



THE CAPITAL MARKETS ACT

Chapter 485A of the Laws of Kenya | Regulation 4(3) of the Capital Markets (Take-overs and Mergers) Regulations, 2002

PUBLIC ANNOUNCEMENT

In relation to the proposed acquisition by RUBIS ÉNERGIE S.A.S of 100% of the remaining ordinary shares of KENOLKOBIL PLC not already legally or beneficially held by Rubis Énergie S.A.S

Pursuant to Regulation 4(3) of the Capital Markets (Take-overs & Mergers) Regulations, 2002 (the "Take-over Regulations"), we, Rubis Énergie SAS ("Rubis Énergie"), hereby announce to the public that, on 24th October 2018, we served on the board of directors of KenolKobil Plc ("KenolKobil") a notice of our intention to make a cash offer (the "Offer") in terms of which we intend to acquire 100% of the ordinary shares in the share capital of KenolKobil not already legally or beneficially owned by Rubis Énergie ("Notice of Intention").

1. The Proposed Offeree

The proposed offeree is KenolKobil, a public limited company incorporated under the laws of Kenya (Company number C6/59, listed on the Main Investment Market Segment of the Nairobi Securities Exchange Limited ("NSE"), whose registered office is Avenue 5 Building, Rose Avenue (off Lenana Road), 5th Floor, P. O. Box 44202-00100, Nairobi, Kenya.

Further information in relation to Company is available on its website at www.kenolkobil.com.

2. The Proposed Offeror

Rubis Énergie is a corporation organized and existing under the Laws of France (registered number 552 048 811) and having its registered office at Tour Franklin – 100, terrasse Boieldieu – 92800 Puteaux, France. Rubis Énergie, directly and via approximately 50 direct and indirect subsidiaries, engages in two broad sets of business activities organized into distinct business profit centres / divisions:

- Downstream petroleum products distribution businesses: the distribution of petroleum products, Liquefied Petroleum Gas ("LPG") and bitumen across three geographic areas: Europe, the Caribbean and Africa. Rubis Énergie focuses its growth on niche markets: geographic niches (areas that are structurally importers of petroleum products) or product niches (bitumen, LPG). These businesses are grouped into the "Rubis Énergie Distribution Division". Rubis Énergie and its subsidiaries that comprise this division distributed petroleum products amounting to 4 million cubic metres in the financial year ended 31 December 2017 and reported sales revenues of Euros ("EUR") 2.7 million, Earnings Before Interest Tax and Depreciation ("EBITDA") of EUR 314 million and net income of EUR 187 million for that financial year.
- Midstream businesses in support of the Rubis Énergie Distribution Division - primarily refining, trading/supply, shipping, terminalling and services for its own account and third parties. These businesses are grouped into the "Rubis Énergie Support and Services Division" and, for the year ended 31 December 2017, the Rubis Énergie subsidiaries that comprise this division reported sales revenues of EUR 895 million, EBITDA of EUR 99 million and net income of EUR 53 million.

Further details on Rubis Énergie can be found on its website at www.rubisenergie.com.

Rubis Énergie is a wholly owned subsidiary of Rubis S.C.A. Rubis S.C.A. is a partnership limited by shares, under French law, governed by Articles L. 226-1 to L. 226-14 of the French Commercial Code and, insofar as they are compatible with the aforementioned articles, by the provisions relating to ordinary limited partnerships and public limited companies, with the exception of Articles L. 225-17 to L. 225-93. Within this legal framework, Rubis Énergie is also governed by its by-laws. It is registered with the Paris Trade and Companies Register (RCS) with number 784 393 530. Its registered office is 105, avenue Raymond-Poincaré, 75116 Paris – France. Rubis S.C.A. is listed on the Euronext Paris stock exchange, compartment A, under ISIN code: FRO013269123. Rubis S.C.A.'s shares form part of the SBF 120 Index.

Rubis S.C.A. owns direct controlling stakes in two subsidiaries: Rubis Énergie in which it holds 100%; and Rubis Terminal incorporated in France in which it holds 99.94%. These subsidiaries in turn, own approximately 57 operating subsidiaries between them. Rubis S.C.A. and its direct and indirect subsidiaries make up the Rubis Group.

Rubis Terminal and its subsidiaries comprise the Rubis Terminal division and engage primarily in the operation of and rental of storage capacity for liquid products, fertilizers, chemical and agri-food products to oil companies, chemical companies, traders and government agencies. In the year ended 31 December 2017, this division contributed approximately 10% to the Rubis S.C.A. group consolidated sales revenue while the two Rubis Énergie divisions contributed the rest. For the financial year ended 31 December 2017, Rubis S.C.A. reported consolidated group revenues of EUR 3,993 million, EBITDA of EUR 496 million, net income attributable to shareholders of EUR 266 million, shareholders' funds attributable to owners of EUR 1,994 million, and cash and cash equivalents of EUR 825 million.

