Kibo Energy PLC (Incorporated in Ireland)
(Registration Number: 451931)
(External registration number: 2011/007371/10)
LEI Code: 635400WTCRIZB6TVGZ23
Share code on the JSE Limited: KBO
Share code on the AIM: KIBO
ISIN: IE00B97C0C31
('Kibo' or 'the Company')

Dated: 12 July 2023

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

Kibo Subsidiary Announces Execution of Definitive and Binding Joint Venture Agreement

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the renewable-energy-focused development company, announces today that its subsidiary Mast Energy Developments ('MED'), a UK-based multi-asset operator in the rapidly growing flexible power market, has finalised and entered into a definitive and binding Joint Venture Agreement ('JVA') with an institutional investor-led consortium (the 'Institutional Investor') led by Seira Capital Ltd ('Seira') as previously announced in an MED RNS dated 18 May 2023.

Under the JVA, the Institutional Investor will inject all required capital into the joint venture ('JV'), with an expected total investment value of c. £31 million, with no funding contribution from MED. MED will provide the required portfolio of low-carbon flexible gas generation peaker plants totalling a combined generation output of up to c. 33 MW to be developed and/or acquired within the next 12 months.

The full announcement can be viewed at med.energy. The full text of the MED RNS follows:

Dated: 12 July 2023

Mast Energy Developments PLC ('MED' or 'the Company')

MED Announces Execution of Definitive and Binding Joint Venture Agreement

Mast Energy Developments PLC, the UK-based multi-asset owner, developer, and operator in the rapidly growing flexible power market, is pleased to announce that further to its previous announcement dated 18 May 2023, it has finalised and entered into a first definitive and binding Joint Venture Agreement ('JVA') with an institutional investor-led consortium (the 'Institutional Investor'), led by Seira Capital Ltd ('Seira').

Under the JVA, the Institutional Investor will inject all required investment capital into the Joint Venture ('JV'), with an initial expected total investment value of c. £5.9m, with no funding contribution required from MED.

The JVA also commits both parties , as set out in MED's announcement dated 18 May 2023, to promptly finalise terms on a second joint venture which would increase the envisaged total investment value to c. £31m, with a total portfolio of low-carbon flexible gas generation peaker plants with a total combined generation output of up to c. 33 MW, to be developed and/or acquired, constructed and in production and income generating under the two joint ventures ('Secondary JVA'). Such terms are subject to a Reverse-Takeover derogation clearance from the FCA, and MED is not bound to enter into any agreement prior to such clearance having been obtained. The derogation clearance has been granted in-principle by the FCA, pending their guidance publication expected shortly.

An overview of the key highlights and terms of the JVA and Secondary JVA are provided below.

JVA Key Highlights

The key terms of the JV agreement comprise the following:

- Institutional Investor will inject all required investment capital into the JV with an initial expected total investment value of c. £5.9m, rising to potentially c. £31m upon completion of the Secondary JVA, (including repayment of MED past costs as detailed below), with no funding contribution required from MED.
- Institutional Investor holding 74.9% of the JV and MED holding 25.1%, with the Institutional Investor recognising and reimbursing to MED a portion of its actual historic project acquisition and development related costs (the 'Cost Refund'), as detailed below, and no requirement on MED to provide any further funding.
- MED have joint control of the JV SPV Board and full operational control of the relevant sites' management and operations.
- The JVA will initially consist of one project with a generation capacity of c. 9 MW that MED will provide to the JV, the Institutional Investor will then pay MED c. £3.4m in terms of the Cost Refund, and inject c. £2.5m into the JV SPV to cover future capex on this project. Following the binding JVA that has now been executed, exchange and completion is expected by 28 July 2023.
- The Secondary JVA, is expected to consist of up to four projects with a combined generation capacity of a minimum 17 MW and up to 24 MW that MED will provide to the JV, the Institutional Investor will then pay MED c. £3.8m in terms of the Cost Refund, and inject c. £21.3m into the JV SPV to cover future capex on these projects.
- The Institutional Investor will receive a preferential entitlement to 90% of the profit of the JV until the investment provided has been recovered in full, at which point any distribution of profits will return to the equity split.
- Therefore, it is envisaged that MED will receive a c. 25% stake in a portfolio of up to c. 33 MW of assets that are expected to be fully funded, constructed and revenue generating within the next 12 months.
- In addition, the JV have granted MED a five-year management services agreement ('MSA') and associated fee to manage the sites, which will further bolster MED's share of income from the JV, and calculated as £7,200 per MW per annum.
- It is MED's intention and plan to use the bulk of the Cost Refund from the JV investment tranches to further develop and acquire projects that will be used within the JV, as well as further bolster its own wholly owned portfolio of assets (outside of the JV), by way of further development, construction and new acquisitions.

