

Kibo Mining Plc
(Incorporated in Ireland)
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ISIN: IE00B97C0C31
("Kibo" or "the Company")



Dated: 03 July 2018

Kibo Mining Plc ('Kibo' or the 'Company')
Strategic Development Agreement with SEPCOIII,
To Develop Energy Projects

Kibo Mining Plc (AIM:KIBO; AltX:KBO), the multi-asset, Africa-focused, energy company, is pleased to announce that it has signed a Strategic Development Agreement ('SDA') with China based SEPCOIII ('SEPCOIII'), one of the world's largest power EPC contractors, to work with Kibo towards enhancing its strategy and the development of its portfolio of energy projects. As part of the SDA, SEPCOIII has committed to a two-stage equity investment into Kibo, endorsing the Company's strategy and its position in the African power market.

Highlights

- Strategic relationship provides Kibo with one of the world's largest power EPC contractors to execute its three existing energy projects and any additional future energy projects;
- Equity investments will provide Kibo with the funds necessary to fulfil its capital requirements over the short to medium term and endorse the Company's strategy to position the Kibo as a leading regional energy player in Africa;
- Significant advantages of having an intentional recognised industry leader's support and resources in both project fulfilment, development and financing negotiations; and
- Kibo believes SEPCOIII's involvement in EPC and equity finance endorses and underpins Kibo's business model.

Kibo's CEO, Louis Coetzee, said, *"This is excellent news for Kibo on multiple levels: it is a major endorsement by one of the world's largest power EPC contractors of both our portfolio and strategy aimed at alleviating the acute energy deficit in Africa; it provides us with short to medium term cash stability; and it further strengthens our network of key partners and institutional investors to support us as we advance our portfolio of energy projects. Crucially, SEPCOIII's commitment of support significantly strengthens Kibo's position in project development paths as well as future financing negotiations due to its international reputation and record of delivery of large scale utility energy projects globally.*

"The SDA is the fruition of many months of negotiating with SEPCOIII, which recognises our position as a bridgehead into the African energy arena. We look forward to strengthening and deepening our longstanding working relationship with the SEPCO III team and to building a leading position in the African energy sector

together.”

Summary of Principal Terms of SDA

Under the terms of the SDA, SEPCOIII has committed to an initial direct equity investment (‘Direct Equity Investment 1’) of between 10 and 15 per cent of Kibo’s issued share capital immediately prior to Direct Equity Investment 1 via the purchase of new ordinary shares in consideration for cash at a price to be agreed between the two parties. Additionally, SEPCOIII has the option, at its sole discretion and within 18 months from completion of Direct Equity Investment 1, to make a second direct equity investment in Kibo of between 5 to 10 per cent. of Kibo’s issued share capital (‘Direct Equity Investment 2’) immediately prior to Direct Equity Investment 2.

As part of the SDA, SEPCO III has the right to become the sole bidder for the EPC contract in respect of all Kibo’s existing and future energy projects anywhere in the world by making Direct Equity Investment 1, subject to the terms and conditions of the SDA. SEPCOIII will however be required to strictly submit all EPC bids in respect of the Kibo Energy Project Portfolio in accordance with an EPC-specification independently developed by Kibo and its consulting engineers. All EPC bids by SEPCOIII must, in the opinion of Kibo’s consulting engineers, be price competitive as related to an international benchmark independently determined by Kibo’s consulting engineers, in their expert opinion, for reasonably comparable EPC contractors and contracts. The bid must also demonstrate international best practice and industry standards and must ultimately also be acceptable to Kibo’s financial advisors, lenders and other principal capital providers and key stakeholders. SEPCOIII’s right to be sole bidder on the relevant contract will terminate if the parties cannot reach agreement on bid price and terms within 90 days of bid submission.

The SDA is inter alia conditional upon the following requirements to be met:

- Both Parties obtaining all approvals in their relevant jurisdictions to enter into the SDA;
- SEPCOIII completing a due diligence investigation on Kibo and its project portfolio as required by SEPCOIII internal procedures;
- Both parties agreeing on the final percentage and issue price for the shares that will be purchased in consideration for Direct Equity Investment 1;
- SEPCOIII completing Direct Equity Investment 1; and
- The meeting of all conditions by 30 September 2018, unless the parties have mutually extended or waived this requirement.

Typical termination provisions are included in the SDA, such as breach, commercial viability and changes to the political landscape, with SEPCOIII to prioritise any exit of Kibo equity at prices not lower than the free market price.

About SEPCOIII

SEPCOIII is a Chinese-based, leading international construction and engineering company that specialises in the construction of power plants via the EPC method. As a large, vertically integrated company, SEPCOIII can comprehensively manage multiple aspects of the development of power projects including engineering, logistics, shipping, operation and maintenance.

