

## NEWS RELEASE

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### Project Update

26 July 2018: Following the announcement on 29 June 2018, Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) provides the following 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").

#### Key Highlights:

- Updated tariff proposal (the "Proposal") formally submitted to Mozambican state power utility Electricity de Mozambique ("EDM") and the Ministry of Mineral Resources and Energy ("MIREME").
- EDM has requested a detailed workshop session (the "Workshop") with the Company and its potential strategic partners to work through the updated tariff proposal and agree critical next steps following receipt of the Proposal and initial meetings held in July 2018.
- Workshop timing is planned for early August 2018.
- The submission forms part of the process to receive formal support from EDM and MIREME to progress the Project, and is a key milestone in finalising the JDA.
- Ncondezi now targeting JDA completion within 3 months of receipt of necessary support from EDM and MIREME with more clarity on timing expected post the Workshop in August 2018.
- Updated timetable for key milestones including the power tariff sign off, Power Purchase Agreement ("PPA") negotiations, Financial Close ("FC") and the date of first power on the grid expected to be agreed during the Workshop.
- Further updates will be provided after the Workshop has been concluded.
- EDM has released 10 year strategy paper which includes provision for 300MW of coal fired power from Tete Mozambique in 2023, which is within the Project's current delivery timeline.

Ncondezi's Non-Executive Chairman, Michael Haworth, commented: "Whilst it is disappointing that the JDA will not be finalised by the end of July, *the Company is encouraged by the response it has received to date from EDM following delivery of the Proposal, and believes that this is as a result of a competitive and attractive package that the Company and its potential strategic partners have put together. EDM has indicated the need for a 300MW coal fired project on the grid by 2023 in its 2018 10 year strategy paper to fill a critical power shortfall and energy mix need in the north of the country. The Company believes that the Project is well positioned to deliver on this as one of the most advanced power development projects in Mozambique together with world class potential strategic partners. The next critical step is to successfully complete the Workshop in August 2018, receive the necessary support from EDM and MIREME to finalise the JDA and agree the updated schedule for the key milestones leading up to FC and commissioning. Further updates on the timetable for delivery of the JDA and other key work streams are expected to be provided after the Workshop.*

There is no certainty that the transactions contemplated by this announcement will occur.

### **Enquiries**

For further information please visit [www.ncondezienergy.com](http://www.ncondezienergy.com) or contact:

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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.