

African Energy Partners Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2017/024904/06)
JSE share code: AEY ISIN: ZAE000241741
("AEP" or "the Company")



ABRIDGED PROSPECTUS IN CONNECTION WITH THE LISTING OF AEP ON THE ALTERNATIVE EXCHANGE OF THE JSE LIMITED ("JSE")

THIS ABRIDGED PROSPECTUS RELATES TO:

- the listing of AEP as a special purpose acquisition company ("**SPAC**") on the Alternative Exchange of the JSE ("**AltX**"); and
- the Offer, comprising of a Private Placement and a Retail Offer, as discussed further below in this Abridged Prospectus under the caption, "*The Offer*".

This Abridged Prospectus does not constitute an offer, or an invitation or solicitation of an offer, for the subscription for, or sale of, Offer Shares in any jurisdiction, but is issued in compliance with the Listings Requirements of the JSE (the "**Listings Requirements**"), the Companies Act, No. 71 of 2008 (the "**Companies Act**") and the Companies Regulations, 2011 (the "**Companies Regulations**"), for the purpose of providing information with regards to AEP. Any application or offer to subscribe for Offer Shares pursuant to the Offer will be made solely on the basis of the information that is contained in, and the terms and conditions set forth in, the prospectus to be issued by the Company on Tuesday, 9 May 2017 (the "**Prospectus**").

Terms used but not otherwise defined in this Abridged Prospectus, shall bear the meaning assigned to them in the Prospectus.

The JSE has granted the Company a listing as a SPAC on the AltX of the JSE (the "**Listing**"), in respect of the Offer Shares that will be issued pursuant to the Offer, in the "Non-equity Investment Instrument" sub-sector of the FTSE Global Classification System, under the abbreviated name: "**AFENERGY**", JSE ordinary share code: "**AEY**" and ISIN: **ZAE000241741**, with effect from the commencement of trade on Thursday, 1 June 2017 ("**Listing Date**").

Simultaneously with the Listing, AEP intends, pursuant to the Offer, to raise R400 000 000 ("**Targeted Capital Amount**") (or such higher amount up to R500 000 000, at the discretion of the Board) and not less than R50 000 000 (the "**Minimum Capital Amount**"), being the minimum capital amount required to be raised by the Company in order for it to qualify for a listing as a SPAC on the AltX and pursue the acquisition of Viable Assets in accordance with the Company's investment strategy, which strategy is further discussed below in this Abridged Prospectus under the caption, "*Investment Strategy*".

This Abridged Prospectus highlights selected information from the Prospectus. It is not complete and does not contain all of the information that a person should consider before subscribing for Offer Shares. Consequently, investors should read the Prospectus carefully in its entirety. In this respect, for instructions on how to access a printed or electronic copy of the Prospectus, see information under the caption, "*Copies of Prospectus*", as set out further below in this Abridged Prospectus. The JSE has approved the Prospectus and it is expected that same will be made available to prospective investors on Tuesday, 9 May 2017.

INTRODUCTION TO AEP

AEP was established (and founded) by Nkosi Gugushe and Edwin Kikonyogo. The Company was originally incorporated and registered in South Africa on 24 January 2017 as a private company with the name: "*African Energy Partners Proprietary Limited*". On 21 February 2017 and for purposes of the

Listing, the Company converted into a public company under the name: “*African Energy Partners Limited*”.

The Company is listing as a SPAC on the AltX to take advantage of investor demand for energy assets in South Africa, and generally on the greater African continent. Consistent with the foregoing, the intended purpose of the Company following the Listing will be to pursue acquisition opportunities, which will include identifying and acquiring Viable Assets, in accordance with certain acquisition and investment criteria detailed in the Prospectus. “**Viable Assets**” in the context of listing a SPAC on the AltX means assets that would independently allow the Company to qualify for listing as a company, other than a SPAC, on the AltX (or Main Board) pursuant to the listing criteria of the AltX (or Main Board). In this respect, AEP’s focus will be to identify and acquire assets (including Viable Assets) linked to the creation of a clean energy infrastructure and products business which will include the Company acquiring, owning and operating energy infrastructure assets that produce, transport, store, handle and sell a variety of energy products, including electricity steam, heating and cooling, as well as engage in the processing, transportation and sale of certain fuels, such as natural gas (in all its forms, including related manufactured gases such as liquid petroleum), refined fuels (such as light/heavy fuel oil), and biomass.

As a SPAC, the only asset which AEP will have is any cash raised pursuant to the Offer. In terms of the Listings Requirements, AEP has 24 months (or such longer period as the JSE and AEP shareholders may permit) from the Listing Date to identify and utilise the funds raised to make an acquisition of Viable Assets or return the funds initially raised pursuant to the Offer (plus accrued interest, less certain permitted expenses) to its shareholders, in each case as more fully described under the Prospectus. In accordance with the Listings Requirements, funds raised by a SPAC must be retained in escrow until an acquisition of Viable Assets is appropriately approved as provided for in the Prospectus.

