

## NEWS RELEASE

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### Ncondezi Energy Appoints Project Financial Adviser

16 September 2013: Ncondezi Energy ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce the appointment of KPMG LLP ("KPMG") as Project Financial Adviser for its 300MW integrated thermal coal mine and power plant project, the Ncondezi Project, which is located near Tete in northern Mozambique.

As Project Financial Adviser, KPMG will assist Ncondezi with sourcing development funding and finalisation of the Project's structure and the commercial agreements leading up to and including a bankable Power Purchase Agreement.

KPMG is one of the leading financial advisory firms involved in the development of Africa's power sector and have acted as financial and commercial advisers to various African state-owned utilities. The firm continues to play a pivotal role in the development of other large power projects in the region, including engagements in South Africa, Angola, Zimbabwe and Kenya. KPMG has also successfully advised numerous private developers investing in projects of similar nature and size, and more specifically, other coal fired power projects in Mozambique.

Commenting on the announcement Paul Venter, CEO, said *"The appointment of KPMG reflects the momentum building in the development of the Ncondezi Project as we focus on the key commercial and project structuring aspects of the power plant required to reach financial close on the power plant."*

*In order to sustain this momentum, Ncondezi will now embark on sourcing development capital to ensure the successful close out of the Project. KPMG's expertise in the African power sector will be instrumental in assisting us and in ensuring the bankability of the Ncondezi Project.*

*With the signing of the Power Framework Agreement and issuing of the Mining Concession, the Company is on track to deliver on key milestones this year, including the Power Purchase Agreement Heads of Terms with EdM, as part of the development programme to meet our target of generating electricity in 2017."*

#### Enquiries:

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**Ncondezi Energy** owns 100% of the Ncondezi Project which is strategically located in the power generating hub of the country, the Tete Province in northern Mozambique. The Company is developing an integrated thermal coal mine and power plant in phases of 300MW phases, up to 1,800MW and first production is planned for 2017. The first 300MW phase is targeting domestic consumption in Mozambique using existing transmission capacity to meet current demand.