

NEWS RELEASE

Ncondezi Finalising Joint Development Agreement with Shanghai Electric Power

11 December 2015: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to confirm that it is in the process of finalising a binding Joint Development Agreement with Shanghai Electric Power Co., LTD ("SEP") to jointly develop its 300 MW power project in Tete, Mozambique.

This announcement follows a public announcement to the Shanghai Stock Exchange this morning by the SEP Board:

"In accordance with China's strategic initiative of "One Belt, One Road", Shanghai Electric Power Corporation (SEP) is going to cooperate with Ncondezi Energy Limited (NEL) to invest and build two units of 150MW coal-fired power plants in Mozambique. For the purpose of accelerating the development of the project, SEP and NEL intends to sign the Joint Development Agreement for further cooperation."

Ncondezi will provide a further update to its shareholders as appropriate.

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