Further details on Rubis S.C.A., including its various group companies, annual financial reports, details of directors, core activities, management and major shareholders can be found on its website at www.rubis.fr.

Rubis Énergie's ten largest direct and indirect operating subsidiaries as 31/12/2017 ranked by contribution to group sales revenue are:

NAME	BUSINESS ACTIVITY & GEOGRAPHICAL AREA	COUNTRY OF INCORPORATION	% HOLDING
Rubis Eastern Caribbean	Distribution, Support and Services - Caribbean	Barbados	100
Société Anonyme de la Raffinerie des Antilles (SARA)	Refinery – Caribbean (French Guiana)	France	71
Rubis Antilles Guyane	Distribution - Caribbean	France	100
Société Réunionnaise de Produits Pétroliers (SRPP)	Distribution – Indian Ocean	France	100
REC Bitumen SRL	Distribution, Support and Services - Caribbean	Barbados	100
Distributeurs Nationaux SA(DINASA)	Distribution - Caribbean	Haiti	100
Rubis Energy Jamaica Ltd	Distribution - Caribbean	Jamaica	100
Rubis Guyana Inc	Distribution - Caribbean	Guyana	100
Rubis Bahamas Ltd	Distribution - Caribbean	Bahamas	100
Rubis Cayman Islands	Distribution - Caribbean	Cayman Islands	100

In addition to its subsidiary operating on Réunion Island, Rubis Énergie owns subsidiaries that operate distribution businesses in Southern Africa (Easigas (Pty) Ltd), West Africa (Ringardas Nigeria Ltd, Eres Togo and Eres Senegal), North Africa (Vitogaz Maroc) as well as the islands of Madagascar (Galana Madagascar and Vitogaz Madagascar), Mauritius (Eccleston Co Ltd) and Comoros (Vitogaz Comoros).

Save for the shares in KenolKobil to be purchased by Rubis Énergie (as set out below), Rubis S.C.A. has no direct or indirect holding in any company in Kenya nor any other country in the East Africa Community states.

The Rubis Group sees the Offer as an opportunity to acquire effective control over KenolKobil and to make KenolKobil an integral part of the Rubis Énergie Distribution Division and, hence, to extend Rubis Group's operations into East Africa Community states. Therefore, if Rubis Énergie proceeds to complete the Offer and acquires control of KenolKobil, Rubis Énergie intends to use its resulting shareholder votes to appoint the majority of the board of directors of KenolKobil and procure that KenolKobil adopts Rubis Group's financial and operating policies as a subsidiary of Rubis Énergie. Adopting Rubis Group's development strategy may, potentially, include KenolKobil adopting an increased level of capital investment that may impact KenolKobil's capacity to maintain its current dividend policy adversely for the next few years but with the aim of improving KenolKobil's operating capacity in the longer-term.

Rubis Group has successfully completed dozens of acquisitions of fuel retailing businesses in various geographies over the past 15 years and has developed a strong expertise in managing acquisitions and integrating new businesses. Its capacity to turnaround and restructure businesses, to grow or recalibrate operations and to develop both organically or through acquisitions have become Rubis Group's trademarks. Rubis Group has chosen to structure its operations in a decentralized manner, leaving local management with autonomy and responsibility while bringing them support in terms of finance and strategic input. Further, its subsidiaries benefit from group procurement and logistics expertise, helping secure competitive supply and access to products.

3. Current Shareholding by Rubis Énergie in KenolKobil

On 23rd October 2018, Rubis Énergie has acquired 367,793,124 ordinary shares of KES 0.05 each representing twenty four decimal nine nine per cent (24.99%) of KenolKobil's issued and listed share capital, via a transaction concluded on the NSE prevailing at a market price of KES 15.30 per Share ("Market Price") and in accordance with the NSE's trading rules (the "Block Trade").

Pursuant to an agreement dated 23rd October 2018 between Rubis Énergie and Wells Petroleum Limited ("Wells"), Rubis Énergie agreed that if it were to make a take-over offer for the shares before 22nd October 2019, then on the successful conclusion of such Take-Over Offer, it will pay to Wells, an amount equal to the difference between the offer price per Share ultimately paid by Rubis Énergie to other shareholders of KenolKobil pursuant to the Offer and the Market Price paid to Wells by Rubis Énergie as set out above for every share that Rubis Énergie purchased from Wells pursuant to the Block Trade.

4. Proposed Offer

Rubis Énergie proposes to acquire all the remaining issued (or to be issued) ordinary shares of KES 0.05 each (the "Offer Shares") in KenolKobil.

