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NCONDEZI COAL COMPANY LTD

("Ncondezi" or the "Company")

Coal Resource on Ncondezi Project Upgraded to 4.7 Billion Tonnes and Update on Other Licences

Ncondezi Coal Company Limited (AIM: NCCL), a coal exploration and development company with coal assets in the Tete Province in Mozambique, announces a coal resource update on the complete Ncondezi Project including coal resources from previously excluded East, West and River blocks as part of the Company's ongoing work programme to complete a definitive feasibility study ("DFS") by Q3 2012 (the "DFS Work Programme").

Highlights:

- Total JORC coal resource on the Ncondezi Project upgraded to 4,655 million tonnes¹ as a result of additional coal resources being classified on the East, West and River blocks
 - Maiden coal resource of 716 million tonnes¹ classified on the East Block, of which 65% is classified in the indicated category
 - Inferred resources of 1,203 million tonnes¹ and 898 million tonnes¹ classified on the West and River blocks respectively
- Represents an increase of 157% compared to maiden 1,809 million tonnes¹ JORC coal resource classified in February 2010
- Includes 1,338 million tonnes of coal classified in the indicated category, a 108% increase over the measured and indicated resources classified in the 2010 maiden resource
- 4,071 million tonnes of the updated coal resource occur at depths of less than 250m below surface and are considered potentially mineable by open pit
- Only the South, North, Central and East blocks will be included in the DFS, representing 2,555 million tonnes¹ of coal, of which 52% is classified in the indicated category
- East Block coal zones are identified at surface and extend below 340m
- Wash yields indicate that the East Block has higher quality coals with higher yields compared to other blocks in the project

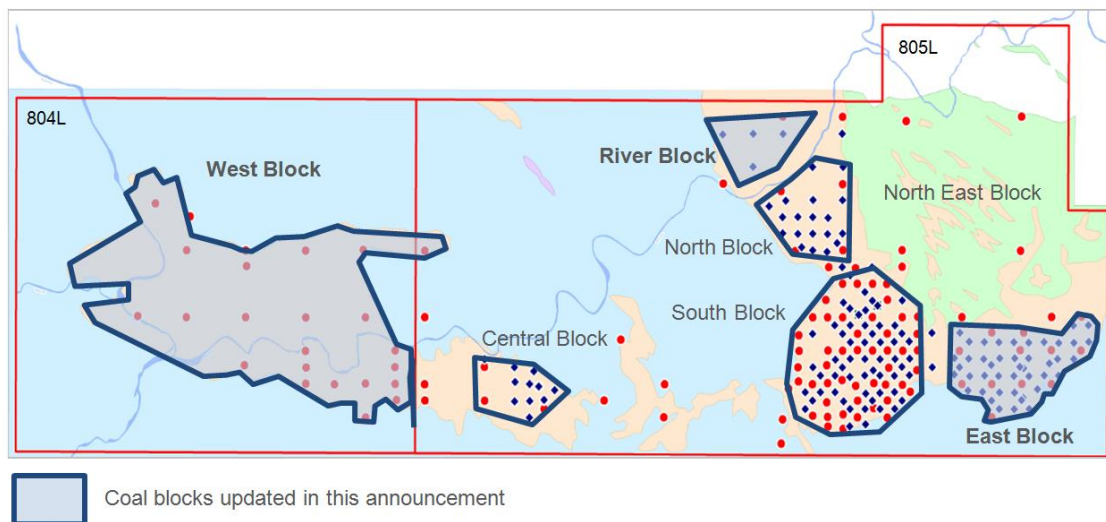
¹ Resources are in-situ ("TTIS"). Geological losses and a 0.5m minimum coal ply thickness cut-off were applied.

Graham Mascall, CEO of Ncondezi Coal Company, commented:

“The increased resource estimates represent a significant development for the Ncondezi Project and are a clear indication of its full potential. All resource blocks on the Ncondezi Project have now been modelled, and we are pleased to note that of the 4.7 billion tonnes classified, 1.3 billion tonnes has been classified in the indicated category which is eligible for transition into mineable coal reserves. The East Block’s size, classification and higher average product yields suggest that it will form a significant part of the final mine plan. The next phase of the DFS work programme will focus on mine optimisation and scheduling. Further updates and guidance on the Ncondezi Project will be made as information becomes available during the year, with an update on coking coal potential expected in the next 4 to 6 weeks.”

