

## AEP Energy Africa Limited

Incorporated in the Republic of South Africa

(Registration number: 2017/024904/06)

JSE share code: AEY

ISIN: ZAE000241741

("AEP" or "the Company")



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### DEALINGS IN SECURITIES BY ASSOCIATES OF DIRECTORS

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Shareholders are referred to the announcement released on the Stock Exchange News Service of the JSE Limited ("JSE") on 26 June 2018 relating to the proposed acquisition by the Company of 100% of the shares in, and shareholder claims against, IberAfrica Power (East Africa) Limited ("IberAfrica") and the proposed capital raising by AEP of the Rand equivalent of up to US\$100 million by way of a specific issue of shares for cash ("the Specific Issue") ("the IberAfrica Announcement").

In compliance with paragraphs 3.63 to 3.65 of the JSE Listings Requirements, shareholders are notified that Destiny Corporation Management Services Proprietary Limited ("Destiny"), an associate of Nkosi Gugushe, Edwin Kikonyogo, Thabo Leeuw and Sello Moloko, who are directors of AEP, and Trodera Proprietary Limited ("Trodera"), the company through which Nkosi Gugushe and Edwin Kikonyogo hold a 47.9% interest in AEP, (collectively, "the Associates") have entered into an off-market agreement ("the Agreement") with the Company in terms of which they will, subject to the fulfilment of certain conditions precedent, subscribe for up to 26%, in aggregate, of the new shares in the Company to be issued pursuant to the Specific Issue, and at the same issue price as determined for the Specific Issue ("the Subscription"). Destiny provides asset management services to AEP in terms of an asset management agreement.

The Subscription remains subject to, *inter alia*, –

- the finalisation of funding arrangements between the Associates and a third-party financier in relation to the Subscription;
- the successful conclusion of the proposed acquisition of IberAfrica by the Company and it becoming unconditional; and
- the receipt of the requisite majority of votes in favour of the Subscription from disinterested AEP Shareholders in general meeting.

The Subscription is intended to achieve several attributes desirable for South African companies, *inter alia*, -

- a substantial self-financed black shareholding in the Company;
- a strong alignment of interests between the founding shareholders and executive management team with the interests of all other shareholders; and
- a mechanism through which the interests of key personnel of future investee companies and the Associate can be aligned with those of AEP shareholders, in the form of a Share Incentivisation Scheme to be implemented by Destiny.

In addition to the aforementioned dealing, Ebotos Capital Proprietary Limited, a company whose issued shares are 100% held by Sifiso Sibiyi, a director of AEP, has entered into an off-market agreement ("the Ebotos Agreement") with the Company in terms of which it will, subject to the fulfilment of certain conditions precedent, subscribe for 0.01% of the new shares in the Company to be issued pursuant to the Specific Issue, and at the same issue price ("the Ebotos Subscription").

Details of the Specific Issue, together with the ordinary resolution/s necessary to approve the Subscription and Ebotos Subscription and an opinion from an Independent Expert as to whether the terms of the Subscription and the Ebotos Subscription are fair insofar as the disinterested shareholders of AEP are concerned, will be included in the circular referred to in the IberAfrica Announcement.

The following additional details are disclosed with regard to the Subscription:

Directors' relationship to Destiny:	Nkosi Gugushe, Edwin Kikonyogo, Thabo Leeuw and Sello Moloko collectively, through a combination of direct and indirect holdings, have a controlling interest in the Associate
Directors' relationship to Trodera	Nkosi Gugushe and Edwin Kikonyogo each hold 50% of the issued shares in Trodera
Date of conclusion of the Agreement:	29 June 2018
Price per share:	The AEP shares issued in terms of the Subscription will be issued at the same price at which the Specific Issue is implemented
Total value:	An amount up to the Rand equivalent of no more than US\$26 million in aggregate
Class of shares:	Ordinary shares
Nature and extent of transaction:	Off-market subscription for shares
Type of interest:	Indirect beneficial
Clearance to deal obtained:	Yes

The following additional details are disclosed with regard to the Ebotos Subscription:

Directors' relationship to Ebotos:	100% shareholder
Date of conclusion of the Agreement:	29 June 2018
Price per share:	The AEP shares issued in terms of the Subscription will be issued at the same price at which the Specific Issue is implemented
Total value:	An amount up to the Rand equivalent of no more than US\$10 000
Class of shares:	Ordinary shares
Nature and extent of transaction:	Off-market subscription for shares
Type of interest:	Indirect beneficial
Clearance to deal obtained:	Yes

2 July 2018  
Johannesburg

**Corporate Advisor and Designated Advisor**



Questco Corporate Advisory Proprietary Limited