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(‘Kibo’ or ‘the Company’)



Dated: 27 February 2023

**Kibo Energy PLC
(‘Kibo’ or the ‘Company’)**

**MED’s Pyebridge Has Significant Enhancement of Income Following Capacity Market
Auction Results and Update of Trading Results for 2022**

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the renewable energy-focused development company, is pleased to note the positive announcement by its subsidiary, Mast Energy Developments (‘MED’), with regards to its current flagship and producing asset, the 9 MW Pyebridge synchronous gas-powered flexible generation facility (the ‘Site’ or ‘Pyebridge’). The update specifically refers to the Site’s Capacity Market (‘CM’) contract and the outcome of the recent Capacity Market Auction results as well as an overview of the key highlights with regards to the Site’s actual performance for 2022, both operationally and economically. The full announcement can be viewed at https://polaris.brighterir.com/public/mast_energy_developments/news/rns/story/r77nkjr and as set out below.

Louis Coetzee, CEO of Kibo Energy said: *“The Pyebridge site’s performance during 2022 has exceeded our expectations, outperforming the average market price by 88% and highlighting MED’s ability to provide significantly better returns compared to the market. Furthermore, MED is on track to bringing its next project, Bordesley, into production later this year along with advancing the development of the rest of the projects within its portfolio”.*

Full MED announcement:

Mast Energy Developments PLC

**Pyebridge Has Significant Enhancement of Income Following Capacity Market Auction
Results and Update of Trading Results for 2022**

Mast Energy Developments PLC (‘MED’ or the ‘Company’), the UK-based multi-asset owner and operator in the rapidly growing Flexible Energy market is pleased to announce an update with regards to its current flagship producing asset, the 9 MW Pyebridge Synchronous Gas-powered Flexible Generation Facility (the ‘Site’ or ‘Pyebridge’). The update specifically refers to the Site’s Capacity Market (‘CM’) contract and the outcome of the recent Capacity Market Auction results, as well as an overview of the key highlights with regards to the Site’s actual performance for 2022, both operationally and economically.

Capacity Market

Upon acquisition of the Site by MED, it had a pre-existing T-4 CM contract at a tariff of £8/kW/pa with a contract value of c. £60k per annum. Due to the UK energy market having moved significantly

since the Site previously obtained the aforementioned contract, MED took a strategic decision to forego the contract in favour of applying for new replacement CM contracts in the 2022/2023 CM bid window. Consequently, MED applied for and was successful in pre-qualification to bid for two new CM contracts, being a T-1 and a T-4 CM contract. Following the preparation of a robust CM Auction bid strategy, MED is pleased to announce that pursuant to the recent Capacity Market Auctions and subsequent results, its T-1 bid cleared at £60/kW/pa and, its **T-4 bid cleared at an unprecedented historic record price of £63/kW/pa**.

The Directors are pleased at the success of MED's strategy to replace the Site's previous low-value CM contract with new replacement contracts at significantly higher tariffs. The Site's new replacement T-4 contract at £63/kW/pa compared to its previous T-4 CM contract at £8/kW/pa results in a c. 7.5x (or 750%) uplift in income. The new additional T-1 CM contract, which the Site did not have before and is a new additional contract, will further enhance the Site's revenue significantly.

The Site's new T-1 CM contract has a revenue value of c. £308k per annum and its new T-4 CM contract has a revenue value of c. £324k per annum (the latter up from the previous T-4 contract's c. £60k per annum). Both contract values will increase the Site's revenue profile accordingly.

Pyebriidge Trading Update

Following the period of the Site's post-acquisition optimisation (see RNS dated 5 July 2022), and since starting full-scale production during March 2022, the Site generated the following actual performance figures for the c. 10-month period March to December 2022 (the 'Period'):

- * Electricity Generation Sales Revenue for the Period: c. £1.054m,
- * Total Electricity Generation Output for the Period: c. 2,738 MWh, and
- * Average Electricity Generation Sales Price achieved per MWh sold for the Period: c. £385.

Both the achieved generation production and sales price outperformed the market, with the market's average wholesale price in 2022 coming to only c. £204 per MWh, resulting in an 88% performance above the market and validating MED's strategy and ability to outperform the market. MED's success in this regard is mostly related to the astute utilisation of Artificial Intelligence ('AI') and Machine Learning ('ML') techniques related to its trading algorithm, in conjunction with its PPA Route-to-Market partner, Statkraft.

The Site's previous financial performance led the Company to increase its expectations of Pyebriidge, which were set out in the Pyebriidge Trading Update RNS announcement dated 19 October 2022. The Company confirms that due to unexpected variables during the period under review, including the generation of unprecedented record levels of electricity generation from renewables, most notably wind (which is a hedge to reserve power) from September to December 2022 in the UK, and which went beyond those considered possible by the Company when issuing its expectations, the previously stated expectations are no longer valid. This is a consequence of the increase in electricity generation from renewables reducing the reserve power required across the UK during this period and consequently impacting the electricity generation sales at Pyebriidge.

Pyebriidge Asset Value

Following the Pyebriidge SPA deferred consideration settlement (see RNS dated 16 December 2022), the total effective acquisition purchase price for the Site was reduced to c. £2.1m.

During the Site's recent annual insurance cover policy review, the Site's asset value was independently confirmed at c. £6.3m (on a conservative replacement cost basis). The Site's fair asset value compared

to its purchase price therefore highlights the significant upside that MED's investment in Pyebridge has established.

Pieter Krügel, MED CEO, commented: "We are pleased to report that Pyebridge obtained new Capacity Market contracts at considerably higher values, which will significantly enhance the Site's revenue profile and profitability. Moreover, we are pleased with the Site's actual performance during 2022, with specific reference to the 88% outperformance of the average market price, highlighting our ability to provide significantly better returns compared to the market. We are confident in our ability and strategy to keep delivering outperformance during 2023. Finally, the Site's fair asset value compared to its acquisition price furthermore highlights MED's ability to identify and acquire sites at an attractive discount in order to enhance value for its shareholders.

Further, we are advancing the development of the rest of our projects in the portfolio and looking forward to bringing our next project, Bordesley into production later this year.

"MED has a very exciting year ahead, being well established and positioned to fast-track production and growth. We look forward to updating investors with further key developments during the year ahead."

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

****ENDS****

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