As at the date of this Notice, KenolKobil has 1,471,761,200 issued and listed shares. The Offer Shares, as at the date of the Notice of Intention therefore constitute 75.01% of the total issued and listed shares in KenolKobil.

KenolKobil has received the consent of the Capital Markets Authority to list an additional 79,000,000 ordinary shares to the trustees of the KenolKobil Group Employee Share Option Plan ("ESOP"). The listing is anticipated to be concluded on 31 October 2018. Upon such listing, KenolKobil's issued and listed share capital will increase to 1,550,761,200 ordinary shares and the Offer Shares will then constitute 76.28% of the total issued shares in KenolKobil.

If the Offer is accepted in full, Rubis Énergie will hold 1,550,761,200 ordinary shares of KES 0.05 each in KenolKobil, which would represent 100% of the issued share capital of KenolKobil after issuance of the additional shares to the ESOP.

In all respects, the Offer Shares will be acquired free from all liens, charges, encumbrances and other interests and together with all rights now and hereafter attaching thereto including the right to receive all dividends (and other distributions declared), made or paid after the date of the Notice of Intention other than the interim dividend of thirty six cents per Share declared by KenolKobil on 1 August 2018 that is due to be paid on or about 15 October 2018.

5. The Proposed Offer Price

The price payable for each Offer Share is **Kenya Shillings twenty three (KES 23/-)** ("Offer Price").

The Offer Price represents:

- a premium of 53.4% to the volume weighted average price (VWAP) at which shares of KenolKobil traded on the Nairobi Securities Exchange for the past 30 trading days up to 22 October 2018 (being two days before the date of the Notice of Intention and one day prior to the Block Trade);
- a premium of 50.5% to the daily average (ex-dividend) trading price at which shares traded on 22 October 2018;
- a Price to Accounting Book Net Asset Value per share multiple of 2.92 times based on the consolidated shareholders' funds / net assets attributable to shareholders that KenolKobil reported as at 30 June 2018 and of 3.18 times based on the consolidated shareholders' funds / net assets attributable to shareholders that KenolKobil reported as at 31 December 2017;
- a Price to Earnings per Share multiple of 5.13 times based on the (annualised) basic earnings per share that KenolKobil reported for the six-month period ended 30 June 2018 and of 13.77 times based on the basic earnings per share that KenolKobil reported for the financial year ended 31 December 2017; and
- an implied Total Enterprise Value ("TEV") to Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") multiple of 7.09 based on the unadjusted EBITDA extracted from the unaudited consolidated financial statements that KenolKobil reported for the six-month period ended 30 June 2018 and of 8.94 times based on the unadjusted EBITDA extracted from the audited consolidated financial statements that KenolKobil reported for the financial year ended 31 December 2017 and, in both cases, based on TEV computed on the basis of the Offer Price multiplied by 1,550,761,200 shares and adding back borrowings and deducting cash and cash equivalents as reported in KenolKobil's unaudited consolidated financial statements as at 30 June 2018.

6. Irrevocable Undertakings

Rubis Énergie has received irrevocable undertakings from certain shareholders of KenolKobil to accept the Offer as it relates to the shares in KenolKobil that they either hold or in respect of which they have some entitlement ("Subject Shares") as follows:

NAME AND ADDRESS OF THE PERSON GIVING THE IRREVOCABLE UNDERTAKING	DATE OF UNDERTAKING	NUMBER OF SHARES COVERED BY THE IRREVOCABLE UNDERTAKING	PERCENTAGE OF TOTAL ISSUED SHARES BEFORE THE ISSUANCE OF 79M SHARES TO KENOLKOBIL ESOP	PERCENTAGE OF TOTAL ISSUED SHARES AFTER THE ISSUANCE OF 79M SHARES TO KENOLKOBIL ESOP
Tasmin Limited	23rd October 2018	62,396,334	4.24%	4.02%
David Ohana	24th October 2018	88,000,000	n/a	5.67%
Total		150,396,334	4.24%	9.69%

Under the terms of the irrevocable undertaking Tasmin Limited has represented, warranted and undertaken to Rubis Énergie, inter alia:

- not to solicit, entertain or accept any offer to purchase the Subject Shares other than with respect to the Offer;
- to accept the Offer within 10 business days of the beginning of the offer period stipulated in the offer document to be provided in relation to the Offer;
- not to withdraw (or allow any person to withdraw) any acceptance of the Offer in respect of the Subject Shares or any of them notwithstanding that the Offer may contain rights for shareholders to withdraw acceptances;
- not to sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all of any of the Subject Shares or interest in the Subject Shares except under the Offer;
- not to requisition any shareholder meeting of the Company without the consent of Rubis Énergie;
- not to acquire any ordinary shares or any other interest in any other securities of KenolKobil; and
- to vote the Subject Shares in favour of any resolution that may be required in connection with the Offer and the take-over transaction contemplated by the Offer.