Ncondezi Project Resource Update

The DFS drill programme, completed in September 2011, identified six discrete coal blocks within the Ncondezi Project area that contained coal at depths amenable to open pit mining. These blocks are identified as the North, South, Central, East, West and River blocks. This announcement includes the updated and maiden resources for the East, West and River blocks, highlighted in the map below of the Ncondezi Project:



Following the provisional resource estimate announced on 21 December 2011 from the Company’s independent geological consultants, Mineral Corporation Consultancy (Pty) Ltd (“TMC”), TMC have now completed geological modelling on the final three coal blocks, East, West and River blocks, and have provided an updated JORC resource classification for the whole Ncondezi Project.

For the East Block, a coal resource of 716 million tonnes² has been classified, of which 465 million tonnes² (65% of total resource) is classified in the indicated category. For the West and River blocks, where drilling has been completed to a lesser drill hole spacing, inferred resources have been classified of 1,203 million tonnes² and 898 million tonnes² respectively.

² Resources are in-situ (“TTIS”). Geological losses and a 0.5m minimum coal ply thickness cut-off were applied.

The total JORC coal resource on the Ncondezi Project is now estimated at 4,655 million tonnes³ categorised as 1,338 million tonnes³ indicated and 3,317 million tonnes³ inferred resources. Of this, 4,071 million tonnes of resource occur at depths of less than 250m below surface and are considered potentially mineable by open pit. The resource upgrade represents an increase of 157% compared to the maiden 1,809 million tonnes³ JORC coal resource classified in February 2010.

Summary coal resources table, Ncondezi Project:

| Block | Coal Type | TTIS (Mt) | | | MTIS (Mt) |
|--------------|--------------------|--------------|--------------|--------------|--------------|
| | | Indicated | Inferred | Total | Total |
| South | High Vol | 241 | 113 | 355 | 333 |
| | Low Vol | 363 | 131 | 494 | 477 |
| | Total South | 605 | 244 | 849 | 810 |
| North | High Vol | 133 | 242 | 374 | 324 |
| | Low Vol | 27 | 59 | 86 | 72 |
| | Total North | 159 | 301 | 460 | 396 |
| East | High Vol | 183 | 115 | 298 | 282 |
| | Low Vol | 283 | 135 | 418 | 408 |
| | Total East | 465 | 250 | 716 | 690 |
| Central | High Vol | 109 | 422 | 530 | 422 |
| West | High Vol | - | 1,203 | 1,203 | 1,140 |
| River | High Vol | - | 898 | 898 | 612 |
| Total | | 1,338 | 3,317 | 4,655 | 4,071 |

Notes to resource table:

- The above resource table is a summary. A more detailed table is provided in the resource section below
- Indicated resources are defined within areas where the spacing of boreholes with raw coal quality data is approximately 500 metres. Extrapolation of these areas is limited to approximately 250 metres
- Inferred resources are defined within areas where the spacing of boreholes with raw coal quality data is approximately 2000 metres. Extrapolation of these areas is limited to approximately 1000 metres
- GTIS (Gross Tonnage in-situ) figures represent the entire classified resource for the block, below the observed limit-of-weathering, with application of a 0.5 metre minimum ply thickness cut-off, but no depth restriction (in parts of some Blocks, resources reach 500m depth)
- TTIS (Total Tonnes in-situ) figures for high and low volatile coals were calculated from the GTIS tonnage by applying Geological Losses. The losses applied were generally 10% for Indicated resources and 15% for Inferred resources. In the Central Block, these were increased to 15% and 20% respectively to account for interpreted dykes that were not modelled
- MTIS (Mineable Tonnes in-situ) figures represent that part of the TTIS which exists above a depth cut-off of 250m
- "Low Volatile" coals have been devolatilised by igneous intrusions. Studies by Ncondezi indicate that these coals may be economic
- The North, South, East and Central Block models comprise detailed ply models suitable for mine planning purposes. The West and River Block models use a cumulative coal thickness methodology that is appropriate only to the classification of Inferred Resources
- As hydrological studies have not yet been conducted, no allowance has been made for potential sterilisation of resources below the limits of the Ncondezi or Revuboe Rivers' flood lines. This could affect resources in the River, North, Central and West Blocks
- Certain amounts of dummy data are included in the quality database, particularly wash analyses of low-volatile coal samples; further analytical work is in progress
- A QA/QC process is currently underway at one of the laboratories. It is expected that this will result in an increase in CV, and hence product yields, for the affected samples. Based on the distribution of these samples it is anticipated that there will be no material effect on resources previously reported in the public domain. With regard to the resources being reported herein for the first time, it is likely that there will be a positive, material impact for the River Block, the West Block and Zones D, E and F of the Central Block. These potentially affected resources are predominantly in the inferred category.

