

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



Dated: 14 February 2022

Kibo Energy PLC ('Kibo' or the 'Company')
Kibo inks Ten Year Clean Energy Power Purchase Agreement on South Africa Waste to Energy Project

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the energy focused development company is pleased to announce that it has entered into a 10-year take-or-pay conditional Power Purchase Agreement ('PPA') to generate baseload electricity from a 2.7 MW plastic-to-syngas power plant. The plant will be constructed, commissioned and operated for an Industrial Business Park Developer (the "Client") in Gauteng, South Africa ("the Project"). The Project, is the first project under Sustineri Energy, a joint venture in which Kibo Energy PLC holds 65% and the balance of 35% is held by Industrial Green Energy Solutions PTY LTD ('IGES').

The Project will provide the Client with cleaner electricity, by making use of a high temperature pyrolysis process, where selected non-recyclable plastics will undergo thermal degradation to produce high quality syngas, which will in turn feed gas engines to generate both electricity and heat energy. Additionally, there is potential to sell the heat energy generated as a byproduct from the gas engines directly to customers inside the industrial park.

Project Highlights

- **Compelling financials:** based on the optimised financial model, an EBITDA of c. ZAR 388 million over the life of project is expected, for an installed capacity of 2.7 MW, of which an amount of c.ZAR 252 million is attributable to the Company. There is potential to expand the project to c. 8 MW installed capacity in the future.
- **Internal Rate of Return ("IRR"):** an IRR between 11% - 14% p/a is projected on the initial installed capacity of 2.7 MW.
- **Reducing plastic pollution to produce sustainable energy:** by using selected and specific high calorific plastic as fuel feedstock, which can under prevailing legislation no longer be dumped at landfill sites, the Project will play an important role and make a significant contribution towards the advancement of clean energy generation.
- **Addressing the energy supply issues:** the Project will assist in alleviating the energy supply crisis faced in South Africa by providing alternative base load supply.
- **Partnerships with industry leaders:** Lesedi (<https://lesedins.co.za/>), a leading EPC and Engineering company, has been appointed as the Engineering, Procurement and Construction (EPC) and Operations and Management (O&M) contractors.
- **2022 development timelines:** the CAPEX requirement for the Project is expected to be c. ZAR 180 million with Financial Close expected during Q3 2022.
- **Construction and Commissioning:** the Construction Phase is scheduled to commence during Q4 2022 with project commissioning 11 to 14 months thereafter.

NOTE: All the financial numbers stated above remain subject to change until such time as actual production figures are available, following a suitable period of steady state operation.

Louis Coetzee, Chief Executive Officer of Kibo, commented: *“Following the Company’s disinvestment from coal, we are excited to have signed our first waste to energy PPA that aligns to our strategy on advancing clean energy in the African market. The Project is a first in a pipeline of projects under the Company’s waste-to-energy portfolio, which we are proud to have worked on together with our partners, IGES.*

In the process of getting the PPA ready for signature, the Company has also been doing a large amount of work on procuring funding for the Project and has received a higher than expected level of interest from various institutions, for the provision of project and debt funding at very competitive commercial terms. With the signed PPA now in hand, the Company finds itself in a very good position to advance these discussions with a view on finalising appropriate funding arrangements for the Project in an expeditious manner.”

This PPA will guarantee revenue generation over the next 10 years, with the potential to realise significant additional revenue from the sale of heat and other by-products as well, and with the potential to expand up to a facility of 8 MW after 24 to 26 months.”

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

****ENDS****

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Notes

Kibo Energy PLC is a multi-asset, UK & Africa focused, energy company. Its main focus at present is on the developing renewable and waste to energy markets of the UK and Southern Africa, where the company is developing a diversified portfolio of energy projects.

Additionally, the Company has a 55.42% interest in MAST Energy Developments Plc ('MED') an LSE listed UK company targeting the development and operation of flexible power plants to service the UK Reserve Power generation market.

Johannesburg
14 February 2022
Corporate and Designated Adviser
River Group