

## NEWS RELEASE

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### Share Option Grants

29 May 2018: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) Ncondezi Energy announces that on 25 May 2018, as part of the Company's management incentive scheme, the Company granted share options in respect of 22,897,522 shares in the Company to its directors, executive senior management team and contracted personnel representing 8.2 per cent. of the issued share capital of the Company.

Following on from signing the Non-Binding Offer with potential strategic partners on 9 November 2017, the directors believe that the Company has a clear path to de-risking the 300MW integrated coal fired power project in Tete, Mozambique (the "Power Project"). The Company's Remuneration Committee has agreed to the granting of new options to further align the senior management team and contracted personnel with the Company's key deliverables over the next 12 to 18 months. These include the signing of binding documents with a new strategic partner, first draw down of capital into the Power Project from new strategic partner, restructuring or settling of the Company's shareholder loan, reaching an agreed form Power Purchase Agreement ("PPA") and Power Concession Agreement ("PCA"), and achieving Financial Close ("FC") for the Power Project.

In addition, a number of options have been granted in lieu of deferred remuneration to directors, senior management, ex-employees and consultants. The last options grant was made by the Company in January 2014.

Of the options granted, 61% are performance related and linked to delivery of specific milestones, 17% are in lieu of director remuneration and the balance of 22% is in lieu of deferred payments to senior management, ex-employees and consultants. In addition, 5,100,000 of the options will be satisfied through the Employee Benefit Trust, and are non-dilutive to existing shareholders.

#### New Share Options Granted

Of the total 22,897,522 options granted, 13,953,895 options (representing 61% of the total) have been granted to senior management and contracted personnel and will vest subject to achieving specific milestones. These are outlined in more detail below:

- 2,790,779 options vest on the execution of binding documentation with a new strategic partner, and are exercisable at a price of 6.25 pence per share (equivalent to the Company's last placing price);
- 2,790,779 options vest on the first draw down of capital from a new strategic partner into the Ncondezi Power Project and are exercisable at a price of 7.5 pence per share;
- 2,790,779 options vest on the restructuring or settling of the Shareholder Loan and are exercisable at an exercise price of 7.5 pence per share;
- 2,790,779 options vest on Ncondezi reaching an agreed form Power Purchase Agreement and Power Concession Agreement and are exercisable at a price of 10 pence per share; and
- 2,790,779 options vest on Ncondezi achieving financial close at the Ncondezi Power Project and are exercisable at a price of 15 pence per share.

4,000,000 options have been awarded to the Company's Non-Executive Directors in recognition of the work

performed over the last 2 years without remuneration. The options vest on the date of grant with an exercise price of 6.25 pence per share (equivalent to the Company's last placing price). Non-Executive Chairman, Michael Haworth has waived his right to receive any options.

In lieu of annual bonuses over that period, Non-Executive Directors, Christiaan Schutte and Estevao Pale have been awarded 1,568,627 and 300,000 options respectively. These options vest on the date of grant with a zero strike price.

A further 1,625,000 options have been issued which vest immediately and are exercisable at a price of 8.625 pence per share and 1,450,000 options have been issued which vest immediately and have been awarded at a zero exercise price. These have been awarded to management and recently retired employees in lieu of payments over the last 18 months.

1,625,000 existing vested options with a strike price of 17.25 pence per share have been cancelled and a further 750,000 vested options with a strike price of 6.25 pence per share have also been cancelled.

The new share options represent 8.2% of the Company's current issued share capital, with milestone based options representing 5.0% of the Company's current issued share capital.

## Director's Options

Of the share awards set out above, the Company's Directors have been granted the following options:

Non-Executives	Date of Grant	Number Granted	Exercise Price	Expiry
Christiaan Schutte	25 May 2018	1,568,627	0.0p	25 May 2028
	25 May 2018	1,000,000	6.25p	25 May 2028
	25 May 2018*	593,783	6.25p	25 May 2028
	25 May 2018**	593,783	7.5p	25 May 2028
	25 May 2018***	593,783	7.5p	25 May 2028
	25 May 2018****	593,783	10.0p	25 May 2028
	25 May 2018*****	593,783	15.0p	25 May 2028
	25 May 2018	75,000	8.625p	5 February 2025
Estevao Pale	25 May 2018	75,000	8.625p	5 February 2025
	25 May 2018	300,000	0.0p	25 May 2028
	25 May 2018	1,000,000	6.25p	25 May 2028
Aman Sachdeva	25 May 2018	1,000,000	6.25p	25 May 2028
Jacek Glowacki	25 May 2018	1,000,000	6.25p	25 May 2028

### Note:

- \* options vest on execution of binding documentation with a new strategic partner
- \*\* options vest on first draw down of capital from a new strategic partner into the Ncondezi Power Project
- \*\*\* options vest on restructuring or settling of the Shareholder Loan
- \*\*\*\* options vest on reaching agreed form Power Purchase Agreement and Power Concession Agreement
- \*\*\*\*\* options vest on achieving financial close at the Ncondezi Power Project

## Warrants

The Company has also agreed to issue 1,000,000 warrants over Ordinary Shares to a contractor ("Warrants"). Each Warrant entitles the holder to subscribe for one Ordinary Share at an exercise price of 5 pence per Ordinary Share and will be exercisable at any time for a period of two years from the date of grant. The exercise price has been set at the prevailing share price at the time contractor services were originally agreed.