SEPCOIII has been responsible for the delivery of numerous power projects around the world since its founding in 1985. It provides power plants in the categories of thermal power, nuclear power, concentrating solar power, wind

power, photovoltaic power, biomass power, geothermal power, transformer substation, and sea water desalination. Its areas of operation to date have included Egypt, India, Indonesia, Jordan, Nigeria, Oman, Saudi Arabia, Bangladesh, Pakistan, Kuwait, Myanmar, South Africa and Singapore and it is committed to the continuation of its international expansion. In the last decade SEPCOIII has gained further global recognition for its work in India, where it has successfully achieved construction of 12,210MW of installed capacity consisting of 23 units. SEPCOIII is also the first Chinese EPC contractor to enter into the Saudi Electricity Company market and is the biggest EPC contractor in Middle East North Africa (“MENA”) region. A summary of the EPC projects completed by SEPCOIII in the past five years is tabled below.

No.	Project Name	Capacity	Location	Client Name	Scope in Brief	OEM
1	ITPCL 2x600MW Subcritical Power Plant	2x600MW	Cuddalore, Tami Nadu State, India	IL&FS Tamil Nadu Power Company Ltd.	Engineer, Procurement, Construction	Boiler: Harbin Boiler Co., Ltd. Turbine: Dongfang Turbine Co., Ltd. Generator: Dongfang Electric Machinery Co., Ltd.
2	Rabigh 2x660MW IPP Oil-Fired Power Plant	2x660MW	Rabigh, Saudi Arabia	ACWA&KEPCO	Engineer, Procurement, Construction	DEC
3	RAZ 2400MW Combined Cycle Power Plant	2400MW	RAS Al Khair, Saudi Arabia	SWCC	Engineer, Procurement, Construction	Simens
4	Banha 750MW Combined Cycle Power Plant	750MW	Banha, Egypt	Cairo Electricity Production Company (CEPC)	Engineer, Procurement, Construction	GE
5	Giza North 1500MW Combined Cycle Power Plant	2250MW	Giza Egypt	Middle Delta Electricity Production Company (MDEPC)	Engineer, Procurement, Construction	GE

6	Jerada 350MW Thermal Power Plant	350MW	Jerada, Morocco	ONEE	Engineer, Procurement, Construction	Boiler: Harbin Boiler Co., Ltd. Turbine: Dongfang Turbine Co., Ltd. Generator: Dongfang Electric Machinery Co., Ltd.
7	Oman Salalah 2 IPP	447.8MW	Salalah, Oman	Off-taker: Oman Power and Water Procurement Company (OPWP) Developer: The Consortium of ACWA Power, Mitsui and DIDIC. Owner: Dohfar Generating Company (DGC)	Engineer, Procurement, Construction	Gas Turbine: GE 6FASTG; Skoda HRSG: Hangzhou Boiler
8	Port Qasim Coal-Fired Power Project	2x660MW	Port Qasim, Pakistan	Off-taker: National Transmission and Despatch Company Limited (NTDC) Client: Port Qasim Electric Power Company (Private) Limited	Engineer, Procurement, Construction	Boiler: Harbin Boiler Co., Ltd. Turbine: Dongfang Turbine Co., Ltd. Generator: Dongfang Electric Machinery Co., Ltd
9	1230 MW Haveli Bahadur Shah CCPP, Pakistan	1230MW	Haveli Bahadur Shar, Punjab, Pakistan	Off-taker: National Power Park Management Co. Ltd	Engineer, Procurement, Construction	Gas Turbine: Ge 9H0.1 HRSG: Alstom STG: Alstom
10	Samra Phase IV Combined Cycle Gas Fired Power Plant	66.4MW	Al Hashimiyah, Aman, Jordan	Samra Electricity Power Company (SEPCO)	Engineer, Procurement, Construction	STG: FUJI, HRSG: STF
11	Thaketa Gas-Fired Combined Cycle Power Plant in Yangon, Myanmar	110MW	Myanmar	U Energy Thaketa Power Co. Ltd.	Engineer, Procurement, Construction	UREC

****ENDS****

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").

For further information please visit www.kibominig.com or contact:

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Notes to editors

Kibo Energy plc is a multi-asset, Africa focussed, energy company positioned to address the acute power deficit, which is one of the primary impediments to economic development in Sub-Saharan Africa. To this end, it is the Company's objective to become a leading independent power producer in the region.

Kibo is simultaneously developing three similar coal-fuelled power projects: the Mbeya Coal to Power Project ('MCPP') in Tanzania; the Mabesekwa Coal Independent Power Project ('MCIPP') in Botswana; and the Benga Independent Power Project ('BIPP') in Mozambique. By developing these projects in parallel, the Company intends to leverage considerable economies of scale and timing in respect of strategic partnerships, procurement, equipment, human capital, execution capability / capacity and project finance. Additionally, the Company will benefit from its robust and experienced international blue-chip partnership network across its project portfolio, which includes: SEPCO III (China), General Electric (USA); Tractebel Engineering (Belgium); Minxcon Consulting (South Africa); ABSA / Barclays Africa); and Hogan Lovells International LLP.

Johannesburg

03 July 2018

Corporate and Designated Adviser

River Group