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: 16 September 2024

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

Binding Term Sheet Announced - Renewable Energy Assets
Reverse Takeover & Disposal of Company's Operating Assets

Kibo Energy PLC (AIM: KIBO; AltX: KBO), the renewable energy-focused development company, is pleased to announce that it has signed a binding term sheet (the "Term Sheet") with ESGTI AG, a Swiss registered company (the "Vendor") (ESGTI – Investing in ESG | Sustainable investments) to acquire a diverse portfolio of renewable energy projects across Europe and Africa spanning wind and solar generation, agri-photovoltaics and technology development by way of a Reverse Takeover of the Company (the "RTO" or the "Proposed Acquisition "). The Proposed Acquisition is being arranged by Aria Capital Management Limited, a global asset management company (the "Arranger"). The Proposed Acquisition will constitute a reverse takeover ("RTO") under the AIM Rules for Companies (the "AIM Rules") as, inter alia, the consideration for the Proposed Acquisition is substantially larger than the Company's current market capitalization and therefore, in accordance with Rule 14 of the AIM Rules, will require application to be made for the enlarged share capital to be readmitted to AIM ("Admission"), the publication of an AIM admission document ("Admission Document") and approval by the shareholders of the Company at a general meeting.

Summary of Terms

- The assets to be acquired under the Proposed Acquisition (the "Transaction Assets") comprise 36 development projects spanning 15 countries from early stage to under construction with a target of 20 Gigawatts (GW) generation capacity within 6 years.

- The Term Sheet envisages a consideration for the Transaction Assets of €400 million which remains subject to due diligence (as further detailed below).

- The RTO is expected to be accompanied by a share consolidation of the share capital of the Company in the ratio of 1 share for every 5,000 shares held.

- A placing to accompany the RTO will have a target raise of €30 million which will be arranged by the Vendor at its own cost through the appointment of placing agents to secure investment by third party institutional investors.

- The Term Sheet is subject to standard conditions precedent including, inter alia, completion of satisfactory mutual due diligence by all parties, board and shareholder approvals, AIM & other relevant regulatory authorities including obtaining waiver from Irish Takeover Panel where required, and approvals by Kibo Shareholders for the RTO at a General Meeting.

Whilst the Company, Vendor and Arranger are committed to completing the RTO there can be no guarantee that this will complete, and investors should note that it remains subject to substantial conditions. Furthermore, to complete the required work on the RTO, including due diligence, the Company needs to raise additional funds.

Disposal of the Company's Operating Assets

An additional condition precedent to the signing of the Term Sheet is the disposal of the Company's wholly owned Cyprus subsidiary Kibo Mining (Cyprus) Limited ("KMCL") (the "KMCL Disposal") to the Arranger for which a conditional Sale & Purchase Agreement had been agreed with the Arranger and is expected to be signed within the next 5 business days. The KMCL Disposal is subject to Shareholder approval to be obtained at a General Meeting of the Company, as required under AIM Rule 15. KMCL contains the legacy coal assets and the Company's waste-to-energy and biofuel projects in sub-Saharan Africa which are carried in the Company's last published interim accounts to 30 June 2023 at £258,242, following impairment. In the six months to 30 June 2023 KMCL contributed a loss of £610,827 on £nil revenue, excluding Mast Energy Developments PLC ("MED") as further noted below. KMCL carries liabilities relating to the Company's historic payroll of £535,527 to 31 January 2024 (refer Kibo RNS announcements dated 20th and 7th June 2024) (the "Historic Payroll Liabilities"). The Company's 19.52% shareholding in Mast Energy Developments PLC ("MED") currently held through KMCL will not be included in the KMCL Disposal. As consideration for the KMCL Disposal, the Arranger (being the acquirer) is assuming the Historic Payroll Liabilities. The settlement of this historical payroll debt will significantly reduce the existing debt on the Group's balance sheet. Whilst Peter Williams, the Company's 28.32% shareholder, holds a position within the greater Aria Capital Management Group, Aria Capital Management is not a Related Party of the Company under the AIM Rules for Companies.

The KMCL Disposal constitutes a Fundamental Change of Business under AIM Rule 15 as it, when aggregated with the Company's disposals of its interests in MED over the last 12 months, exceeds 75% on one of the relevant Class Tests and consequently, it will require shareholder approval at a general meeting which the Company will hold as soon as possible.

Additionally, the Kibo board, on approval by Shareholders of the KMCL Disposal, would consider the Company to be an AIM Rule 15 cash shell. Accordingly, with effect from the date the KMCL Disposal completes, the Company will have six months to undertake a Reverse Takeover or otherwise will be suspended, after which it will have a further six months to complete a Reverse Takeover or otherwise be cancelled from trading on AIM.

The Company, Vendor and Arranger are committed to completing the RTO during which time the Company will remain suspended on AIM. The Company and Arranger are working together to secure the Pre-RTO funding to cover its working capital costs including making further creditor settlements and the costs of engaging advisers and meeting other transactional costs associated with acquiring the Transaction Assets and completing the RTO.

Update on the Accounts

Further to the Company's RNS announcement on 25 June 2024, progress with completion of its audited Financial Statements to 31 December 2023 (the "Accounts") is proceeding well but has not been completed by the anticipated date of end July to early August. As completion of the FY23 Accounts and the interim accounts to 30 June 2024, the publication of which is due by 30 September 2024, will now be part of the RTO process, it is expected that it will be closer to end of 2024 before they will be published.

Information on MED

The Company takes this opportunity to advise Shareholders of the following AIM Rule 12 information following past disposals of its shares in MED which the Company deemed to be a substantial transaction, pursuant to AIM Rule 12, on the basis of the aggregated class tests: since 5 October 2023 Kibo has reduced its holding in MED from 56.02% to its current 19.52% interest which has provided the Company with aggregate gross proceeds of £619,815 which were mainly used to reduce the outstanding balance on the Company's reprofiled bridge loan facility with RiverFort Global Opportunities PCC Ltd, and to provide the Company with working capital. As per MED's last reported accounts to 30 June 2024 published on 30 August 2024, the loss attributable to this 36.5% equity interest sold was £179,600.

****ENDS****

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

Cobus van der Merwe	info@kibo.energy	Kibo Energy PLC	Chief Executive Officer
James Biddle Roland Cornish	+44 207 628 3396	Beaumont Cornish Limited	Nominated Adviser
Claire Noyce	+44 20 3764 2341	Hybridan LLP	Joint Broker
James Sheehan	+44 20 7048 9400	Global Investment Strategy UK Limited	Joint Broker

Beaumont Cornish Limited ('Beaumont Cornish') is the Company's Nominated Adviser and is authorised and regulated by the FCA. Beaumont Cornish's responsibilities as the Company's Nominated Adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Beaumont Cornish is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Beaumont Cornish nor for advising them in relation to the proposed arrangements described in this announcement or any matter referred to in it.

Johannesburg
16 September 2024
Corporate and Designated Adviser
River Group