³ Resources are in-situ ("TTIS"). Geological losses and a 0.5m minimum coal ply thickness cut-off were applied.

The East Block contains four main coal-bearing zones that can attain thicknesses up to 80 metres and have undulating dips averaging about 5 degrees. The coal zones extend down-dip from surface to a depth of at least 340 metres however, 96% of the classified resources lie above a depth of 250 metres. In comparison with the other blocks on the Ncondezi Project, the East Block coal qualities appear to be of a higher quality, with higher average yields on product coals. The East Block's resource size and higher average qualities highlight the potential to be a significant part of the DFS mine plan.

The DFS study will focus on the South, North, Central and East blocks, representing 2,555 million tonnes⁴ of coal, of which 52% is classified in the indicated category. The Company's focus is to now transition indicated resources into mineable reserves. Part of this process is to complete optimisation programmes on wash plant, mine design and costs which will then feed into a mine schedule and ultimately the complete mine plan. This is expected to be an ongoing process leading up to the DFS target completion date, but the Company plans to make further announcements in the coming months as more information becomes available.

Update on the Company's other licences – 1314L & 1315L

The reconnaissance drill programmes have been completed on licences 1314L & 1315L, which are located to the west and south of the Ncondezi Project. Analysis of the results indicates that, although coal was identified on both licences, there is little or no potential for economic coal resources at these licences. Consequently, the Company decided not to pursue further evaluation work on these licences and has relinquished them to the Ministry of Mineral Resources Mozambique.

The updated coal resource estimates for the Ncondezi Project are summarised below. The coal resource estimates have required subsequent calculations to derive sub-totals, totals, and weighted averages and as such a degree of rounding has occurred. The tables containing such data may thus appear to contain minor differences that TMC does not consider to be material.

⁴ Resources are in-situ ("TTIS"). Geological losses and a 0.5m minimum coal ply thickness cut-off were applied.

