

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: 11 April 2024

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

### **Kibo Subsidiary Announces Business Update**

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the renewable energy-focused development company, announces a business update by its subsidiary Mast Energy Developments PLC (‘MED’), a UK-based multi-asset owner, developer and operator in the rapidly growing flexible power market.

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

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## **Mast Energy Developments PLC (‘MED’ or ‘the Company’)**

### **Business Update**

Mast Energy Developments PLC, the UK-based multi-asset owner, developer and operator in the rapidly growing flexible power market, is pleased to announce an update regarding business operational matters.

#### **HIGHLIGHTS**

- The initial first phase work programme at MED’s Pyebridge 9MW flexible power generation asset (“Pyebridge”) successfully completed ahead of schedule, with the site now officially back into operation.
- Initial pre-construction work completed at MED’s 7.5MW Hindlip Lane flexible power generation project (“Hindlip”), and Certificate of Lawful Commencement granted.

#### **FURTHER INFORMATION**

##### **Pyebridge**

Further to the Company’s previous announcement dated 28 February 2024, the MED management team successfully completed the initial work programme ahead of schedule at its Pyebridge 9MW flexible power generation asset (“Pyebridge”), with the site now officially back into operation.

Resultingly, MED was able to schedule and perform the minimum 3x separate generation runs ahead of schedule to meet its Satisfactory Performance Days (“SPD”) requirements that are due by the end of April 2024 under its existing T-1 Capacity Market contract (the “CM Contract”). It is expected

that Pyebridge will pass its next SPD test, and retain the CM Contract's associated annual gross profit margin income of c. £308,000 which is paid and received monthly in arrears.

Additionally, as previously announced the Pyebridge site has secured further Capacity Market contracts to ensure minimum annual gross profit margin income as follows:

- T-1 2024/2025 CM contract – c. £183,000 gross profit margin income;
- T-4 2026/2027 CM contract – c. £312,000 gross profit margin income; and
- T-4 2027/2028 CM contract – c. £322,000 gross profit margin income.

MED expects to bid for and secure an additional T-1 Capacity Market contract for the 2025/2026 delivery year in the next upcoming Capacity Market auction, thereby ensuring uninterrupted guaranteed income until 2028. The Site's existing Capacity Market contracts are all fixed one-year contracts. MED expects to apply for the maximum 15-year term and capacity T-4 Capacity Market contract in due course.

The Pyebridge site's Capacity Market contracts' gross profit margin income payments are in addition to its electricity generation trading revenue generation via its PPA with Statkraft. The plan and intention is to add a minimum guaranteed gross profit margin income floor component to its PPA with Statkraft (the "PPA Floor"). The PPA Floor value is currently expected to be at around £50/kW/annum, subject to certain usual conditions such as assessment and agreement by Statkraft, which would equate to an additional minimum annual gross profit margin income of £405,000.

Both the above referred longer-term Capacity Market contract and the PPA Floor are expected to be implemented once the Pyebridge site's planned overhaul work programme as referred to below has been completed, in order to provide further enhanced and longer term minimum guaranteed gross profit margin income to the site.

Further, following the successful completion of the first phase of the work programme, the plan and intention is that the next larger second phase work programme (the "2<sup>nd</sup> Phase") will be initiated shortly. The 2<sup>nd</sup> Phase will be performed in separate consecutive tranches on each of the Pyebridge site's 3x gensets, and is expected to take around 6 to 8 weeks per genset.

The cost of the 2<sup>nd</sup> Phase will be funded under the new funding agreement as recently announced. The 2<sup>nd</sup> Phase will involve the following main improvements to the site and gensets, in order to get the site up to its full efficiency, revenue generation and profitability potential:

- Complete long-block and major parts replacements and full overhauls for each of the existing 3 x Jenbacher J620 engines.
- Replacement engine long-blocks will feature upgraded internal deflagration protection technology, which will significantly reduce the risk of potential damage due to engine backfires.
- The overhauls will ensure optimal overall generation efficiency, reduced operations- and maintenance costs and downtime, and optimal overall availability.

### **Hindlip and MED's other existing sites**

Initial pre-construction work at Hindlip was successfully completed to satisfy planning consent requirements. As a result, the site's Certificate of Lawful Commencement has been granted.

The following MED sites, Hindlip (7.5MW), Bordesley (4.5MW) and Rochdale (4.5MW) are each construction-ready, with all required key cornerstones of a flexible generation site in place and in good standing, most notably fully specified EPC and O&M offers, planning consent, gas connection offer, grid connection offer and construction management plan. Subject to capex funding, these sites will immediately continue with the construction phase with an expected timeline to commercial

operations date of around 12 months from receipt of funding, to go into production and revenue generation.

## Project Capex Funding

As stated above, most of MED's sites under development are either ready for construction, or in early-stage construction, subject to securing project capex funding. In order to address this key next step in these projects' development lifecycle to get each project into production as quickly as possible, MED is currently in discussions with various potential debt and equity funders, including banking institutions that are interested to provide the necessary capex funding.

**Pieter Krügel, MED CEO, commented:** *"We are pleased to have successfully completed the first phase work programme at Pyebridge, and that the site is now back into operation. We are looking forward to initiating the next 2<sup>nd</sup> Phase work programme shortly, which when successfully completed will see the site operating and generating income at its full expected efficiency, availability and profitability potential. We will update the market with progress in due course."*

**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](http://www.med.energy) or contact:

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Johannesburg  
11 April 2024  
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