## 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.

1	<b>Details of PDMR / person closely associated with them ("PCA")</b>	
(a)	Name	Christiaan Schutte
2	<b>Reason for the notification</b>	
(a)	Position/status	Non-Executive Director
(b)	Initial notification/amendment	Initial notification
3	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
(a)	Name	Ncondezi Energy Limited
(b)	Legal Entity Identifier	2138003W75PP9STE9J18

4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 0p in respect of 1,568,627 shares in the Company	
(c)	Price(s) and volume(s)	Price(s)	Volume(s)
		N/A	1,568,627
(d)	Aggregated information		
	Aggregated volume	1,568,627	
	Price	N/A	
(e)	Date of the transaction	25 May 2018	
(f)	Place of the transaction	Outside a trading venue	
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument, type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 8.625p in respect of 75,000 shares in the Company	
(c)	Price(s) and volume(s)	Price(s)	Volume(s)
		N/A	75,000
(d)	Aggregated information		

	Aggregated volume	75,000	
	Price	N/A	
(e)	Date of the transaction	25 May 2018	
(f)	Place of the transaction	Outside a trading venue	
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 6.25p in respect of 1,000,000 shares in the Company	
(c)	Price(s) and volume(s)	Price(s)	Volume(s)
		N/A	1,000,000
(d)	Aggregated information		
	Aggregated volume	1,000,000	
	Price	N/A	
(e)	Date of the transaction	25 May 2018	
(f)	Place of the transaction	Outside a trading venue	
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	

(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with various exercise prices in respect of 2,968,915 shares in the Company		
(c)	Price(s) and volume(s)	Price(s)	Volume(s)	
		N/A	2,968,915	
(d)	Aggregated information			
	Aggregated volume	2,968,915		
	Price	N/A		
(e)	Date of the transaction	25 May 2018		
(f)	Place of the transaction	Outside a trading venue		
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>			
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company		
	Identification code	VGG640631039		
(b)	Nature of the transaction	Christiaan Schutte cancelled his 75,000 options granted to him on 5 February 2015 with an exercise price of 8.625p.		
(c)	Price(s) and volume(s)	Price(s)	Volume(s)	
		N/A	75,000	
(d)	Aggregated information			
	Aggregated volume	N/A		
	Price	N/A		
(e)	Date of the transaction	25 May 2018		
(f)	Place of the transaction	Outside a trading venue		

1	<b>Details of PDMR / person closely associated with them ("PCA")</b>		
(a)	Name	Jacek Glowacki	
2	<b>Reason for the notification</b>		
(a)	Position/status	Non-Executive Director	
(b)	Initial notification/amendment	Initial notification	
3	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>		
(a)	Name	Ncondezi Energy Limited	
(b)	Legal Entity Identifier	2138003W75PP9STE9J18	
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 6.25p in respect of 1,000,000 shares in the Company	
(c)	Price(s) and volume(s)	Price(s)	Volume(s)
		N/A	1,000,000
(d)	Aggregated information		
	Aggregated volume	1,000,000	
	Price	N/A	
(e)	Date of the transaction	25 May 2018	
(f)	Place of the transaction	Outside a trading venue	

1	<b>Details of PDMR / person closely associated with them ("PCA")</b>		
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(a)	Name	Aman Sachdeva		
2	<b>Reason for the notification</b>			
(a)	Position/status	Non-Executive Director		
(b)	Initial notification/amendment	Initial notification		
3	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>			
(a)	Name	Ncondezi Energy Limited		
(b)	Legal Entity Identifier	2138003W75PP9STE9J18		
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>			
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company		
	Identification code	VGG640631039		
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 6.25p in respect of 1,000,000 shares in the Company		
(c)	Price(s) and volume(s)	Price(s)	Volume(s)	
		N/A	1,000,000	
(d)	Aggregated information			
	Aggregated volume	1,000,000		
	Price	N/A		
(e)	Date of the transaction	25 May 2018		
(f)	Place of the transaction	Outside a trading venue		



1	<b>Details of PDMR / person closely associated with them ("PCA")</b>		
(a)	Name	Estevão Pale	
2	<b>Reason for the notification</b>		
(a)	Position/status	Non-Executive Director	
(b)	Initial notification/amendment	Initial notification	
3	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>		
(a)	Name	Ncondezi Energy Limited	
(b)	Legal Entity Identifier	2138003W75PP9STE9J18	
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 0p in respect of 300,000 shares in the Company	
(c)	Price(s) and volume(s)	Price(s)	Volume(s)
		N/A	300,000
(d)	Aggregated information		
	Aggregated volume	300,000	
	Price	N/A	
(e)	Date of the transaction	25 May 2018	
(f)	Place of the transaction	Outside a trading venue	

4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument, type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 8.625p in respect of 75,000 shares in the Company	
(c)	Price(s) and volume(s)	Price(s)	Volume(s)
		N/A	75,000
(d)	Aggregated information		
	Aggregated volume	75,000	
	Price	N/A	
(e)	Date of the transaction	25 May 2018	
(f)	Place of the transaction	Outside a trading venue	
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>		
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company	
	Identification code	VGG640631039	
(b)	Nature of the transaction	Grant of options under an option deed granted in April 2018 with an exercise price of 6.25p in respect of 1,000,000 shares in the Company	
(c)	Price(s) and volume(s)	Price(s)	Volume(s)
		N/A	1,000,000

(d)	Aggregated information			
	Aggregated volume	1,000,000		
	Price	N/A		
(e)	Date of the transaction	25 May 2018		
(f)	Place of the transaction	Outside a trading venue		
4	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>			
(a)	Description of the financial instrument type of instrument	Option over shares of no par value each in the Company		
	Identification code	VGG640631039		
(b)	Nature of the transaction	Estevão Pale cancelled his 75,000 options granted to him on 5 February 2015 with an exercise price of 8.625p.		
(c)	Price(s) and volume(s)	Price(s)	Volume(s)	
		N/A	75,000	
(d)	Aggregated information			
	Aggregated volume	N/A		
	Price	N/A		
(e)	Date of the transaction	25 May 2018		
(f)	Place of the transaction	Outside a trading venue		