| SOUTH BLOCK | Coal type | Zone | Category | GTIS Mt | TTIS Mt | MTIS Area Mm ² | MTIS Volume Mm ³ | MTIS Mt | Average ply thickness m | Raw MTIS Qualities (air-dried basis) | | | | | | |
|---------------------|-------------------------|--------------|-----------|---------|---------|---------------------------|-----------------------------|---------|-------------------------|--------------------------------------|------|------|-------|-------|----------|------|
| | | | | | | | | | | RD | IM % | AS % | VM % | FC % | CV MJ/kg | TS % |
| SOUTH BLOCK | HIGH VOLATILE | D (11 plies) | Indicated | 15 | 14 | 6 | 7 | 14 | 1.25 | 1.92 | 2.6 | 58.0 | 18.4 | 21.0 | 11.18 | 1.15 |
| | | | Inferred | 7 | 6 | 3 | 3 | 6 | 1.05 | 1.93 | 2.2 | 57.6 | 18.7 | 21.6 | 11.50 | 1.06 |
| | | C (6 plies) | Indicated | 17 | 15 | 7 | 8 | 15 | 1.18 | 1.86 | 2.2 | 55.4 | 17.5 | 24.9 | 12.88 | 1.38 |
| | | | Inferred | 5 | 4 | 2 | 2 | 4 | 1.13 | 1.87 | 2.3 | 55.4 | 17.3 | 24.8 | 12.70 | 1.25 |
| | | B (16 plies) | Indicated | 74 | 67 | 24 | 36 | 67 | 1.51 | 1.85 | 1.5 | 52.9 | 17.9 | 27.8 | 13.87 | 1.25 |
| | | | Inferred | 36 | 31 | 10 | 16 | 31 | 1.59 | 1.86 | 1.5 | 53.2 | 17.5 | 28.0 | 13.59 | 1.29 |
| | | A (24 plies) | Indicated | 162 | 146 | 61 | 79 | 141 | 1.29 | 1.79 | 1.2 | 48.7 | 19.0 | 31.2 | 15.59 | 1.14 |
| | | | Inferred | 85 | 72 | 29 | 30 | 56 | 1.06 | 1.83 | 1.0 | 51.4 | 18.3 | 29.4 | 14.48 | 1.06 |
| | | Totals | Indicated | 268 | 241 | 98 | 130 | 236 | 1.33 | 1.82 | 1.4 | 50.8 | 18.5 | 29.2 | 14.68 | 1.19 |
| | | | Inferred | 133 | 113 | 44 | 52 | 97 | 1.18 | 1.84 | 1.3 | 52.5 | 18.0 | 28.3 | 13.93 | 1.14 |
| | LOW VOLATILE | C (6 plies) | Indicated | 6 | 5 | 2 | 3 | 5 | 1.19 | 2.02 | 1.6 | 63.9 | 7.1 | 27.5 | 8.94 | 1.23 |
| | | | Inferred | 3 | 2 | 1 | 1 | 2 | 1.03 | 2.02 | 1.5 | 63.4 | 7.9 | 27.2 | 9.38 | 1.26 |
| | | B (16 plies) | Indicated | 135 | 121 | 36 | 62 | 121 | 1.74 | 1.94 | 2.1 | 54.8 | 7.0 | 35.6 | 11.39 | 1.00 |
| | | | Inferred | 20 | 17 | 6 | 9 | 17 | 1.43 | 1.90 | 2.0 | 53.3 | 7.5 | 36.2 | 11.96 | 1.19 |
| A (24 plies) | | Indicated | 263 | 237 | 86 | 121 | 233 | 1.42 | 1.92 | 2.1 | 50.5 | 7.6 | 39.8 | 12.97 | 0.92 | |
| | | Inferred | 131 | 111 | 36 | 51 | 99 | 1.42 | 1.93 | 2.6 | 50.7 | 7.5 | 39.3 | 13.01 | 0.81 | |
| Totals | Indicated | 404 | 363 | 124 | 186 | 359 | 1.51 | 1.93 | 2.1 | 52.1 | 7.4 | 38.2 | 12.38 | 0.95 | | |
| | Inferred | 154 | 131 | 44 | 61 | 118 | 1.41 | 1.93 | 2.5 | 51.3 | 7.5 | 38.6 | 12.79 | 0.87 | | |
| LOW & HIGH VOLATILE | A, B, C & D (104 plies) | Indicated | 672 | 605 | 222 | 316 | 595 | 1.43 | 1.88 | 1.8 | 51.6 | 11.8 | 34.6 | 13.29 | 1.04 | |
| | | Inferred | 287 | 244 | 88 | 114 | 215 | 1.30 | 1.89 | 1.9 | 51.9 | 12.2 | 33.9 | 13.30 | 0.99 | |

