

Kibo Energy PLC

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Kibo Energy acquires 100% interest in Bordersley reserve power generation project

Kibo Energy PLC (LON:KIBO) has moved to take a direct 100% interest in the Bordersley reserve power generation project acquired by its MAST Energy Developments subsidiary last week.

The AIM-quoted company already owned a 60% interest in the project through its 60% stake in MAST, which acquired the 5-megawatt gas-fuelled plant for £175,000 last week.

READ: Kibo's MAST Energy subsidiary finalises 5-year PPA at Bordersley power project

Kibo is now paying up to £2.4m in shares to acquire the remaining 40% interest.

"We are delighted to take a direct 100% interest in Bordersley, having significantly de-risked this shovel-ready site and met all our working capital requirements for the next 18 to 24 months," said Kibo chief executive Louis Coetzee.

"With the right partners also in place, including EPC contractor, owners engineer and a power purchase agreement with Statkraft, we anticipate commencing commercial commissioning at the end of Q1 2020; 100% of revenues generated from Bordersley will now flow to the Kibo bottom line and make a marked contribution to the group's ongoing funding requirements."

Shares issued at a high premium

In return for the additional stake, Kibo will issue 46.1m shares to MAST's other shareholders at a price of 5.25p apiece - five times Tuesday's closing price.

The shares will be issued in five separate tranches, with each tranche subject to various construction milestones.

As the sole interested party in Bordersley, Kibo will receive all of the revenue generated from Bordersley, which is due to be commissioned in the first quarter of 2020.

The company expects revenues from the project to "contribute significantly" to Kibo's ongoing funding requirements.

Kibo shares surged 28.3% to 1.35p shortly after the news broke.

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Price: 0.22

Market Cap: £2.8 m

1 Year Share Price Graph



June 2019 November 2019 June 2020

Share Information

Code: KIBO

Listing: LSE

52 week High Low
1.635 0.027

Sector: Coal

Website: kibo.energy

Company Synopsis:

Kibo is listed on the AIM market in London and the AltX in Johannesburg. The Company is focused on the development of three thermal coal power projects in Mozambique, Botswana and Tanzania, which all share stable operating environments as well as an acute need for consistent power.

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