

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")



UPDATE IN RESPECT OF VIABLE ACQUISITION, SPAC STATUS AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

1. UPDATE IN RESPECT OF SPAC STATUS

Shareholders are referred to the announcement released on SENS on 3 October 2019 in which they were advised that the JSE had granted a further extension to AEP, until 25 October 2019, to finalise the acquisition of its Viable Asset.

Shareholders are advised that the JSE has informed the Company that the initial period within which to conclude the viable acquisition has formally ended with effect from the close of business yesterday, 29 October 2019.

2. UPDATE IN RESPECT OF THE ACQUISITION OF A VIABLE ASSET

Shareholders are referred to the announcement released on SENS on 27 March 2019 in which they were advised that the Company had received notice of the termination from the Seller ("the Notice") in relation to the Sale and Purchase Agreement ("SPA"), owing to delays in achieving completion.

Following receipt of the Notice, all of the requisite Kenyan Regulatory approvals for the acquisition of the Viable Asset achieved in November 2018 were not withdrawn, in the expectation of a reinstatement of the SPA and completion. Further, the Company received a letter agreement from the Seller in August 2019 wherein the Seller indicated that it would agree to a re-instatement of the SPA on its original terms and conditions, subject to the fulfilment of a number of conditions. This, together with the implementation of the finance and subscription agreements mentioned below, would pave way for the successful completion of the acquisition of the Viable Asset.

Shareholders are further referred to the announcement released on SENS on 3 October 2019 in which they were also advised that the Company had entered into binding facility agreements with a leading domestic bank, as well as binding equity subscription agreements with domestic and international investors, which agreements, upon implementation, provide the Company with financial resources in excess of USD 61,569,066, comprising the cash consideration for the Viable Asset.

As at the date of this announcement the Company has not succeeded in securing a re-instatement of its SPA with the Seller.

3. RETURN OF CAPITAL AND PROPOSED WINDING-UP OF THE COMPANY

A SPAC listed on the JSE is required to comply with the Listings Requirements, in particular Listing Requirement 4.37, which states that, following the initial period, the SPAC must:

- complete a distribution to shareholders equal to the aggregate amount held in escrow, net of applicable taxes and expenses related to the distribution and voluntary winding-up of the Company ("Distribution"); and

- propose a special resolution to shareholders for the voluntary winding-up of the Company.

The quantum of the Distribution is in the process of being calculated by the Board and shareholders will be advised thereof once it has been determined.

A notice to convene a general meeting of shareholders in order to consider and, if deemed fit, to pass, with or without modification, the resolutions necessary to approve and implement the voluntary winding-up of the Company will be sent to shareholders in due course.

4. RENEWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are advised that:

- the quantum and timing of the Distribution are still in the process of being determined by the Board; and
- the JSE is considering the suspension of the Company's securities.

In light of the above, shareholders are advised to continue exercising caution when dealing in the Company's securities until a further announcement is made.

Johannesburg

30 October 2019

Designated Advisor



Questco Corporate Advisory Proprietary Limited