

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



Dated: 16 June 2021

Renewable Energy Strategy

Kibo Energy PLC, the multi-asset, Africa & UK focused energy company, is pleased to announce that, following an extensive review of the Company's operations, the Company's primary focus going forward will be on renewable energy opportunities. In line with its refocused strategy centred on sustainable renewable energy solutions and following the positive results of an extensive due diligence process regarding the agreement with South Africa-based Industrial Green Solutions (Pty) Ltd (IGES), the Company will now proceed to conclude the transaction to jointly develop a portfolio of Waste to Energy projects in South Africa ('the Agreement') (see RNS dated 18 May 2021). In addition, the Company intends to appoint specialist advisors to assist the Company in developing and implementing an appropriate disposal strategy to dispose of its coal assets or possibly repositioning these assets to make use of alternative fuel sources other than coal, given latest rapid advances in developing alternative fuel sources in this domain. It will be the objective of this disposal strategy to ensure that maximum value is realised from these projects, in which significant value was created over several years.

Highlights

- Refocused strategy centred around renewable energy opportunities and capitalising on the global clean energy revolution;
- Proceeding with the Agreement to jointly develop a portfolio of Waste to Energy projects in South Africa, which aim to address the country's insecure energy supply environment as well as the renewable energy portfolio in the UK, currently the subject of a due diligence investigation; and
- Intention to dispose of coal assets in accordance with a disposal strategy that will realise value for shareholders.

Louis Coetzee, CEO of KIBO said, *"First, we are delighted to be progressing with this exciting opportunity to develop waste to energy projects within South Africa as momentum in the global clean energy revolution increases. Set against this background, we believe that it is appropriate to refocus our strategy to utilise our team's expertise and contacts as well as partnerships in the energy sector to rapidly grow our renewable energy portfolio and capitalise on what, in our view, is a ubiquitous growth story that will run for many years. Shifting the Company's primary focus to renewable energy projects will provide the Company with the opportunity to develop projects with much smaller CAPEX*

requirements and with a significantly shorter route to revenue generation that is associated with much less risk and access to a far wider and cheaper array of non-dilutive funding options.

Notwithstanding our firm belief that clean coal will continue to play a key role in Africa's energy dynamics, we also believe that a larger entity would be better placed to take our own coal-fuelled power projects to production. We hope to maintain exposure to the significant upside potential of these projects but have decided to step down from our role as their primary funder and developer. We look forward to updating the market further on the Agreement, the disposals and our refocused strategy."

The Transaction

Further to the announcement dated 18 May 2021, the Company has concluded its due diligence regarding the agreement with South Africa-based IGES (<https://www.industrialgreenenergy.com/>), to jointly develop a portfolio of Waste to Energy projects in South Africa. These projects, which aim to address the insecure energy supply environment in the country by enabling industries to operate independently, will convert plastic waste provided by leading waste disposal operators into syngas using Pyrolysis Technology; the syngas will then be stored on site and fed into gas engines to generate electrical power.

A Newco will be established, in which Kibo will hold 65% for an Equity Loan contribution of R11,145,000, that will be used to develop the first 8 megawatts ("MW") project in several phases and IGES will hold 35% for an equity contribution valued on the basis of a seven-project development portfolio and development expenditure to date. Newco has an initial target of generating more than 50 MW of electricity for sale to industrial users.

The first late-stage project has access to land, key licenses and approvals acquired, with an offtake Memorandum of Understanding and Power Purchase Agreement negotiations concluded.

Kibo looks forward to finalising the implementation of the Agreement and minor outstanding matters ahead of completing the shareholders agreement, upon which it will update the market in terms of the key commercial aspects of the first project.

Renewable Energy Strategy

The Directors believe that clean coal-fuelled power projects will continue to be necessary for a transitional period of some decades to support Africa's rapidly increasing energy requirements. The Company has therefore been developing three utility scale, coal-fuelled power projects, located in Tanzania, Botswana, and Mozambique. While these integrate several clean coal technologies such as carbon capture and storage and the latest Circulating Fluidized Bed and flue gas desulphurisation technologies, the Company has also explored renewable energy opportunities for several years to incorporate into the longer-term growth plans of these assets, or as standalone projects.

Since early 2020 and the onset of the Covid-19 global pandemic, the renewable energy drive has gathered pace with governments worldwide pledging to reduce the reliance on carbon fuels within their energy strategies. With this background, the Company undertook a review of operations to establish the best way to extract the substantial value it had created in its coal-fuelled projects for shareholders. Accordingly, the Company has decided to pursue a renewable strategy and dispose of its coal-fuelled power projects; advisors will be appointed in due course to oversee this process.

The joint venture with IGES mentioned above will form the initial core to the Company's new strategy, however, it anticipates that additional acquisitions/investments in the renewable sector will be made to further strengthen this portfolio.

The South African government's recent announcement to allow private investors to establish up to 100 megawatts of generating capacity without requiring a license/ permit provides further impetus in this regard and will bring along significant new opportunities. Further updates will be made as appropriate.

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

ENDS

For further information please visit www.kibo.energy or contact:

Louis Coetzee	Kibo Energy PLC Chief Executive Officer	info@kibo.energy
Andreas Lianos	River Group JSE Corporate and Designated Adviser	+357 99 53 1107
Claire Noyce	Hybridan LLP Broker	+44 (0) 20 3764 2341
Bhavesh Patel / Stephen Allen	RFC Ambrian Ltd Nomad on AIM	+44 20 3440 6800
Isabel de Salis / Charlotte Hollinshead	St Brides Partners Ltd Investor & Media Relations Adviser	info@stbridespartners.co.uk

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Corporate and Designated Adviser
River Group