

Kibo Energy PLC (Incorporated in Ireland)
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 Share code on the AIM: KIBO
 ISIN: IE00B97C0C31
 ('Kibo' or 'the Company')



Dated: 7am 01 February 2023

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

Operational Update: 2023

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the renewable-energy-focused development company, is pleased to provide an operational update, following an eventful but productive year of dedicated hard work amidst extraordinary challenges.

In accordance with the Company's existing operational policy, the Kibo Executive Management team conducted an extensive review of the Company's project portfolio at the end of 2022, which included an operations review. The key elements of said operational review are discussed below.

Portfolio

The Kibo Group strategy, as previously announced in a Company RNS dated 19 April 2021, is focused on developing, owning and operating sustainable energy solutions that can immediately and progressively address the acute energy challenges in sub-Saharan Africa, the United Kingdom and Ireland. The Company achieves this by acquiring and developing energy assets that can be brought into production within an 18-to-24-month timeline. This strategy is evident from the comprehensive project portfolio set out in the Q4 2022 Corporate Presentation on the Company's website and which should be read in conjunction with this RNS.

The table below indicates the status of Kibo's Project Portfolio to date. This does not include project opportunities that are currently the subject of advanced due diligence and commercial consideration.

| Kibo Group Project Portfolio | | | | | |
|-------------------------------|-------------|------------------|------------------|------------------------------------|--|
| Entity | Kibo Equity | Strategic Domain | Projects | Development Status | High-Level Indicative Milestone |
| MAST Energy Developments (UK) | 57.86% | Reserve Power | Pyebridge (9 MW) | Operational and generating revenue | |
| | | | Bordesley (5 MW) | Advanced project development | Financial close — Q1 2023 Installation of gas and grid connection — December 2023 |

| | | | | | | |
|----------------|-----|-----------------|--|--|------------------------------------|---|
| | | | | | | Commercial operation — March 2024 |
| | | | Rochdale (4.4 MW) | | Advanced project development | Renewed and updated planning consent — Q1 2023 Financial close – end Q2 2023 |
| | | | Hindlip Lane (7.5 MW) | | Concept stage | Updated EPC and O&M contracts — Q3 2023 Financial close — Q4 2023 |
| | | | Stather Road (2.5 MW) | | Concept stage | Determine date at which grid connection is available — Q1 2023 Rest of milestones TBD once the above has been established |
| Sustineri (SA) | 65% | Waste to Energy | CHP project to supply base-load electricity generation in South Africa with 4 revenue streams: electricity, gate fees and potentially from heat and steam output as well as the production of synthetic oil. | Phase 1 (2.7 MW + study on synthetic oil production) | Advanced project development stage | Feasibility study update on oil production addition — Q1 2023 Completion of integration study and finalization of off-take agreement for oil production – Q2 2023 Financial close — Q3 2023 |
| | | | | Phase 2 (targeted 20 MW) | Pre-concept stage | Milestones TBD once Phase 1 has been executed |

| | | | | | |
|-----------------------------------|--------|---------------------------------|---|---|--|
| National Broadband Solutions (SA) | 51% | Long Duration Energy Storage | 12.3 MW in development | Simultaneous concept and commercial development | Projects to be announced as off-take agreements are finalized with finalization of first agreements expected during Q1 2023 |
| | | | 36.32 MW target for development | Under development | |
| Mbeya Power Project (“MPP”) (TZ) | 100% | Biofuel | 300 MW short-term conversion to renewable energy biofuel | Original project. Fully permitted with Bankable Feasibility Study completed | Completion of concept study for conversion of MCPP project to bio-coal — Q2 2023 Completion of Power Purchase Agreement with TANESCO - Q3 2023 |
| UK Portfolio | 100% | Waste to Energy | Southport (10 MW, 2MW long duration energy storage and 5.5m m ³ bio-methane) | | Completion of front-end engineering and design (FEED) study — Q1 2023 Submission of environmental permit application — Q2 2023 Submission of green gas supply scheme application — Q2 2023 Financial close — Q2/Q3 2023 |
| Katoro Gold | 20.88% | Precious and strategic minerals | katorogold.com | | |

Notes

The notes below address the most recent announced initiatives in the interest of providing additional context.

Waste to Energy

The plastic-to-syngas project in South Africa, Sustineri, as announced in an RNS dated 17 January 2023, has commenced with an optimisation and integration study into the production of synthetic oil from non-recyclable plastic waste, thereby adding a potential accelerated additional revenue stream to the project. Since synthetic oil is formed as part of the plastic-to-waste pyrolysis process to produce syngas, the production thereof would require a slight amendment to the process as was designed in the feasibility study phase for syngas in the electricity generation process. This implies that the Project can be developed for execution in two distinct phases, with a first phase being the production of synthetic oil and a second phase the production of syngas and electricity.

The decision to pursue the production of synthetic oil as part of phase 1 is expected to have a positive impact on the Project's profitability and provides the Company with the opportunity to generate revenue much earlier than initially projected. Additionally, it provides an opportunity to construct and commission the pyrolysis plant and related infrastructure earlier, thereby facilitating early revenue. Finally, it also contributes materially to de-risking the Project and will make the Project significantly more attractive to a wider spectrum of interested funders, thereby reducing the funding risk and improving the ability to secure said financing.

