

Kibo Energy PLC (Incorporated in Ireland)
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(‘Kibo’ or ‘the Company’)



Dated: 21 May 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.

Dated: 21 May 2024

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 and corporate matters.

Pyebriidge

Further to the Company’s previous announcements dated 11 April 2024, 26 April 2024 and most recently 7 May 2024 respectively, Pyebriidge has received the 2nd Advance from RiverFort under the Funding Agreement, and it has made the associated payments to the site’s O&M contractor, Cooper Östlund in terms of the Engineering Works contract regarding the full long-block overhaul of the first genset. The replacement genset has been shipped from the supplier, PowerUp in Austria, and is expected to arrive on site shortly. The necessary preparatory works on site to replace the existing genset with the refurbished unit are well advanced and on track. The expected timeline to completion of the work and commercial operations date of the refurbished genset as previously announced remains on schedule. The 2nd Advance also enables the acceleration of the overhaul of the first genset, and once the work is completed will result in a significant increase in additional revenue from the Pyebriidge site and more importantly sooner than expected.

In the meantime, the site's other two gensets remain operational and will continue to generate revenue via its PPA with Statkraft. Additionally, Pyebriidge will also keep receiving its current Capacity Market contract income from the government.

Project Capex Funding

Further to the Company's previous announcement dated 11 April 2024, most of MED's sites under development are either ready for construction, or already in early-stage construction. The progression of construction and commercial operations are subject to securing project capex funding. In order to address this key next step in respect of these projects' development lifecycle i.e. to get each project into production and generating revenue, MED is actively progressing discussions with various potential debt and equity funders. These discussions include banking institutions that have shown interest in providing funding.

JVA with Proventure Termination Update

Further to the Company's previous announcement dated 28 February 2024, stating Proventure's failure to remedy its material breach of the JVA, together with the exhaustive correspondence and actions on MED's part to accommodate and resolve the persistent delays by Proventure to fulfil its obligations under the JVA, the MED Board has decided to terminate the JVA with Proventure as previously announced. Under the provisions of the JVA and subsequent JVA Deed of Termination, MED is entitled to receive, and Proventure has an obligation to pay default penalties, in the sum of c. £435,000 (the "Default Penalties"). The Default Penalties have formally been accepted by Proventure, but regrettably none of the required Default Penalties, nor any part thereof have been paid to date. The Company subsequently reviewed the matter with its legal advisers, and is currently considering various options that will allow the Company to pursue the matter by taking appropriate further action against Proventure, its CEO, Mr. Srinivas Kona and other directors aimed at but not limited to recovering the Default Penalties.

In conjunction with the above, MED is also considering pursuing its available options for legal recourse against the initial JVA lead-investor, Seira Capital and its CEO, Mr. Srinivas Tangirala and other directors.

Pieter Krügel, MED CEO, commented: *"We are pleased that the overhaul of the first genset at Pyebridge is progressing well and on schedule. We are looking forward to completing the overhaul work within the expected timeline, and to move forward with the overhaul of the remaining two gensets. In the meantime, Pyebridge is operational and generating income.*

"Concurrently we are actively progressing discussions with various interested funders regarding the capex funding of MED's construction-ready sites, in order to get each project into production and revenue generation as quickly as possible.

"We are looking forward to updating the market with further progress across the board 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.

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****ENDS****

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Johannesburg
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Corporate and Designated Adviser
River Group