

Kibo Energy PLC (Incorporated in Ireland)  
(Registration Number: 451931)  
(External registration number: 011/007371/10)  
Share code on the JSE Limited: KBO  
Share code on the AIM: KIBO  
ISIN: IE00B97C0C31  
("Kibo" or "the Company")



**Dated: 22 December 2020**

**Kibo Energy PLC ('Kibo' or the 'Company')  
Benga Power Plant Project Update**

Kibo Energy PLC ("Kibo" or the "Company"), the multi-asset, Africa focused, energy company, is delighted to provide a progress update on the Benga Power Plant Project in Mozambique ("BPPP").

**Highlights**

- \*Current Non- Binding Term Sheet for Coal Supply from Vale converted into a mutually binding Term Sheet to secure coal supply for BPPP; (See RNS of 5 September 2019);
- \*Lesedi Nuclear Services (Pty) Ltd ("LNS") completed optimized Definitive Feasibility Study ("DFS") based on current Base Case DFS successfully, enhancing project economic viability and bankability; and
- \*Findings of the final draft optimized DFS presented to the technical and commercial team of EDM on 17 December 2020.

**CSTS with Vale**

The Company has entered into a mutually binding Coal Supply Term Sheet ('CSTS') with Vale Mozambique, S.A. ('Vale') to supply coal to the Benga Power Plant Project in Mozambique ('BPPP'). The CSTS commits the parties to a supply agreement that will meet the full operational coal requirement of a 150 MW (gross generation capacity) coal fired power plant. The CSTS will be converted into a definitive Coal Supply Agreement ("CSA") as part of the process during which a final Power Purchase Agreement ("PPA") is finalized with EDM

Vale is a local coal miner, and subsidiary of Vale SA, one of the world's largest diversified miners, situated in very close proximity to the BPPP site. The CSTS with Vale was based on the findings of the optimized DFS which indicated that a blend of varying quality bituminous coal can be fed to the Power Plant CFB boiler. Vale has the capacity and capability to supply the different coal qualities for an optimal blend and the CSTS provides for a supply of c. 650 000 tonnes of coal per annum, structured to supply the various coal qualities required for the optimal blend.

**Optimized DFS**

LNS have completed and delivered a final draft of the BPPP optimized DFS study to Kibo. This optimization study focused on conducting various trade-off studies most notably:

- \*Investigating the coal characteristics in more specific detail as well as the tolerance of the coal blending ratio variances in the CFB boilers

- \*Consideration of various clean coal technologies – (E.g., the power plant has been designed to be ‘carbon capture ready’)
- \*Site location study with trade-off work conducted on various other possible sites
- \*Optimal boiler sizing
- \*Geotechnical considerations that may impact on building and operating the Benga power plant on the designated site
- \*Updating of the Financial Model
- \*Coal haulage road selection

The Company is currently reviewing the findings from the optimized DFS and a final version of the optimized DFS will be delivered to the Company in early January 2021. These findings were also presented to EDM during a preliminary DFS-briefing on 17 December 2020. The preliminary briefing concluded with several next steps agreed between the parties. These next steps are in preparation for further technical and commercial discussions that relates to the development and agreement of a PPA, following the agreed process and procedure set out in the existing MOU with EDM. Said discussions have been set for January 2021.

**Louis Coetzee, CEO of Kibo Energy, commented:**

*“We are extremely pleased with the progress on the Benga project, as the technical work is now nearing completion and seamlessly integrates with the commercial and statutory developments. The optimised DFS and binding term sheet for a Coal Sale Agreement are key cornerstones / prerequisites to take the EDM PPA negotiations progressively forward towards agreeing a final PPA.”*

*“The ongoing and increasingly negative impact of COVID-19 has caused numerous delays during the past year, most notably regarding the inability to travel freely and conduct on-site work in an unfettered manner. Despite these constraints the BPPP made significant strides forward during 2020 and we have been able to sustain forward momentum and in fact gain significant new momentum towards the end of 2020. It is with this momentum that we will be entering 2021 and with firm confidence that the BPPP can still be delivered within the broad timelines discussed in previous announcements.”*

**\*\*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 UK Reserve Power generation market.

Johannesburg  
22 December 2020  
Corporate and Designated Adviser  
River Group