| Coal type | Zone | Category | GTIS Mt | TTIS Mt | MTIS Area Mm ² | MTIS Volume Mm ³ | MTIS Mt | Average ply thickness m | Raw MTIS Qualities (air-dried basis) | | | | | | | |
|---------------------|--------------------|--------------|-----------|---------|---------------------------|-----------------------------|---------|-------------------------|--------------------------------------|------|------|------|------|----------|-------|------|
| | | | | | | | | | RD | IM % | AS % | VM % | FC % | CV MJ/kg | TS % | |
| HIGH VOLATILE | C (15 plies) | Indicated | 43 | 39 | 18 | 21 | 39 | 1.20 | 1.83 | 2.1 | 52.1 | 17.6 | 28.2 | 14.01 | 1.01 | |
| | | Inferred | 18 | 15 | 7 | 8 | 15 | 1.16 | 1.76 | 2.0 | 50.4 | 18.6 | 29.2 | 14.90 | 0.95 | |
| | B (10 plies) | Indicated | 56 | 51 | 22 | 29 | 51 | 1.30 | 1.74 | 1.3 | 45.8 | 19.7 | 33.2 | 16.97 | 0.95 | |
| | | Inferred | 29 | 25 | 11 | 14 | 25 | 1.25 | 1.73 | 1.2 | 46.7 | 20.2 | 31.8 | 16.60 | 0.86 | |
| | A (16 plies) | Indicated | 104 | 93 | 33 | 52 | 93 | 1.56 | 1.79 | 0.9 | 48.9 | 17.9 | 32.3 | 15.79 | 0.80 | |
| | | Inferred | 89 | 76 | 23 | 34 | 60 | 1.52 | 1.79 | 0.9 | 49.4 | 18.5 | 31.3 | 15.63 | 0.66 | |
| | Totals | Indicated | 203 | 183 | 74 | 102 | 182 | 1.39 | 1.78 | 1.3 | 48.7 | 18.4 | 31.7 | 15.74 | 0.89 | |
| | | Inferred | 136 | 115 | 41 | 57 | 100 | 1.38 | 1.77 | 1.1 | 48.9 | 18.9 | 31.1 | 15.76 | 0.75 | |
| | LOW VOLATILE | C (15 plies) | Indicated | 56 | 50 | 18 | 26 | 50 | 1.50 | 1.92 | 1.9 | 55.7 | 7.4 | 34.9 | 11.33 | 0.82 |
| | | | Inferred | 16 | 14 | 6 | 7 | 14 | 1.30 | 1.90 | 2.2 | 54.8 | 7.6 | 35.5 | 11.98 | 0.88 |
| B (10 plies) | | Indicated | 102 | 92 | 36 | 49 | 92 | 1.34 | 1.88 | 2.0 | 49.9 | 7.4 | 40.6 | 13.36 | 0.80 | |
| | | Inferred | 43 | 37 | 14 | 19 | 37 | 1.38 | 1.92 | 2.0 | 49.8 | 7.1 | 41.1 | 13.45 | 0.97 | |
| A (16 plies) | | Indicated | 156 | 141 | 46 | 73 | 139 | 1.58 | 1.90 | 1.8 | 50.8 | 7.8 | 39.6 | 13.10 | 0.71 | |
| | | Inferred | 99 | 84 | 27 | 40 | 77 | 1.50 | 1.92 | 1.8 | 51.8 | 8.1 | 38.2 | 12.60 | 0.65 | |
| Totals | | Indicated | 314 | 283 | 101 | 148 | 281 | 1.48 | 1.90 | 1.9 | 51.4 | 7.6 | 39.1 | 12.87 | 0.76 | |
| | | Inferred | 159 | 135 | 46 | 66 | 127 | 1.44 | 1.92 | 1.9 | 51.5 | 7.8 | 38.8 | 12.78 | 0.77 | |
| LOW & HIGH VOLATILE | A, B, C (82 plies) | Indicated | 517 | 465 | 174 | 250 | 463 | 1.44 | 1.85 | 1.6 | 50.4 | 11.8 | 36.2 | 14.00 | 0.81 | |
| | | Inferred | 295 | 250 | 88 | 123 | 227 | 1.41 | 1.85 | 1.6 | 50.4 | 12.7 | 35.4 | 14.09 | 0.76 | |

| | Coal type | Zone | Category | GTIS Mt | TTIS Mt | MTIS Area Mm ² | MTIS Volume Mm ³ | MTIS Mt | Average ply thickness m | Raw MTIS Qualities (air-dried basis) | | | | | | | |
|-------------|---------------------|------------------|--------------|-----------|---------|---------------------------|-----------------------------|---------|-------------------------|--------------------------------------|------|------|------|------|----------|------|------|
| | | | | | | | | | | RD | IM % | AS % | VM % | FC % | CV MJ/kg | TS % | |
| NORTH BLOCK | HIGH VOLATILE | B (24 plies) | Indicated | 82 | 73 | 17 | 33 | 66 | 1.95 | 2.01 | 1.6 | 64.3 | 16.1 | 18.0 | 9.54 | 0.69 | |
| | | | Inferred | 248 | 211 | 37 | 84 | 168 | 2.28 | 2.01 | 1.5 | 64.7 | 16.0 | 17.8 | 9.44 | 0.70 | |
| | | A (17 plies) | Indicated | 66 | 59 | 19 | 32 | 59 | 1.66 | 1.86 | 1.2 | 52.2 | 18.2 | 28.4 | 14.59 | 1.10 | |
| | | | Inferred | 37 | 31 | 11 | 16 | 31 | 1.47 | 1.86 | 1.2 | 53.3 | 17.6 | 28.0 | 14.11 | 1.33 | |
| | | Totals | Indicated | 147 | 133 | 36 | 65 | 125 | 1.79 | 1.93 | 1.4 | 58.6 | 17.1 | 22.9 | 11.93 | 0.89 | |
| | | | Inferred | 284 | 242 | 48 | 100 | 199 | 2.09 | 1.98 | 1.4 | 62.9 | 16.3 | 19.4 | 10.16 | 0.80 | |
| | | LOW VOLATILE | B (17 plies) | Indicated | 15 | 14 | 4 | 6 | 13 | 1.68 | 2.10 | 2.3 | 67.1 | 7.1 | 23.5 | 7.93 | 0.58 |
| | | | | Inferred | 65 | 55 | 9 | 20 | 41 | 2.18 | 2.10 | 2.0 | 69.8 | 7.2 | 21.2 | 7.36 | 0.69 |
| | A (13 plies) | | Indicated | 15 | 13 | 5 | 7 | 13 | 1.25 | 1.91 | 2.6 | 53.2 | 8.1 | 36.1 | 12.51 | 1.31 | |
| | | | Inferred | 5 | 4 | 2 | 2 | 4 | 1.20 | 1.91 | 2.5 | 53.4 | 8.0 | 36.2 | 12.43 | 1.21 | |
| | Totals | | Indicated | 30 | 27 | 9 | 13 | 26 | 1.43 | 2.00 | 2.5 | 60.2 | 7.6 | 29.7 | 10.21 | 0.94 | |
| | | | Inferred | 70 | 59 | 11 | 22 | 46 | 2.02 | 2.08 | 2.0 | 68.3 | 7.2 | 22.5 | 7.82 | 0.73 | |
| | LOW & HIGH VOLATILE | A & B (71 plies) | Indicated | 177 | 159 | 45 | 78 | 151 | 1.72 | 1.95 | 1.6 | 58.8 | 15.5 | 24.1 | 11.63 | 0.90 | |
| | | | Inferred | 354 | 301 | 59 | 122 | 245 | 2.08 | 2.00 | 1.5 | 63.9 | 14.6 | 20.0 | 9.72 | 0.79 | |

