

NEWS RELEASE

Extension of Joint Development Agreement with Shanghai Electric Power

5 February 2016: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce that the deadline for the satisfaction of the SEP Investment Conditions contained within the binding Joint Development Agreement ("JDA") with Shanghai Electric Power Co., Ltd ("SEP") (Shanghai Stock Exchange code 600021) has been extended until 31 May 2016. The terms of the JDA including the SEP Investment Conditions were set out in the announcement dated 11 January 2016.

Both SEP and the Company continue to be focused on satisfying the SEP Investment Conditions as quickly as possible to make the JDA effective, and are targeting completion within the extension period.

Defined terms in this announcement have the same meaning as those in the announcement dated 11 January 2016.

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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.