

Kibo Energy PLC (Incorporated in Ireland)
(Registration Number: 451931)
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LEI Code: 635400WTCRIZB6TVGZ23
Share code on the JSE Limited: KBO
Share code on the AIM: KIBO
ISIN: IE00B97C0C31
(‘Kibo’ or ‘the Company’)



Dated: 1 December 2023

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

Kibo Subsidiary Announces Update of Joint Venture Agreement

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the renewable energy-focused development company, announces that further to its previous announcements dated 23 October 2023 and 13 November 2023, respectively, its subsidiary Mast Energy Developments PLC (‘MED’), a UK-based multi-asset owner, developer and operator in the rapidly growing flexible market, announces that, under the terms of the binding Joint Venture Agreement (JVA’), Proventure Holdings (UK) Ltd, part of the Proventure Group (‘Proventure’), has failed to meet the conditions to complete the transaction by the contractually agreed completion long-stop date of 30 November 2023.

Under the terms of the JVA, Proventure is required to make an initial interim payment of £2m (the ‘Interim Payment’) as well as payment of the balance of the investment due of c. £3.9m to the Joint Venture Special Purpose Vehicle (‘SPV’). Unless or until the JVA has been completed, Proventure remains contractually bound under the JVA, and remains in breach of its obligations thereto. As a result of Proventure not performing, MED has given Proventure formal notice of enforcement and Proventure now has seven (7) days to remedy the position. If Proventure fails to do so within the remedial timeline, MED will consider all its available options, including, but not limited to, terminating the JVA save for MED’s right to claim damages and costs, commencing proceedings against Proventure and affected parties as well as alternative investment opportunities. MED has furthermore made the decision to grant no further extensions with respect to the deadline for the completion of the JV.

As announced in the Company RNS dated 13 November 2023, MED provided an extension in respect of the Interim Payment deadline and Proventure has thus incurred a total late payment penalty amounting to £60,000 as well as liquidated damages of 0.25% of the total investment balance due plus any additional costs and expenses incurred by MED in respect of the JV projects, all of which are due and payable by Proventure to MED. Under the terms of the JVA, in addition to the foregoing penalties, should the JVA be terminated, Proventure shall furthermore pay to MED liquidated damages as a sum equal to 5% of the total investment value due and any reasonable costs and expenses incurred by MED in connection with the agreement.

In consideration of the delays, MED has proceeded with advanced discussions with an alternative institutional investor to secure the necessary funding required to advance MED’s development plans.

Further details can be found in the full MED announcement, which is available below and at [med.energy](https://www.med.energy):

Dated: 01 December 2023

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

MED Binding Joint Venture Agreement Completion Update

Mast Energy Developments PLC, the UK-based multi-asset owner, developer and operator in the rapidly growing flexible power market, announces that further to its previous announcements dated 23 October 2023 and 13 November 2023 respectively, under the terms of the binding JVA, Proventure is required to make an initial interim payment of £2m (the 'Interim Payment') as well as payment of the balance of the investment of c. £3.9m to the Joint Venture SPV, in order to complete the transaction by the contractually agreed completion long-stop date of 30 November 2023.

Proventure has not met the abovementioned conditions under the JVA and unless or until the JVA has been completed, Proventure remains contractually bound under the JVA and is yet to perform its obligations thereof. As a result of Proventure not performing such obligations, MED has given Proventure formal notice of enforcement and Proventure now has seven (7) days to remedy the position. If Proventure fails to do so within the remedial timeline, MED will consider all its available options, including, but not limited to, terminating the JVA save for MED's right to claim damages and costs, commencing proceedings against Proventure and associated parties, as well as alternative investment opportunities.

In consideration for MED previously granting an extension in respect of the Interim Payment deadline, as set out in our announcement dated 13 November 2023, Proventure has incurred a total late payment penalty amounting to £60,000 as well as liquidated damages of 0.25% of the total investment balance due, plus any additional costs and expenses incurred by MED in respect of the JV projects, all of which are due and payable by Proventure to MED unless waived in part or in full by MED. Under the terms of the JVA, in addition to the foregoing penalties, in the event that the JVA is terminated, Proventure shall pay to MED liquidated damages being a sum equal to 5% of the total investment value due, plus any reasonable costs and expenses incurred by MED in connection with the agreement. All of the foregoing penalties exclude MED's right to claim further damages as a result of the breach and potential misrepresentation by Proventure.

Further, MED is in advanced discussions with an alternative institutional investor in order to secure the necessary funding required to advance MED's development plans, should Proventure fail to remedy the position referred to above. In the meantime, MED is in the process of also assessing various short-term funding options in order to ensure that the Company can meet its ongoing working capital requirements.

Moreover, MED has decided to put its Pyebridge 9MW flexible power generation asset (the 'Site') into care and maintenance, in preparation for a significant overhaul work programme planned for the Site's reciprocal generation engines, pending the necessary funding. The planned work programme will result in the Site reaching its full generation, efficiency and profitability potential. Until such time that the work programme has been completed, no further revenue from the Site is expected.

Pieter Krügel, MED CEO, commented: *"We are, of course, very disappointed with Proventure's continued inability to meet their commitments within the agreed contractual timelines. MED has been working tirelessly to assist and support Proventure and we have done everything we possibly could to ensure successful delivery, however, Proventure's performance is unfortunately outside of MED's control. Based on the latest assurances from Proventure, the MED Board remains cautiously optimistic that Proventure remains fully committed to and should be able to remedy the position within the remedial timeline to pave the way towards building a fruitful partnership with them."*

“In the meantime, we are engaged in advanced discussions with an alternative institutional investor in order to secure the necessary capex funding to advance MED’s development plans should Proventure fail to remedy the position referred to above and we are looking forward to updating the market accordingly.”

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:

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****ENDS****

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

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Corporate and Designated Adviser
River Group