| CENTRAL BLOCK | Coal type | Zone | Category | GTIS Mt | TTIS Mt | MTIS Area Mm ² | MTIS Volume Mm ³ | MTIS Mt | Average ply thickness m | Raw MTIS Qualities (air-dried basis) | | | | | | | |
|---------------|---------------|--------------|-----------|---------|---------|---------------------------|-----------------------------|---------|-------------------------|--------------------------------------|------|------|------|------|----------|------|--|
| | | | | | | | | | | RD | IM % | AS % | VM % | FC % | CV MJ/kg | TS % | |
| CENTRAL BLOCK | HIGH VOLATILE | F (4 plies) | Indicated | 0 | 0 | 0 | 0 | 0 | | | | | | | | | |
| | | | Inferred | 28 | 22 | 9 | 11 | 22 | 1.29 | 1.99 | 1.8 | 63.5 | 17.8 | 16.9 | 9.10 | 1.16 | |
| | | E (5 plies) | Indicated | 0 | 0 | 0 | 0 | 0 | | | | | | | | | |
| | | | Inferred | 52 | 41 | 18 | 21 | 40 | 1.16 | 1.95 | 1.7 | 60.4 | 18.8 | 19.1 | 10.36 | 0.66 | |
| | | D (5 plies) | Indicated | 5 | 4 | 1 | 2 | 4 | 3.26 | 2.11 | 1.8 | 68.6 | 15.1 | 14.6 | 7.48 | 0.58 | |
| | | | Inferred | 99 | 79 | 21 | 35 | 70 | 1.66 | 2.02 | 1.6 | 65.8 | 16.7 | 15.9 | 8.40 | 0.51 | |
| | | C (10 plies) | Indicated | 24 | 20 | 9 | 10 | 20 | 1.15 | 2.01 | 1.9 | 64.9 | 16.2 | 17.0 | 8.87 | 0.85 | |
| | | | Inferred | 115 | 92 | 28 | 32 | 63 | 1.12 | 2.00 | 1.6 | 65.4 | 16.1 | 16.9 | 8.67 | 0.71 | |
| | | B (9 plies) | Indicated | 38 | 32 | 7 | 16 | 32 | 2.43 | 2.00 | 1.6 | 62.9 | 16.4 | 19.0 | 10.02 | 1.21 | |
| | | | Inferred | 115 | 92 | 13 | 30 | 60 | 2.39 | 2.00 | 1.4 | 62.6 | 17.0 | 19.1 | 10.41 | 1.18 | |
| | | A (16 plies) | Indicated | 60 | 51 | 15 | 27 | 51 | 1.79 | 1.91 | 1.5 | 56.8 | 18.2 | 23.5 | 12.32 | 0.72 | |
| | | | Inferred | 118 | 95 | 19 | 31 | 59 | 1.60 | 1.91 | 1.3 | 56.5 | 18.4 | 24.0 | 12.67 | 0.94 | |
| | | Totals | Indicated | 128 | 109 | 31 | 55 | 108 | 1.78 | 1.96 | 1.6 | 60.6 | 17.2 | 20.6 | 10.79 | 0.88 | |
| | | | Inferred | 527 | 422 | 108 | 159 | 314 | 1.48 | 1.98 | 1.5 | 62.5 | 17.3 | 18.7 | 9.93 | 0.82 | |