Consistent with the foregoing, the Board believes that AEP is well-placed to identify, compete for, and Complete, the acquisition of Viable Assets, given the Boards’ knowledge, experience and industry-wide networks as well as its ability to structure the acquisition of the Viable Assets efficiently for the benefit of both the Company and potential investors, so as to maximise investor returns.

COMPOSITION OF THE BOARD

The full names, designations and business addresses of the Directors are set out below:

Name	Designation	Business Address
Edwin Charles Mukasa Balagadde Kikonyogo	Chief Executive Officer	1 Ann Crescent Corner Linden Street Sandown, Johannesburg Gauteng, 2191
Nkosi-Yawo Gugushe	Chief Operating Officer	1 Ann Crescent Corner Linden Street Sandown, Johannesburg Gauteng, 2191
Kevin Graham Simons	Chief Financial Officer	201 Cornelis Street Fairland Johannesburg, 2170
David William Wright	Independent Chairperson	35 Ravensberg Avenue Newlands Cape Town, 7700
Silvanus Moses David	Independent Non-Executive Director	33 Hans Schoeman Street Malanshof, Randburg

		Johannesburg, 2194
Erica Lizette Johnson	Independent Non-Executive Director	105 Westcliff Drive Parkview Johannesburg, 2193
Carla Julia Cloete	Independent Non-Executive Director	1 Merchant Place Corner Rivonia Road and Fredman Drive Sandton Johannesburg, 2196
Sifiso Siyabonga Sibiyi	Independent Non-Executive Director	Ground Floor, Block D The Braids Office Park 113 Bowling Avenue Gallo Manor
Meriam Maishibe Kekana	Independent Non-Executive Director	10 Junction Avenue, BP House Parktown Johannesburg, 2193

INVESTMENT STRATEGY

AEP's investment strategy is to pursue the acquisition of: (i) physical infrastructure assets directly; and/or (ii) controlling stakes in companies owning and operating infrastructure in the energy sector, in each case consistent with the acquisition criteria discussed more fully in the Prospectus and the investment policy and guidelines as discussed below in this Abridged Prospectus under the caption, "*Investment Policy and Guidelines*".

INVESTMENT POLICY AND GUIDELINES

The Company's investment policy and guidelines, as well as the investment strategy implemented, will be the responsibility of the Board as a whole.

The investment criteria that will be used by the Board to assess investment opportunities or potential acquisitions of Viable Assets, as more fully discussed in the Prospectus, will include, amongst other things:

- expected long term returns, taking into account the long-term nature of the assets to be acquired and the terms of associated long-term contractual arrangements;
- counterparty risks, such as credit risk, continuing contracts and regulatory environment;
- country risk; and
- the existence of long-term, contractual, inflation-beating cash flows.

Investment opportunities will be assessed by the Board as a whole or, where deemed appropriate, by the investment committee (acting as a committee of the Board) and presented to the Board for consideration and approval, excluding any members of the Board who may have an interest in the Viable Asset concerned and who are therefore not independent.

RATIONALE OF THE LISTING

The following are the key points in relation to the rationale for Listing:

- **Access to funding:** Listing will: (i) enable the Company to access investment funding in order to acquire the appropriate assets in the chosen sector; and (ii) provide it with the initial and ongoing ability to raise capital through the issue of scrip, either to the vendors of assets or to the broader investment community, in order to pursue and acquire or invest in the desired Viable Assets;
- **Credibility:** Listing will provide the Company with a certain level of credibility at the point when potential vendors are approached. Not only can the vendors independently verify the identity of the Company, they are also able to gain confidence in the ability of the Company to perform its obligations to them, including financially; and
- **Access to types of investors:** A listing will provide the Company access to other investors such as pension funds. Regulation 28 to the Pensions Funds Act, 1956, restricts retirement funds in terms of where their assets can be invested. According to the said regulation, listed equities is one of the largest category of assets that can be invested into and hence is accessible to retirement funds. This is in line with the stated intent of the Company to present a portfolio of assets that will be attractive to long-term investors such as pension funds.

PROSPECTS

AEP's vision is to significantly improve the quality of African lives by increasing access to, and use of, a variety of clean energy products by African countries, their industries and their citizens. Given the scale of the African continent's unsatisfied need for electricity, the Board is of the view that the opportunity to invest in cash-generative distributed clean energy assets with clear long-term earnings visibility and superior risk-adjusted returns for investors is significant.

