

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



Dated: 16 September 2021

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

Strategic Investment in UK Waste to Energy Project

Kibo Energy PLC, the renewable energy focused development company, is pleased to announce that it has signed a Heads of Terms (the "Agreement") with EQTEC plc (AIM: EQT) ("EQTEC"), a world-leading gasification solutions company, to acquire a 54.54% interest in the proposed 25 MWe Billingham waste gasification and power plant (the "Project") at Haverton Hill, Teesside, UK.

Highlights

- *It is expected that Kibo will acquire a 54.54% equity stake in the Project SPV;
- *EQTEC will retain 45.46% equity in the Project SPV;
- *The Project is at advanced stages of development with a concept design for the full plant produced, planning permission approved, grid connection offer secured & technical due diligence with technology insurance providers completed;
- *The Project is expected to annually process 200,000 metric tonnes of non-recyclable everyday Municipal Solid Waste into 25 Mwe of green electricity, enough to power 50,000 homes;
- *Kibo's initial funding contribution will be £3 million paid as an equity subscription, plus convertible shareholder loan facilities in accordance with the Agreement.
- *In accordance with the Agreement, Kibo will have the option to provide additional convertible shareholder loan facilities to the Project SPV and/or convert future project development fees into further equity in the Project in the future;
- *Project rights, held by the Project SPV, include all technology license agreements, all equipment supply and maintenance agreements with EQTEC and all rights to the site under the existing agreements with Scott Bros. Enterprises Limited;
- *Following completion of the transaction, EQTEC and Kibo will invoice for their respective project development services to the Project SPV;
- *EQTEC will remain as the lead development manager on the Project, providing the design and core Advanced Gasification Technology and subsequently retaining the maintenance portion of the O&M contract upon commissioning.

Further announcements regarding the finalisation of binding transaction documentation will be made in due course.

Louis Coetzee, CEO of KIBO said, *"Kibo's commitment to the EQTEC project in Billingham is clear and marks a key milestone in our new corporate strategy to solely invest in commercially-sound, sustainable clean energy projects. Our present focus is primarily on projects in the UK and Africa that will realise their value in the near term, within 18-months. We are very pleased to have joined forces with leading player EQTEC to invest in and develop this plant further, and additionally see potential for us to roll out its Advanced Gasification Technology to our Africa projects and the Africa market in the*

future. The acquisition aligns perfectly with Kibo's existing corporate strategy and more specifically with our current UK project focus. The Company is also very pleased with the progress it has already made to secure the funding required for this transaction."

David Palumbo, CEO of EQTEC, said, "In the UK, our focus is on developing and commissioning the country's first three commercially-successful gasification plants, which will convert local municipal waste into clean energy for local communities.

We are delighted to have Kibo as joint investor and developer in one of these projects, the Billingham RDF-to-energy project. Their confidence in the potential that this plant has for the local area, their commitment to investing in clean energy projects and technologies, and our shared approach to how large infrastructure projects like this should be successfully project managed, will ensure our skillsets are combined to best achieve the objectives for Billingham. We also believe that this partnership with Kibo could evolve and expand into other projects and markets.

We know there is a better, cleaner and more efficient way to use the municipal waste and convert it into value, sustainably, rather than sending it to be incinerated or buried at landfill sites. We look forward to driving this project forward towards achieving that goal."

The Project

Located at Haverton Hill, Teesside, UK, the proposed waste gasification and power plant will process 200,000 metric tonnes of non-recyclable everyday Municipal Solid Waste (MSW) annually. The waste will be sorted and subject to basic processing treatment which will be converted into Refused Derived Fuel - otherwise destined for landfill or incineration - into 25 MWe of green electricity, enough to power 50,000 homes. In the UK, the amount of waste collected for energy conversion has jumped 400% since 2000 and peaked at 11.45 million metric tons in 2019/20.

The Transaction

The Company continues to advance its strategy focused on rapidly growing its renewable energy portfolio and capitalising on what it believes is a compelling and sustainable growth story - delivering long term value for shareholders. In line with this, the Company has signed an Agreement with EQTEC for the proposed up to 25 MWe Billingham waste gasification and power plant.

Under the terms of the Agreement, it is expected that Kibo will acquire a 54.54% equity stake in the Project SPV, with all its rights and obligations for the project development, build and operation. Kibo's initial funding contribution will be £3 million paid as an equity subscription, plus convertible shareholder loan facilities in accordance with the Agreement.

To ensure continuity and operational focus EQTEC will continue to lead the development of the Project SPV, Haverton WTV Limited ("Haverton"), providing development strategy and services for integrated planning, commercial negotiation, funding, and delivery readiness. Kibo's investment and participation will accelerate development progress, support pursuit of a wider range of commercial opportunities and de-risk the subsequent construction and commissioning phase.

Project rights include all technology license agreements, all equipment supply and maintenance agreements with EQTEC and all rights to the site under the existing agreements with Scott Bros. Enterprises Limited. During the Agreement, EQTEC and Kibo will invoice for their respective project development services to the Project SPV. EQTEC will continue to provide the design and core advance

gasification technology and will remain responsible for the maintenance portion of the O&M contract upon commissioning.

EQTEC recently provided an update on the Project, including that the development and associated engineering work, led by an EQTEC team, has produced a detailed design for the core gasification process and equipment and a concept design for the full plant (see EQTEC RNS announcement dated 19 July 2021). In July, reviews with potential funders, including Kibo, were held as planned and the Project team is currently selecting delivery partners, including Tier 1 EPC companies.

EQTEC has already secured a grid connection offer for the Project and completed technical due diligence with technology insurance providers. Additionally, the Project SPV previously signed a conditional Land Purchase Agreement for the land on which the proposed plant will be constructed and operate. The Project has existing planning permission for advanced thermal conversion and EQTEC's revised planning approval both improves the economics of the Project and reduces the size of the footprint of the plant.

About EQTEC plc (<https://eqtec.com>)

As one of the world's most experienced gasification technology and engineering companies, with a growing track record of delivering operational and commercial success for transforming waste-to-energy through best-in-class technology innovation, engineering and project development, EQTEC brings together design innovation, project delivery discipline and solid commercial experience to add momentum to the global energy transition. EQTEC's proven, proprietary and patented technology is at the centre of clean energy projects, sourcing local waste, championing local businesses, creating local jobs and supporting the transition to localised, decentralised and resilient energy systems.

EQTEC designs, supplies and builds advanced gasification facilities in the UK, EU and US, with highly efficient equipment that is modular and scalable from 1MW to 30MW. EQTEC's versatile solutions process over 50 varieties of feedstock, including forestry wood waste, vegetation and other agricultural waste from farmers, industrial waste and sludge from factories and municipal waste, all with no hazardous or toxic emissions. EQTEC's solutions produce a pure, high-quality synthesis gas ("syngas") that can be used for the widest range of applications, including the generation of electricity and heat, production of synthetic natural gas (through methanation) or biofuels (through Fischer-Tropsch, gas-to-liquid processing) and reforming of hydrogen.

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

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

Bhavesb Patel	RFC Ambrian Ltd	+44 20 3440 6800
Stephen Allen	Nomad on AIM	
Isabel de Salis	St Brides Partners Ltd	info@stbridespartners.co.uk
Oonagh Reidy	Investor & Media Relations Adviser	

Johannesburg
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 Corporate and Designated Adviser
 River Group