40</b>
Mt300	11,556,050	MEASURED	SC	13,196,900	5	12,537,055	10,656,497	5.82	40.5
Mt300	11,556,050	INDICATED	SC	43,405,100	10	39,064,590	33,204,902	4.91	38
Mt300	11,556,050	INFERRED	SC	8,550,500	15	7,267,925	6,177,736	4.68	33.9
		<b>TOTAL</b>	<b>SC</b>	<b>65,152,500</b>		<b>58,869,570</b>	<b>50,039,135</b>	<b>5.06</b>	<b>38</b>
Mt300	11,556,050	MEASURED	SB	26,782,000	5	25,442,900	21,626,465	6.18	44.5
Mt300	11,556,050	INDICATED	SB	75,963,000	10	68,366,700	58,111,695	5.86	41.4
Mt300	11,556,050	INFERRED	SB	15,522,600	15	13,194,210	11,215,079	5.52	47.7
		<b>TOTAL</b>	<b>SB</b>	<b>118,267,600</b>		<b>107,003,810</b>	<b>90,953,239</b>	<b>5.89</b>	<b>42.9</b>
Mt300	11,556,050	MEASURED	SA	18,315,900	5	17,400,105	14,790,089	7.58	49.3
Mt300	11,556,050	INDICATED	SA	61,491,700	10	55,342,530	47,041,151	6.5	47.7
Mt300	11,556,050	INFERRED	SA	13,733,000	15	11,673,050	9,922,093	5.18	51.2
		<b>TOTAL</b>	<b>SA</b>	<b>93,540,600</b>		<b>84,415,685</b>	<b>71,753,332</b>	<b>6.52</b>	<b>48.5</b>
<b>TOTAL COAL ALL SEAMS</b>				<b>337,208,200</b>		<b>302,931,960</b>	<b>257,492,166</b>		

### Review by Qualified Persons

The information in this announcement that relates to the Mabesekwa Coal Resource Statement and the Kibo Mabesekwa Kibo Coal Resource Statement is taken from CPR reports by Mr NJ Denner who is employed by Gemecs (Pty) Ltd as a full-time consulting geologist. Mr NJ Denner, Pr.Sci.Nat, B.Sc Hons (Geology), FGSSA, SEG, is a geologist with 23 years' experience in the South African Mining Industry and a member of South African Council for Natural Scientific Professions (Membership No.400060/98). Mr NJ Denner has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2016 Edition of the 'The South African Code for Reporting of

Exploration Results, Mineral Resources and Ore Reserves (SAMREC)’ and for the purposes of the AIM Rules for Companies. Mr NJ Denner consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears

Kibo’s Technical Director, Noel O’Keeffe, B.Sc.(Hons) Geology P.Geo and a member of the Institute of Geologists of Ireland, a director of Kibo and a Qualified Person within the meaning of SAMREC and the AIM Rules for Companies has reviewed the CPR reports, the Mabesekwa Coal Resource Statement and Kibo Mabesekwa Coal Resource Statement and the references to them in this announcement.

### Glossary of Technical Terms

“Indicated Resource”	That part of a coal resource for which tonnage, densities, shape, physical characteristics, grade and coal quality can be estimated with a moderate level of confidence. Based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes. The data-point locations are appropriate to confirm physical continuity, while they are too widely or inappropriately spaced to confirm quality continuity. However, such locations are spaced closely enough for quality continuity to be assumed.
“Inferred Resource”	That part of a coal resource for which tonnage, grade and coal quality can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified physical continuity with or without coal quality continuity. Based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes which is limited or of uncertain quality or reliability.
“insitu”	In its original place. Most often used to refer to the location of Mineral Resources
“insitu tonnage”	Measure of mass of coal or other mineral in the ground
“m”	A metre – a measure of length or thickness
“Measured Resource”	A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit
“Mineral Resource” or “Coal Resource” (where the mineral is coal)	A “Mineral Resource” is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.
“Mt”	Abbrev. for megaton (measure of weight). Equals 1 million tonnes
“SAMREC”	South African Code for Reporting Exploration Results, Mineral Resources and Ore Reserves
“t”	A metric tonne – a measure of weight
“tonnage”	Quantities where the tonne is an appropriate unit of measure. Typically used to measure or estimate quantities of in situ material or quantities of material mined, transported, processed or sold.

Johannesburg  
25 September 2019  
Corporate and Designated Adviser  
River Group