| WEST BLOCK | Coal type | Zone | Category | GTIS Mt | TTIS Mt | MTIS Area Mm ² | MTIS Volume Mm ³ | MTIS Mt | Average ply thickness m | Raw MTIS Qualities (air-dried basis) | | | | | | | |
|------------|---------------|------|----------|----------|---------|---------------------------|-----------------------------|---------|-------------------------|--------------------------------------|------|------|------|------|----------|-------|------|
| | | | | | | | | | | RD | IM % | AS % | VM % | FC % | CV MJ/kg | TS % | |
| WEST BLOCK | HIGH VOLATILE | | D | Inferred | 169 | 143 | 15 | 77 | 143 | 5.20 | 1.85 | 2.6 | 52.6 | 22.6 | 22.2 | 13.01 | 0.94 |
| | | | C | Inferred | 202 | 171 | 21 | 92 | 171 | 4.44 | 1.87 | 2.4 | 53.8 | 21.8 | 22.1 | 12.21 | 0.78 |
| | | | B | Inferred | 261 | 222 | 20 | 113 | 222 | 5.61 | 1.96 | 2.1 | 59.1 | 19.3 | 19.6 | 10.88 | 0.90 |
| | | | A | Inferred | 784 | 666 | 22 | 309 | 604 | 14.21 | 1.95 | 2.0 | 58.7 | 19.1 | 20.2 | 10.94 | 1.18 |
| | | | Totals | Inferred | 1,415 | 1,203 | 77 | 591 | 1,140 | 7.64 | 1.93 | 2.2 | 57.3 | 20.0 | 20.6 | 11.38 | 1.04 |

| RIIVER BLOCK | Coal type | Zone | Category | GTIS Mt | TTIS Mt | MTIS Area Mm ² | MTIS Volume Mm ³ | MTIS Mt | Average ply thickness m | Raw MTIS Qualities (air-dried basis) | | | | | | |
|---------------|---------------|-----------------|----------|--------------|------------|---------------------------|-----------------------------|------------|-------------------------|--------------------------------------|------------|-------------|-------------|-------------|--------------|-------------|
| | | | | | | | | | | RD | IM % | AS % | VM % | FC % | CV MJ/kg | TS % |
| HIGH VOLATILE | <i>E</i> | Inferred | | 77 | 66 | 3 | 31 | 66 | 11.97 | 2.10 | 1.5 | 67.4 | 15.8 | 15.3 | 8.15 | 1.00 |
| | <i>D</i> | Inferred | | 232 | 197 | 3 | 71 | 142 | 21.84 | 2.00 | 2.0 | 62.1 | 16.4 | 19.5 | 10.34 | 0.81 |
| | <i>C</i> | Inferred | | 185 | 158 | 3 | 49 | 96 | 16.74 | 1.96 | 1.6 | 61.3 | 16.1 | 20.9 | 10.83 | 1.29 |
| | <i>B</i> | Inferred | | 179 | 152 | 3 | 43 | 84 | 12.47 | 1.94 | 1.5 | 59.4 | 16.0 | 23.2 | 11.38 | 1.10 |
| | <i>A</i> | Inferred | | 382 | 325 | 4 | 119 | 225 | 32.61 | 1.89 | 1.1 | 57.0 | 16.5 | 25.4 | 12.41 | 1.04 |
| | Totals | Inferred | | 1,056 | 898 | 16 | 313 | 612 | 19.71 | 1.95 | 1.5 | 60.3 | 16.3 | 21.9 | 11.08 | 1.03 |

