

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



COPPERBELT ENERGY CORPORATION PLC ("CEC")
[Incorporated in the Republic of Zambia]

Company registration number: 39070
Share Code: CEC
ISIN: ZM0000000136
Authorised by: Julia C Z Chaila – Company Secretary

SPONSOR



Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456
Website: www.sbz.com.zm

APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price-sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 09 June 2020



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[“CEC” or “the Company”]

CAUTIONARY ANNOUNCEMENT

In accordance with Section 11.40 of the Lusaka Securities Exchange Listings Requirements (“LuSE Listings Requirements”), the Board of Directors of Copperbelt Energy Corporation Plc (“CEC” or “the Company”) wishes to inform shareholders and the market that the Power Supply Agreement (“PSA”) between CEC and Konkola Copper Mines Plc (“KCM”) came to an end on 31 March 2020 but was extended, through mutual agreement of the parties, to 31 May 2020. Consequently, effective 1 June 2020, there is no contractual basis upon which CEC can continue to supply electricity to KCM.

The market is further advised that KCM has accumulated a USD144.7 million debt to CEC in unpaid power charges representing twelve (12) months of consumption, which remained unresolved at expiry of the PSA.

To agree on the terms to further extend the PSA, CEC and KCM entered negotiations which have since broken down, despite CEC’s best efforts in good faith towards securing a new contract and engaging in comprehensive and cooperative negotiations.

Further, on 29 May 2020, KCM notified CEC that they had signed a term sheet for power supply with ZESCO Limited (“ZESCO”). The same day, the Government of the Republic of Zambia issued Statutory Instrument No. 57 of 2020 declaring CEC transmission and distribution infrastructure as “Common Carrier” to enable ZESCO distribute or wheel power through the CEC infrastructure to supply KCM. Subsequently, on 31 May 2020, the Energy Regulation Board set a wheeling tariff equivalent to about 30% of CEC’s current network tariff.

The combination of these developments, and as the deliberations around the settlement of KCM’s debt and the review of the contractual arrangements in respect of KCM continue, may have a material effect on the price of the Company’s securities and shareholders are advised to expect a more comprehensive announcement to be issued and are hereby advised to exercise caution when dealing in the Company’s securities until further information is published.

By Order of the Board

Julia C Z Chaila
Company Secretary

Issued in Lusaka, Zambia on Tuesday 09 June 2020

Lusaka Securities Exchange Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456
E | advisory@sbz.com.zm
W | www.sbz.com.zm

Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on 09 June 2020