

14 October 2021

SESE JV INVITED TO PARTICIPATE IN 300MW BOTSWANA POWER STATION TENDER

African Energy Resources Limited (ASX: AFR, “African Energy” or “The Company”) advises that the Sese Joint Venture, in which the Company currently owns a 30.3% interest, has been invited by the Ministry of Minerals, Resources, Green Technology and Energy Security, Botswana to participate in the tender process for a new 300MW coal fired power station.

Key points of the tender are as outlined below:

- The tender is for the “Design, finance, construction, ownership, operation, maintenance and decommissioning at the end of a minimum 30-year economic life of a 300MW net greenfield coal fired power plant in Botswana as an independent power producer (IPP)”
- The successful power station bid will sell power to Botswana Power Corporation via a 30-year Power Purchase Agreement
- The Sese JV is one of only four parties shortlisted to participate in the tender process and has been invited to a Tender Clarification Meeting to be held on 29 October 2021.
- Submissions must be submitted by 30 March 2022.

The Sese JV owns the large Sese coal deposit near Francistown, Botswana, and has all approvals and licences required to complete its tender submission, including a Mining Licence containing over 650 million tonnes of coal, environmental approvals for up to 500MW of power generation and the associated coal mining and processing, a Water Supply Agreement, and a Power Generation Licence.

African Energy believes that the Sese JV is well positioned to submit a competitive bid into the tender.

The 300MW tender is part of a wider programme in Botswana seeking up to 1500MW of new generation over the next 10 years from various sources including solar, wind, battery storage and gas. Botswana presently has a significant deficit in domestic generation relative to demand and relies upon imports, primarily from South Africa. The South African utility ESKOM is itself experiencing long term, severe power generation shortages resulting in widespread load shedding (blackouts) across South Africa, putting pressure on its ability to continue exporting to neighbouring countries.

The tender procurement of 300MW of new baseload generation will relieve Botswana’s reliance on imports as well as costly domestic diesel generation. Importantly this will also help stabilise domestic tariffs whilst Botswana pursues its longer-term objective of developing sustainable generation capacity from renewables, primarily solar.



*Delivering **power** to the people*

ASX RELEASE ASX:AFR

The International Energy Agency (IEA) estimated that in 2018 over 800 million people in Sub-Saharan Africa relied on charcoal and wood for cooking fuels. This heavy reliance on biomass is estimated to cause around 490,000 premature deaths each year due to household indoor air pollution, disproportionately affecting women and children, and is also estimated to result in 2 million hectares of forest being destroyed every year causing large scale land degradation and destruction of habitat.

The availability of affordable power is essential for reducing the reliance on biomass and reducing the associated negative impacts on health and the environment. Access to affordable power is widely recognised as a key factor in alleviating poverty and improving people's health and well-being in the developing world. The expansion of Botswana's domestic power generation capacity is essential for the 1 in 3 people in Botswana that currently have no access to electricity and will contribute to improving the power security in the region and strengthening the Botswana's economy.

The Company's coal interests, subject to shareholder approval at a General Meeting on 21 October 2021, will be spun-out of AFR to African Energy shareholders via an in-specie distribution.

Authorised for release by Frazer Tabeart, Managing Director of African Energy.

For any further information, please contact the Company directly on +61 8 6465 5500