

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



Dated: 20 August 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: 20 August 2024

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

Pyebriidge 2nd Genset Overhaul Commences and Application for Increased CM Contract

Mast Energy Developments PLC is pleased to announce the official commencement of the 2nd genset overhaul, and application for an increased Capacity Market contract at its Pyebriidge flexible power generation asset ("Pyebriidge"). The details of the foregoing are set out below.

Pyebriidge Key Highlights

- First refurbished genset achieving c. £57k revenue in its first month of operation paved the way for 2nd genset overhaul;
- Pyebriidge signed Engineering Works contract for 2nd genset’s overhaul; and
- 2nd genset overhaul enables Pyebriidge to apply for enhanced capacity CM contract.

Further to the Company’s previous announcement dated 7 August 2024, following the successful completion of the refurbishment of the first of the Pyebriidge site’s 3x 2.7MW Jenbacher gensets (thus 8.1MW generation capacity in total), and the resulting first refurbished genset achieving c. £57k revenue (or c. £21k per MW month) in its first month of operation (inclusive of initial ramp-up period), Pyebriidge has signed an Engineering Works contract with the Pyebriidge site’s O&M contractor, Cooper Östlund regarding the full long-block overhaul of the 2nd genset, and certain further essential improvements to the site.

In addition to the expected enhanced revenue generation via Pyebriidge’s PPA with Statkraft, the overhaul of the 2nd genset enables, and it is expected that Pyebriidge will apply for its next T-1 CM contract in the upcoming CM pre-qualification assessment window and subsequent bid auction for the 2025/2026 delivery year, at an enhanced generation capacity, which will result in increased contractual gross profit margin income received from that contract.

Once the work on the 2nd genset has been completed, Pyebriidge will have 2x 2.7MW completely refurbished gensets operating and generating at optimum capacity and performance, which should

have a direct positive impact regarding the site's PPA revenue generation accordingly. The plan remains to overhaul the then remaining 3rd genset in due course, in order to maximise full reliability, efficiency and revenue generating ability of the Pyebridge site in the most cost-efficient manner.

During the time that the work on the 2nd genset will be performed, it is expected that the site's first refurbished genset will remain operational and will largely continue to generate revenue via its PPA with Statkraft. Pyebridge will also keep receiving its current Capacity Market contract income from the government as previously announced.

The total costs for the above referred works on the 2nd genset's overhaul will be funded under the Project Finance agreement with RiverFort (please refer to previous announcement dated 28 February 2024 for further details of the Project Finance), with Pyebridge as the borrower. As such, the board of MED has agreed with RiverFort a 3rd Advance against the Project Finance agreement amounting to a gross total of £1,137,190. The gross draw includes a VAT funding element, and once the associated VAT has been reclaimed, and an expected refund for the genset's replaced long-block been received, it will be paid back to RiverFort (anticipated to be in September), resulting in a net 3rd Advance of c. £839,658. The proceeds from the 3rd Advance will solely be used for the above-mentioned works at Pyebridge on the 2nd genset's overhaul. The 3rd Advance accelerates the overhaul of the 2nd genset, and once the work is completed will result in additional revenue being generated.

The Project Finance with RiverFort, has enabled the successful completion of the first genset's overhaul, as well the commencement of the 2nd genset's overhaul, and MED is appreciative of RiverFort's ongoing support as its asset-level strategic funding partner, in order to grow the business.

Pieter Krügel, MED CEO, commented: *"We are pleased to have officially initiated the 2nd genset's overhaul, following the successful completion of the 1st genset's overhaul and its positive maiden performance results. It is expected that the completion of the 2nd genset's overhaul will not only see additional enhanced revenue generation via the Pyebridge site's PPA with Statkraft, but also enable the application for an enhanced CM contract which will further boost income.*

"MED's funding partnership with RiverFort has been instrumental in enabling and fast-tracking the work programme at Pyebridge, which has already resulted in increased revenue generation sooner than expected. RiverFort's ongoing support to MED is invaluable and much appreciated.

"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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Johannesburg
20 August 2024
Corporate and Designated Adviser
River Group