| SUMMARY ALL BLOCKS | Coal type | Zone | Category | GTIS Mt | TTIS Mt | MTIS Area Mm ² | MTIS Volume Mm ³ | MTIS Mt | Average ply thickness m | Raw MTIS Qualities (air-dried basis) | | | | | | |
|--------------------|---------------|------------------|----------|--------------|--------------|---------------------------|-----------------------------|--------------|-------------------------|--------------------------------------|------------|-------------|-------------|-------------|--------------|-------------|
| | | | | | | | | | | RD | IM % | AS % | VM % | FC % | CV MJ/kg | TS % |
| HIGH VOLATILE | Totals | Indicated | | 746 | 665 | 239 | 352 | 651 | 1.48 | 1.85 | 1.4 | 53.3 | 18.0 | 27.3 | 13.80 | 0.99 |
| | | Inferred | | 3,551 | 2,992 | 335 | 1,272 | 2,463 | 1.53 | 1.93 | 1.8 | 58.6 | 18.3 | 21.3 | 11.30 | 0.98 |
| | Totals | Indicated | | 748 | 673 | 233 | 347 | 667 | 1.49 | 1.92 | 2.0 | 52.1 | 7.5 | 38.3 | 12.50 | 0.87 |
| | | Inferred | | 382 | 325 | 101 | 150 | 291 | 1.49 | 1.94 | 2.1 | 54.1 | 7.6 | 36.2 | 12.00 | 0.80 |
| | Totals | Indicated | | 1,494 | 1,338 | 472 | 699 | 1,317 | 1.49 | 1.89 | 1.7 | 52.7 | 12.7 | 32.8 | 13.14 | 0.93 |
| | | Inferred | | 3,933 | 3,317 | 436 | 1,422 | 2,754 | 1.52 | 1.94 | 1.8 | 58.1 | 17.2 | 22.9 | 11.37 | 0.96 |

- Indicated resources are defined within areas where the spacing of boreholes with raw coal quality data is approximately 500 metres. Extrapolation of these areas is limited to approximately 250 metres
- Inferred resources are defined within areas where the spacing of boreholes with raw coal quality data is approximately 2000 metres. Extrapolation of these areas is limited to approximately 1000 metres
- GTIS (Gross Tonnage in-situ) figures represent the entire classified resource for the block, below the observed limit-of-weathering, with application of a 0.5 metre minimum ply thickness cut-off, but no depth restriction (in parts of some Blocks, resources reach 500m depth)
- TTIS (Total Tonnes in-situ) figures for high and low volatile coals were calculated from the GTIS tonnage by applying Geological Losses. The losses applied were generally 10% for Indicated resources and 15% for Inferred resources. In the Central Block, these were increased to 15% and 20% respectively to account for interpreted dykes that were not modelled
- MTIS (Mineable Tonnes in-situ) figures represent that part of the TTIS which exists above a depth cut-off of 250m
- All qualities are quoted on an air-dried-basis
- Yield figures are theoretical yields for +0.5mm material derived from slim core samples
- Ply thicknesses are weighted against coal seam area to obtain average resource thicknesses for the relevant block or resource category. Thicknesses for the River and West Blocks are not incorporated in the 'Summary' table average ply thickness
- Ply RDs are weighted against coal volume to obtain average resource RDs

- *Ply raw qualities are weighted against tonnage to obtain average yields*
- *"Low Volatile" coals have been devolatilised by igneous intrusions. Studies by Ncondezi indicate that these coals may be economic*
- *The North, South, East and Central Block models comprise detailed ply models suitable for mine planning purposes. The West and River Block models use a cumulative coal thickness methodology that is appropriate only to the classification of Inferred Resources*
- *As hydrological studies have not yet been conducted, no allowance has been made for potential sterilisation of resources below the limits of the Ncondezi or Revuboe Rivers' flood lines. This could affect resources in the River, North, Central and West Blocks*
- *Certain amounts of dummy data are included in the quality database, particularly wash analyses of low-volatile coal samples; further analytical work is in progress*
- *A QA/QC process is currently underway at one of the laboratories. It is expected that this will result in an increase in CV, and hence product yields, for the affected samples. Based on the distribution of these samples it is anticipated that there will be no material effect on resources previously reported in the public domain on 21 December 2011. With regard to the resources being reported herein for the first time, it is likely that there will be a positive, material impact for the River Block, the West Block and Zones D, E and F of the Central Block. These potentially affected resources are predominantly in the inferred category.*

Competent Person Statement

Mr Mark Stewardson (Pr.Sci.Nat) of The Mineral Corporation Consultancy (Pty) Limited is registered as a professional geologist with South African Council for Natural Scientific Professions and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Mr. Stewardson supervised the preparation of the technical information in this update release and consents to the inclusion of exploration results and other such information in the form and context in which it appears.

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this update has been presented in accordance with the JORC Code and references to "Measured", "Indicated" and "Inferred Resources" are relevant to those terms as defined in the JORC Code.

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