

April 26, 2012

NCONDEZI COAL COMPANY LTD

("Ncondezi" or the "Company")

NCONDEZI INITIATES STRATEGIC PARTNER SEARCH

The Company announced today that it has embarked on an initiative to identify potential strategic partner(s) to further enhance long term value for and to participate in the development of the Company's flagship Ncondezi Coal Project (licences 804L & 805L) in Mozambique. The Company has appointed Standard Chartered Bank to act as financial advisor in relation to the partner search initiative. It is envisaged that potential participation could include one or all of the following: corporate and/or project equity; offtake; financing and construction capability. Given the Company's expectation that its export thermal coal project will be of significant interest to a number of potential partners, together with the expected completion of the Definitive Feasibility Study on the project in September 2012, timing to launch the strategic partner initiative is now opportune.

Standard Chartered is an international bank with extensive capabilities across Africa and strong relationships with potential strategic partners, particularly in India and Asia where the Company expects its primary thermal coal product to be sold.

Graham Mascall, CEO, said *"I believe that it is timely for the Company to launch a strategic partner search for our exciting Ncondezi Coal Project and am very pleased that we have appointed Standard Chartered to assist us in this important process. We intend to explore all options available and look forward to updating shareholders as the process unfolds."*

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