



**SHUMBA**  
E N E R G Y  
Powering the Future

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(A public company registered in the Republic of Mauritius Company No. 111905 C1/GBL)

### **SHUMBA ENERGY AND KIBO STRENGTHEN MABESEKWA PARTNERSHIP**

The Board of Shumba Energy Limited (“Shumba”) is pleased to notify its shareholders that it has signed a binding Heads of Agreement (“the Agreement”) with Kibo Energy PLC (“Kibo”) and with various subsidiaries of Kibo and Shumba (“the Parties”) to reposition and strategically leverage the Mabesekwa Project Botswana. Under the terms of the Agreement, the Parties will jointly manage and oversee the development of a bespoke 300MW power station (“the KP1 Power Plant”) with Shumba maintaining a controlling stake. The KP1 Power Plant will power a Petrochemical plant (“PCP”) which will provide first Botswana, with up to 80% of its domestic fuel requirements and later the Southern African market at large. Currently all of Botswana’s fuel is imported. Accordingly, a power purchase agreement will be entered to provide 100% of the electricity required to fuel the plant over its life. The Parties will jointly manage the development of the KP1 power station.

As announced previously, Shumba recently concluded a joint venture partnership which has led to it holding 80% of the equity in Coal Petroleum Ltd (“CoPet”). CoPet is a company that is focused on the development of a commercial scale liquid fuels production facility in Botswana. The technical aspects of a Bankable Feasibility Study of the liquid fuels plant, undertaken in conjunction with two large Chinese conglomerates, which will be built at Mabesekwa, is nearing completion. The plant is expected to produce 20 000 barrels per day of diesel and 5 000 barrels of gasoline per day when it is complete, as well as having potential for additional chemical production circuits.

Additionally, the parties have agreed to amalgamate their coal assets to create a 760Mt resource to fuel the power plant and supply the new PCP. Shumba already has a binding Coal Supply Agreement to guarantee supply of all the feedstock that would be required for the life of the PCP, which will now incorporate Kibo’s coal resources.

**Mashale Phumaphi CEO of Shumba Energy, commented** *“This is indeed a great development that will fast track our plans to establish a liquid fuels production facility at Mabesekwa. This project will enable Botswana to meet some of its strategic national objectives of attaining fuel supply security, increasing import substitution, investing in technology to promote economic growth and exploiting Botswana’s massive coal reserves.”*

## **Shumba**

Shumba is a coal mining and energy development company based in Botswana and listed on the Botswana Stock Exchange. Shumba has over the last couple years progressed from an exploration company to an energy development company and sits on over 4.5 billion tonnes of thermal coal. As a major industry player, Shumba's mission is to satisfy the growing energy demand in the SADC region as a result of chronic power shortages. For Shumba "Powering the Future" means addressing chronic power shortages head-on and supplying energy to affected southern African countries in a sustainable and cost-effective manner. Established in 2011, Shumba now owns a significant portion of advanced energy projects in Botswana and is uniquely positioned with its strategy to develop energy projects that are unaffected by the volatility of global commodity prices.

By order of the Board

*26 September 2019*

*This Announcement is issued, in compliance with the Botswana Stock Exchange Equity Listing Requirements and pursuant to Section 87 of the Securities Act 2005, Rule 5 of the Securities (Disclosure Obligation of Reporting Issuers) Rules 2007.*

*The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this Announcement.*