While AEP is considering a number of potential investments, the Company has not, and at the Listing Date will not have, entered into any formal and binding acquisition agreements in relation to the acquisition of any Viable Assets.

DIVIDEND POLICY

The Board does not intend to declare dividends prior to the acquisition of Viable Assets. The Company may thereafter, subject to the requirements of sections 4 and 46 of the Companies Act, declare and pay dividends to Shareholders should the Board consider it appropriate in the circumstances.

THE OFFER

The **Offer** comprises:

- a Private Placement to Private Placees, at the offer price of R10.00 ("**Offer Price**") per Offer Share, in respect of no less than 39 000 000 Offer Shares, or such additional Shares as the Board may determine in their discretion, and the subsequent raising of approximately R390 000 000 or such higher amount should additional Shares be issued ("**Private Placement**"); and
- an offer to certain Retail Investors at the discretion of the Board at the Offer Price, in respect of no more than 1 000 000 Offer Shares, or such additional Shares as the Board may determine in their discretion, and the subsequent raising of approximately R10 000 000 or such higher amount should additional Shares be issued ("**Retail Offer**").

Consequently, the Offer is not an offer to the general public and only constitutes an Offer for the subscription of Offer Shares to Private Placees and Retail Investors.

CONDITIONS TO THE OFFER

The Offer and Listing is conditional upon the Company:

- achieving a spread of public shareholders acceptable to the JSE at the time of Listing on the AltX, being public shareholders holding collectively not less than 10% of the issued share capital of the Company to ensure reasonable liquidity; and
- raising the Minimum Capital Amount. The Minimum Capital Amount represents the minimum amount of capital required by the Company to qualify for a listing on the AltX. The Directors however, are of the view that the Targeted Capital Amount of R400 000 000 will provide the Company with the optimum amount of capital to secure investments in Viable Assets falling within its investment and acquisition criteria.

If the above conditions are not fulfilled, the Offer and any acceptance thereof shall not be of any force or effect and no person shall have any claim whatsoever against AEP or any other person as a result of the failure of any condition.

INVESTMENT STRUCTURE

Qualifying Investors may apply (and thus subscribe) for Offer Shares by completing the Application Form (*blue*) which is enclosed in the Prospectus, and all applications must be done strictly in accordance with the provisions and prescribed Offer terms set forth in the Prospectus.

The Board reserves the right to accept or refuse any applications, either in whole or in part, or to abate any or all applications (whether or not received timeously) (and to allocate Offer Shares) in such manner as they may, in their sole and absolute discretion, determine.

On the Listing Date, all the Shares in issue will rank *pari passu* with each other in all respects, including voting rights and dividends.

Shareholders are advised that their Shares may only be traded on the JSE in Dematerialised form. Furthermore, the Offer Shares will be delivered in Dematerialised form only. No documents of title will be issued to Shareholders who participate in the Offer. Ordinary Shares held by the Founders in certificated form immediately prior to the Listing will be Dematerialised on or immediately prior to the Listing.

In accordance with the Listings Requirements and as more fully discussed in the Prospectus, it is anticipated that on the Listing Date, certain Directors will, directly or indirectly, acquire through the Private Placement an aggregate beneficial interest in Ordinary Shares of AEP representing 5% of the total issued share capital of the Company. Furthermore, as required by the Listings Requirements, a Custody Agreement has been concluded pursuant to which the Ordinary Shares acquired by certain Directors are to be held in custody to the effect that the Directors are prohibited from disposing of the Ordinary Shares until the day that falls six months after the Completion of an acquisition of Viable Assets by the Company.

Investors funds are to be held in escrow and invested conservatively in accordance with paragraph 4.36(b) of the Listings Requirements. The interest on the cash held in escrow will accrue in favour of the SPAC and accumulate in escrow.

The Company must complete an acquisition of Viable Assets within the Initial Period, and the acquisition of the Viable Assets must be approved by a majority of disinterested Directors and a simple majority of Shareholders present and entitled to vote at a general meeting.

At the general meeting referred to above, and in the event that not all of the capital raised from the Offer is utilised for purposes of the acquisition of Viable Assets, Shareholders will be requested to approve a further resolution for the Company to retain the Residual Capital in order to enhance the activities of the Viable Assets or to make further acquisitions.

If an acquisition of Viable Assets is not completed within a period of 24 months from the date on which the SPAC is listed (or such later date as the JSE may permit), the SPAC is required to return the monies initially invested to its Shareholders, plus accrued interest, less certain permitted expenses.