Part Settlement of Loans

Further to the announcement dated 18 May 2023, MED has previously granted senior fixed and floating security over its assets by way of debenture, save to the extent that any relevant MED Project SPV subsidiary companies that will be party to the above referred JV agreement being considered by the Company will be excluded, provided the monies due to the Institutional Lender from the Company is reduced to the aggregate of £300k, which the Company is permitted to do pursuant to the terms of the agreement or otherwise waived by the Institutional Lender.

As such, MED has satisfied the Institutional Lender's requirement in this regard, and the security has been released.

A part repayment of £800k to its majority shareholder, Kibo Energy PLC ('Kibo') with regards to the shareholder loan owing. Resultingly, this will reduce the total amount owing to Kibo to c. £432k.

Arrangement Fee

MED has agreed to make a payment to Mr. Ajay Saldanha, a director of Kibo, in relation to consulting fees with regards to the JV transaction, based on a contractual agreements that were entered into in February and June 2022 well before he joined the Kibo Board, being 2.8% of the total investment value of Investment Tranche 1, and 0.5% of the total investment value of Investment Tranche 2 respectively, each due and payable upon completion of each investment tranche.

Pieter Krügel, CEO of MED, commented: *"We are very pleased to have finalised and entered into this definitive and binding JVA with the Institutional Investor consortium, led by Seira Capital.*

"In addition to MED's wholly-owned portfolio of assets, which we will continue to grow in parallel, the JV provides the Company with both a significant cash injection and stake in a portfolio of assets totaling an expected 33 MW that will be fully funded, constructed, in production and income-generating in the next 12 months. MED's share of income from the JV portfolio revenue, as well as its 5-year MSA fee, will provide the Company with a crucial long-term recurring income stream.

"The JV deal has been long in the making and follows a robust investment due diligence and negotiation process, all of which MED clearly passed with distinction. The willingness of the Institutional Investor consortium to enter into the JVA with MED is testament of their confidence in the Company's strategy and long-term development plans to deliver flexible energy projects that are commercially viable."

ENDS

This announcement contains inside information for the purposes of the UK version of the Market Abuse Regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ('UK MAR'). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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

Pieter Krügel	Info@med.energy	Mast Energy Developments PLC	CEO
Jon Belliss	+44 (0)20 7399 9425	Novum Securities	Corporate Broker
Zainab Slemang van Rijmenant	zainab@lifacommunications.com	Lifa Communications	Investor & Media Relations Advisor

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	info@kibo.energy	Kibo Energy PLC	Chief Executive Officer
James Biddle Roland Cormish	+44 207 628 3396	Beaumont Cornish Limited	Nominated Adviser
Claire Noyce	+44 20 3764 2341	Hybridan LLP	Joint Broker
Damon Heath	+44 207 186 9952	Shard Capital Partners LLP	Joint Broker
Zainab Slemang van Rijmenant	zainab@lifacommunications.com	Lifa Communications	Investor and Media Relations Consultant

Johannesburg
12 July 2023
Corporate and Designated Adviser
River Group