

## NEWS RELEASE

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### Project Update

26 November 2018: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) provides an update on its process to conclude a binding Joint Development Agreement ("JDA") for the Company's integrated 300MW power and coal mine project in Tete Mozambique (the "Project").

The Company has finalised the work program and timetable for the Project with its potential strategic partners and submitted it to the Liaison Committee which includes representatives from the Ministry of Mineral Resources and Energy ("MIREME") and Mozambican state power utility Electricity de Mozambique ("EDM"). The work program and timetable includes the following key milestones and target dates:

- JDA – Q1 2019
- Binding engineering, procurement, and construction ("EPC") and operations and maintenance ("O&M") contracts – Q1 2019
- Signing of key commercial agreements: Power Purchase Agreement and Power Concession Agreement – Q1 2020
- Financial Close – H1 2020
- Commercial Operations Date – H1 2023

The timetable has been designed to fit with EDM's generation plan which includes coal fired power to be produced in the Tete region by 2023. The generation plan is based on EDM's 10 year strategy, published earlier in 2018, and is in line with the Mozambican Government's Electricity Master Plan 2018-2043 which was approved on 16 October 2018. The Mozambican Government is targeting universal access to electricity by 2030 and this includes up to 1,350MW of potential coal fired power generation.

The proposed work program and timetable targets approval being received from all Liaison Committee members before year end, however the timing will be dependent on feedback from the Liaison Committee and the review and agreement process. The Company is treating this process as a main priority and expects to start the JDA, EPC and O&M processes once agreement is made.

**Non-Executive Chairman, Michael Haworth, commented:** *"Today's announcement represents another important step in the Company's pathway to success, with alignment on key Project milestones and delivery between Ncondezi and its potential strategic partners being shared with the Liaison Committee for discussion and approval. The Liaison Committee is the Government sanctioned committee tasked with implementing the Project, and the updated work program and timetable is the final part of a process which targets having all relevant parties responsible for the Project's delivery in agreement on the way forward. Once agreed, the Company and its potential strategic partners can focus on the delivery of key milestones, such as the JDA. The Project is one of the most advanced power development projects in the region, and is located in an area where the effects of drought have reduced generation capacity from traditional hydroelectric power sources by up to 25%. The Company believes it is well positioned to bring meaningful benefits to Mozambique and meet its growing power needs, with a clear pathway to delivery in 2023, a competitive power tariff and world leading potential development partners. Further updates will be made to shareholders post the meetings with the Liaison Committee."*

## Enquiries

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## Note:

**The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain. If you have any queries on this, then please contact Hanno Pengilly, Chief Development Officer of the Company (responsible for arranging release of this announcement) on +27 (0) 71 362 3566.**

**Ncondezi** 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 up to 1,800MW. The first 300MW phase is targeting domestic consumption in Mozambique using reinforced existing transmission capacity to meet current demand.