SALIENT DATES AND TIMES RELATING TO THE LISTING

The salient dates and times relating to the Listing are set out below:

	2017
Opening date of the Offer at 09:00 on	Monday, 15 May
Closing date of the Offer at 12:00 on	Friday, 26 May
Successful Applicants advised of allocations and results of the Offer released on SENS on	Tuesday, 30 May
Results of the Offer published in the South African press on	Wednesday, 31 May
Expected Listing Date	Thursday, 1 June
CSDP and broker accounts will be updated and debited with the funds on	Thursday, 1 June

1. All references to time are to South African Standard Time.
2. The above dates may change, and any such change will be published on SENS and in the South African press.
3. No applications will be accepted after 12:00 on Friday, 26 May 2017.
4. CSDPs effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.

SHARE CAPITAL

Share capital on Listing:

On incorporation, the Company's authorised share capital comprised 10 000 000 000 ordinary shares of no par value. The issued Ordinary Shares comprise the shares held by the Founders.

Accordingly, the authorised and issued share capital of the Company immediately prior to the Offer is as follows:

	R
Authorised	
10 000 000 000 ordinary shares of no par value	-
Issued	
200 ordinary shares of no par value	200

The total amount of the stated capital of the Company immediately prior to the Offer will be R200. No Shares are held in treasury.

Changes to the Authorised and Issued Share Capital of the Company after Listing:

The Company intends to raise R400 000 000, or such higher amount up to R500 000 000, at the discretion of the Board. Accordingly, assuming the Company raises the Targeted Capital Amount, the authorised and issued share capital of the Company immediately after the Offer will be as follows:

	R
Authorised	
10 000 000 000 ordinary shares of no par value	-
Issued	
40 000 200 ordinary shares of no par value	400 000 200

No Shares are held in treasury.

COPIES OF THE PROSPECTUS

The Prospectus is only available in English. Copies of the Prospectus will be made available on the Company's website at www.aep.co.za and may also be obtained during normal business hours from the registered office of the Company at c/o Thesele Group, 28 Fricker Road, Illovo, 2196, and at the offices of the Manager, Destiny Corporation Management Services, 1 Ann Crescent, Corner Linden Street, Sandown, Johannesburg, Gauteng, 2191, and the offices of the Designated Advisor at 1st Floor, Yellowwood House, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2191 from the date of issue hereof until Thursday, 1 June 2017.

Johannesburg

9 May 2017

Designated Advisor, Corporate Advisor and Bookrunner: Questco Proprietary Limited



Auditors and Independent Reporting Accountants: Deloitte & Touche



Attorneys: Bowmans



DISCLAIMER:

This Abridged Prospectus, and the information contained herein, is not for publication, distribution, or release, directly or indirectly, outside of South Africa.

This Abridged Prospectus does not constitute an offer, or an invitation or solicitation of an offer, for the subscription for, or sale of, Offer Shares in any jurisdiction, but is issued in compliance with the listings requirements of the JSE (the "Listings Requirements"), the Companies Act and the Companies Regulations, 2011, for the purpose of providing information with regards to AEP. Furthermore, this Abridged Prospectus does not constitute an advertisement or a prospectus registered and/or issued under the Companies Act. Any application or offer to subscribe for Offer Shares pursuant to the Offer will be made solely on the basis of the information that is contained in, and the terms and conditions set forth and prescribed in, the Prospectus.

This Abridged Prospectus contains statements about the Company that are or may be deemed to be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward- looking statements. These forward-looking statements are not based on historical facts, but rather reflect current views concerning future results and events and generally may be identified by the use of forward- looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, prospects, future expansion projects or future capital expenditure levels and other economic factors, such as, among other things, interest and exchange rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions and liquidity may differ materially from those made in, or suggested by, the forward-looking statements contained in this document.

All these forward-looking statements are based on estimates and assumptions made by the Company, all of which estimates and assumptions are inherently uncertain although the Company believes them to be reasonable. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include matters not yet known to the Company or not currently considered material by the Company. Important factors that could cause actual events to differ materially from the Company's expectations include the following: changes in political, economic, legal and social conditions in South Africa and elsewhere; fluctuations in currencies; future legislation, including regulations and rules, as well as changes in enforcement policies; and other factors beyond the Company's control.

Any forward-looking statement made in this Abridged Prospectus or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known.

The Company, disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this Abridged Prospectus whether as a result of new information, future developments or otherwise.

None of the forward-looking statements have been reviewed or reported on by the Auditors.

None of Questco Proprietary Limited ("**Questco**") and any of its directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this Abridged Prospectus (or whether any information has been omitted from the Abridged Prospectus) or any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the Abridged Prospectus or its contents or otherwise arising in connection therewith.

Questco is acting exclusively for the Company and no-one else in connection with the Offer and Listing. It will not regard any other person as its client in relation to the Offer and/or the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer and/or the Listing, the contents of this Abridged Prospectus or any transaction, arrangement or other matter referred to herein.