As the optimisation study is already underway, it is believed that a technical conclusion may already be reached by end of Q1 2023. As the major project technical and commercial milestones have already been achieved, this will allow the accelerated completion of the funding discussions and commencement of project execution.

Biofuel

The Company, after determining the technical feasibility of the production of bio-coal from biomass, is currently determining the commercial viability of this process under a variety of industrial scale applications. In this regard, the company is undertaking both due diligence investigations and participating in advanced discussions on several projects.

Apart from potentially providing a sustainable fuel source for the Mbeya Power Project and subsequently potentially for the two remaining 300MW projects in the Kibo portfolio (i.e. MCIPP and Benga) as well, there is an opportunity to source and/or cultivate biomass to produce bio-coal at strategically placed biofuel production plants for various leading international companies in the manufacturing industry. The Company is working closely with these manufacturers, who operate a significant number of manufacturing plants in Southern Africa, to complete extensive feasibility studies at identified operating plants. To this extent the Company has already determined and agreed on a roll-out plan to supply some of these operating plants with their total fuel requirement in the form of biofuel, completely replacing their current dependence on coal.

Immediate and Short-Term Focus

In executing the Company's strategy referred to above, the Company continues to actively execute the following strategic work streams:

*Exit coal by a disposal process of its coal assets, all of which are in southern and eastern Africa (RNS dated 16 June 2021). This process is still underway, and the Company has entertained various approaches/offers since and is currently considering a definitive term sheet in this regard which, should it be agreed, the Company expects to announce. The Company's various coal assets are however faced with some fundamental challenges, of which the following are the most important:

- Funding for the construction of new coal mines is not readily available, especially for thermal coal deposits;

-All the Kibo coal assets are situated in very remote areas with very little to no existing infrastructure, far away from any export port (more than 800 km) and with no significant local coal market; and
-The Kibo coal assets are thermal coal deposits and, although thermal coal is in big demand now, it does not command a premium price, which makes such deposits less attractive for exporters, especially when considered in conjunction with the above two points.

*Convert its African electricity-generating asset fuel supply from coal to biofuel technology, subject to proven technical and commercial feasibility (RNS dated 25 August 2022).

*Identify and secure South African and United Kingdom Waste to Energy (“WtE”) and flexible/reserve-power projects (RNSs dated 18 May 2021 and 19 April 2021, respectively).

*Enter the Long Duration Energy Storage (‘LDES’) market, comprising Battery Energy Storage Systems (‘BESS’) integrated with utility-scale and microgrid renewable energy solutions (RNS dated 17 May 2022).

*Realise shareholder value with the continuation of its spinout strategy, whereby the Company’s WtE and biofuel projects to be potentially held in a new AIM-listed vehicle. Ultimate Sustainable Energy LTD (‘USE’), is being prepared for listing on AIM via an initial public offering (‘IPO’). (See RNS dated 29 September 2022). In this regard, as part of planning and preparation of the IPO referred to above, the Company has identified a Nomad and Broker and is in advanced negotiations towards agreeing engagement and mandate letters with a view of completing the IPO during Q2 2023.

Corporate Update

At the start of the new year, in an RNS dated 11 January 2023, the Company announced the appointment of Beaumont Cornish Limited (‘BCL’) as its new Nominated Adviser (NOMAD). The Company furthermore welcomed Ajay Saldanha as an independent non-executive director to its Board of Directors. Ajay Saldanha (aged 47) is an experienced banking and investment professional with more than 20 years of experience in the power, energy and utilities sector.

The Company is currently sufficiently funded through its existing financing facilities, assuming deferral or otherwise settlement in equity of the bridge loan facility announced on 16 February 2022 and £660,000 Convertible Loan Instrument held by Kibo executive management and directors, to cover operational expenditure for the short to medium term while the Company actively pursues various funding opportunities. These include equity, debt and project financing, to fund the ongoing development of the various projects within the Kibo Group Project Portfolio and to bring the advanced projects, as outlined above, to Financial Close as soon as possible. Most of the projects included in the Project Portfolio are in advanced stages of development and Kibo is working towards achieving Financial Close for all the advanced projects during the course of 2023, with the specific exclusion of the Mbeya Power Project where Financial Close can realistically only be achieved during 2024.

Louis Coetzee, Chief Executive Officer and Non-Executive Chairman of Kibo Energy, says:

“We are pleased with the progress we have made since announcing our re-focused strategy to pivot to renewable/alternative energy in 2021. In following this strategy, Kibo has built a robust and diversified project pipeline and bolstered its project development capacity. This diversified portfolio sufficiently de-risks the Kibo strategy execution from Management’s perspective and has successfully propelled the Company to a position where it currently has the realistic expectation of seeing several projects in revenue generation status over the next 12 to 24 months.

The Company has furthermore strengthened its in-house capability significantly with management and project teams that have extensive skills, knowledge and experience in the renewable energy sector. In this regard, the Company has also recently concluded negotiations with a well-respected international executive in the long-duration energy storage industry to join the Kibo team in heading

up the Company's renewable energy and long-duration storage business division. Further announcements will be made in this regard as soon as a commencement date has been finalized.

2023 promises to be an eventful year for Kibo and we look forward to providing the market with further updates in due course."

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:

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Johannesburg
01 February 2023
Corporate and Designated Adviser
River Group