On 1 January 2017 David Ohana, KenolKobil's Chief Executive Officer was granted a right, under the terms of the ESOP, to acquire options over eighty-eight million (88,000,000) units in the ESOP on diverse future dates, at a subscription price of KES 10.30. Each such unit in the ESOP is the equivalent of one (1) ordinary share in the issued share capital of KenolKobil. The options over units can be exercised by Mr. Ohana on the relevant exercise dates or within 6 months of a "Change in Ownership", which includes a replacement of the largest shareholder of KenolKobil which has occurred by Rubis Énergie acquiring some shares from Wells as stated above.

By an undertaking dated 24th October 2018 to Rubis Énergie, Mr. Ohana undertook to Rubis Énergie that he will:

- exercise his options, pursuant to which the ESOP will allot to him 88,000,000 units in the ESOP; and
- redeem such units and instruct the trustees of the ESOP to sell the underlying 88,000,000 shares to Rubis Énergie by accepting the Offer.

7. Persons acting in concert and options to acquire shares

Rubis Énergie is not acting in concert with any person (whether pursuant to a formal or informal agreement or understanding) in relation to the acquisition of the Offer Shares.

Neither Rubis Énergie, nor any of its related companies or any person associated or acting in concert with it has an option to acquire any shares in KenolKobil (save as set out above in respect of various undertakings from Tasmin Limited and David Ohana).

8. Take-Over Offer Conditions

The Offer will be subject to fulfilment (or waiver at the sole discretion of Rubis Énergie where appropriate) of, inter alia, the following conditions by no later than the closing date as may be set out in the offer document:

- approvals in terms acceptable to Rubis Énergie of the transaction contemplated herein by the Competition Authority of Kenya, the COMESA Competition Authority, the Energy Regulatory Commission and any other relevant regulator as applicable in the various jurisdictions in which KenolKobil and its subsidiaries operate;
- the Board of KenolKobil recommending acceptance of the Offer to the shareholders of KenolKobil;
- such number of acceptances having been received from KenolKobil Shareholders that would bring Rubis Énergie's aggregate shareholding in KenolKobil to at least 50%+1 share;
- no governmental, revenue collection or regulatory body having decided to take any action or proceedings or make an investigation that might:
 - make the acquisition of ordinary shares of KenolKobil pursuant to the Offer void or illegal;
 - impose any restriction on the ability of KenolKobil to carry on its business as the same was carried on prior to the date of the Notice of Intention; or
 - otherwise materially affect the business profits or prospects of KenolKobil or Rubis Énergie;
- no material litigation or other legal proceedings having been commenced against KenolKobil or any of its subsidiaries and no order being given by a court or authority to prevent or restrict the transfer of any ordinary shares in KenolKobil under the Offer;
- there having been no change in the condition, financial or otherwise, or in the earnings, business, prospects or operations of KenolKobil or the Offer Shares, or any development, circumstance, ongoing occurrence or event which is likely to result in such a change, and which is fundamental to the willingness of Rubis Énergie to proceed with the investment on the terms contemplated by the Offer;
- the Offer having been completed by 5.00 p.m. on 30th July 2019 (Long Stop Date), unless such date is extended by Rubis Énergie, with the approval of the CMA; and
- the issue of the 79,000,000 additional shares in KenolKobil to the trustees of the ESOP having been concluded and all registrations, approvals and any other legal requirements in connection with the issue of the shares having been concluded to the satisfaction of Rubis Énergie.

For the avoidance of doubt, condition (a) shall not be capable of waiver by Rubis Énergie.

9. Intention to Delist and Squeeze Out

If the Offer is accepted by shareholders owning at least 90% of the shares of KenolKobil which are subject of the Offer, and Rubis Énergie's aggregate shareholding in KenolKobil amounts to ninety per cent (90%) or more of the shares of KenolKobil, Rubis Énergie intends to apply the provisions of the Take-over Regulations and Part XXIV, Division 4 of the Companies Act, 2015 to compulsorily acquire the remaining shares of KenolKobil.

If Rubis Énergie eventually acquires at least 75% but fewer than 90% of the shares of KenolKobil, it may take steps to delist the shares of KenolKobil from the NSE, subject to receipt of necessary corporate and regulatory approvals.

10. Take-Over Offer Documentation

Details of the Take-Over Offer will be set out in an offer document (the "Offer Document") prepared in accordance with the Take-Over Regulations. The Offer Document will include a timetable for the transaction including the period within which shareholders of KenolKobil will have to accept the Offer of 30 business days or such longer period as may be specified by Rubis Énergie (with the approval of the Capital Markets Authority of Kenya).

Dated 24th October 2018

RUBIS ÉNERGIE SAS