

Kibo Energy PLC  
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("Kibo" or "the Company")



**Dated: 30 October 2019**

**Kibo Energy PLC ('Kibo' or the 'Company')**  
**MED Signs Comprehensive Joint Development Agreement for Flexible Power Portfolio**

Kibo Energy PLC, the multi-asset, Africa focused, energy company, is pleased to provide an update on its 60% owned subsidiary, MAST Energy Developments Limited ('MED'), a private UK registered company targeting the development and operation of flexible power plants to service the UK reserve power generation market.

**Highlights**

- Comprehensive Joint Development Agreement ('JDA' or 'the Agreement') signed with AB Impianti S.R.L ('AB') a subsidiary of the AB Group, a global leader in engineering, manufacture, and after sales service of Combined Heat and Power ('CHP') generation solutions, for the development of selected flexible power plants in the UK;
- Agreement provides access to end-to-end Engineering, Procurement, and Construction ('EPC') solution with exclusive access to AB construction and engineering capacity and capability as well as cogeneration plant and equipment; and
- JDA includes a comprehensive funding solution for the construction and commissioning of all sites ultimately approved and accepted for development, by AB.

**Louis Coetzee, CEO of Kibo Energy, commented,** *"Executing a comprehensive JDA with a global player such as AB, is a key deliverable in terms of the overall development plan for MED. More specifically, it is a critical step towards securing the delivery of a fully operational site at Bordesley by end of Q1 2020 and the associated first revenue generation for the Company. There is a roll out plan for MED and we remain both supportive and excited on the delivery of further plants, widening our international partnership network and delivery of energy solutions in the UK and Africa."*

*"The comprehensive funding solution that forms part of the JDA provides Bordesley and MED with a unique opportunity to potentially have all sites approved for development, fully funded from the outset. This provides an opportunity to fast-track the parallel development of sites and simultaneously de-risk the MED overall development strategy."*

*"On a wider level we are in Maputo this week continuing negotiations with Vale Mozambique to finalize"*

*the Power Purchase Agreement and Coal Supply Agreements for the Benga Power Plant Project for which term sheets have already been announced. The Kibo portfolio is progressing and I look forward to announcing further updates as we continue to advance our multi project portfolio."*

**Gary Collins Regional Sales Manager of AB, commented,** *"I am delighted with this arrangement which will see AB & MED design, manufacture and deliver world class projects in this critical sector of the UK's power generation market. With an ever-increasing push for energy efficiency, renewable energy technology, and growing energy digitalization, this partnership will help to accelerate the implementation of local embedded power generation that the UK desperately needs."*

## **Details**

As part of its strategy to develop a portfolio of small-scale Reserve Power generation projects, initially in the UK, MED concluded a Joint Development Agreement with AB, a subsidiary of the AB Group, a global leader in engineering, manufacture, and after sales service of Combined Heat and Power ('CHP') generation solutions.

Under the terms of the JDA, MED has and will operate a portfolio and pipeline of projects in the UK and AB will engage in providing a comprehensive solution including the supply of co-generation plants under a rent or alternative funding option.

MED will initially present a list of three prospective projects which it considers suitable and are candidates for the comprehensive solution offered by AB in terms of the JDA (with Bordersley being the first site already under review). MED and AB will together establish a joint working/steering committee ('SC') to verify the progress of the JDA. AB agreed to, via the SC, make its best efforts within the agreed timeframes to assess the prospective projects in order to pursue those it considers feasible.

For each single project presented by MED, AB shall directly negotiate with MED all commercial, technical and legal terms and conditions, potentially leading to signature of the contract for the sale of the equipment and the AB financial structure (the 'Contract').

Mutual exclusivity clauses exist in the JDA, where for the initial 12-month term (renewable with the consent of both parties), and two years following the expiration of the agreement, MED agrees to and undertake to appoint AB as the exclusive contractor for the supply of the plants for its UK projects, and AB agrees and undertakes to develop and fund any UK Reserve Power generation projects exclusively with MED.

The AB Group is present in 19 Countries and has installed over 1 600 Mw in over 1 250 plants. Over 1,100 plants are managed by AB Service.

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

*This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014.*

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.

Johannesburg  
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Corporate and Designated Adviser  
River Group