

VSA Dispatch from South Africa – Africa Oil Week



Another day, another continent. This time our Dear Leader was in South Africa and his first stop is Jo Burg to spend a day with our partners Moshe Capital and meeting with various South African Mining Companies. Moshe Capital have recently been awarded the 2019's Corporate Finance Team of The Year by The Association of Black Securities and Investment Professionals. This is not an award Andrew expects to be winning at VSA for obvious reasons and some days he seems more interested in winning the Veterans Mixed Tennis tournament at his local tennis club.



VSA's partners: the Moshe Capital Team in Johannesburg

On his arrival Our Dear Leader likes to see a warm welcome. He flew via Durban to Jo Burg to take advantage of a very cheap BA Business class fare and at Durban he was surprised by the 17 wheelchairs waiting at the aircraft door, he had also noticed that the average age of the business class cabin was about 70. Looks like Andrew was in a “swallows flight” with Retired Brits taking the winter in South Africa to enjoy the sunshine and cheap lifestyle.

Anyway, it was Friday lunch when he arrived in Jo Burg for a “Mining Power Lunch” with Mining Executives held at The Local Grill.



In the evening Andrew met with Fortune Mojapelo, the CEO of Bushveld Mineral Limited (**LON:BMN**) to celebrate the successful closing on the first stage of funding for the RedT Energy plc (**LON:RED#**)-Avalon Battery Corporation merger where Bushveld have come in as a strategic funder and partner.

RedT Energy plc are experts in energy storage, specialising in the design, manufacture, installation and operation of energy storage infrastructure which creates revenue alongside reliable, low-cost renewable generation for businesses, industry and electricity distribution networks. Using patented vanadium redox flow technology to store energy in liquid, RedT's own energy storage machines can

be run continually with no degradation: charging and discharging for over 25 years, matching the lifespan of renewable assets in on-grid, off-grid and weak-grid settings.

Avalon Battery was founded on the principle that productized vanadium-based flow batteries will revolutionize energy projects and play a critical role in a renewable energy future. With operations in Fremont, California, USA and Vancouver, Canada, and a low-cost manufacturing presence in Suzhou, China, Avalon produces dependable, safe, and economical energy storage systems.

Fortune Mojapelo's view about the RedT-Avalon deal is that "this transaction deepens our downstream integration in the vanadium value chain by giving Bushveld Energy direct exposure to the VRFB technology for the first time. It also exemplifies the kind of partnerships we continue to establish within the sector, covering supply, deployment and investment through Bushveld Energy."

VSA Capital will be raising a minimum of \$30m in new funds on what will be a Reverse Takeover for RedT and Avalon on the AIM Market of the London Stock Exchange.

The whole EV and Transitional Energy theme hasn't really started in Africa but as someone commented to Andrew "electricity is a scarce resource in Africa so you wouldn't really want an EV would you!"

Andrew then also watched the Rugby World Cup final with the Moshe Capital Ladies with several thousand South African friends. Now we don't often feel sorry for Andrew but on this occasion it was rather a tough game to watch!



Konosoang Asare-Bediako and Mametja Moshe of Moshe Capital on Saturday morning

On Monday evening VSA hosted a small party in Cape Town at the Waterfront. We hired a film crew and invited Malcy, the (in)famous blogger for oil & gas, and set up a "Malcy's pit lane walk" film shoot giving oil industry executives the opportunity to present their investment case on video. This proved very popular and video clips will soon be posted on the VSA website and also each Company's website.



Malcy and Simon Phillips, CEO of Comarco



Malcy and Gil Holzman of Eco (Atlantic) Oil & Gas Limited (LON:ECO)

Comarco Port will soon be renamed Agulhas Group Africa plc as VSA is currently advising on the RTO into an LSE listed company - Anglo African Agriculture plc (LON: AAAP). The fundraising roadshow has commenced with meetings being organised with African Institutions. Last week they had been in New York and had a very successful reception as people really understood the value of Infrastructure such as Ports in Africa. The opportunity that the Mozambique LNG project presents for the group is massive and Andrew is keen to get US, African and British investors on board to create a fantastic shareholder base for the future.



Comarco Port in Mombasa, Kenya.

Andrew will be heading up to Johannesburg later this week to finish some business there and we suspect that then he will be staying in London to vote in the General Election. 2020 looks like an exciting year as VSA develops our activities in China and the continent of Africa, particularly linking them together, and also linking them with London. Quite a unique offering for corporates and investors alike.

Finally, Andrew reports back to us that there is a rather pessimistic view in South Africa about their own economy and on numerous occasions he has heard people question whether South Africa will “do a Zimbabwe!”. When Andrew visited Franschhoek to see the Kusasa project of which he is a trustee and where they have built a school for children from the shanty town to try and break the cycle of poverty, he heard from the local estate agent that sales of property had fallen by 50% over the last two years. The prevailing view seems to be that “the State” needs to privatise some of the major companies that they continue to run, such as South African Airlines and Eskom (the state power company) and Transnet (the port, rail and infrastructure company). This bearish outlook is such a shame, but Andrew says he won’t be buying his Rand yet for his next trip to South Africa (the Mining Indaba in February) as he feels despite it already being weak, it will only get weaker.

#VSA Capital acts as Broker to RedT Energy.

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