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If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please send this document, together with its accompanying documents at once, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan or the Republic of South Africa, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form. If your Existing Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear which, where the purchaser or transferee is a Qualifying Depository Interest Holder, on settlement, will transfer the appropriate number of Open Offer Entitlements and Excess Open Offer Entitlements to the purchaser or transferee. The Open Offer does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to section 85 of FSMA. In addition, this document does not constitute an AIM Admission Document drawn up in accordance with the AIM Rules.

NCONDEZI ENERGY LIMITED

(incorporated and registered in the British Virgin Islands under the BVI Business Companies Act 2004 with registered number 1019077)

Open Offer of up to 59,165,510 New Ordinary Shares at 5.78 pence per share on the basis of 1 New Ordinary Share for every 4 Existing Ordinary Shares with Excess Application Facility

The total consideration under the Open Offer shall be less than €5 million (or an equivalent amount in US dollars or sterling) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules published by the Financial Conduct Authority and has not been approved by the Financial Conduct Authority or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Company's Existing Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the New Ordinary Shares will commence, at 8.00 a.m. on 15 January 2015. The New Ordinary Shares will not be admitted to trading on any other investment exchange. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) ("UKLA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and to the Risk Factors in Part 2 of this document.

The latest time for acceptance and payment under the Open Offer is 11.00 a.m. on 9 January 2015. The procedure for application is set out in Part 3 of this document and the Application Form.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares and/or Open Offer Entitlements and/or Excess Open Offer Entitlements to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, and both the Open Offer Entitlements and the

Excess Open Offer Entitlements may not be transferred through CREST, in or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares and/or Open Offer Entitlements and Excess Open Offer Entitlements may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or credited to the stock account of any person in the United States of America, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New Ordinary Shares and the Open Offer Entitlements and the Excess Open Offer Entitlements have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part 3 of this document.

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this document. Accordingly, the Open Offer that is the subject of this document may only be made in Jersey where the Open Offer is not an offer to public or the Open Offer is valid in the United Kingdom and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom. By accepting the Open Offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the Open Offer.

The Open Offer is being made within the Bailiwick of Guernsey in accordance with the Prospectus Rules 2008. The Open Offer is only being made within the Bailiwick of Guernsey to existing shareholders of the Company and a subscription for the New Ordinary Shares will only be accepted from such persons. This document may not be reproduced or used for any other purpose.

A copy of this document will also be available from the Company's website, www.ncondezienergy.com.

This document contains (or may contain) certain forward-looking statements with respect to the Company and certain of its goals and expectations relating to its future financial condition and performance which involve a number of risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. All statements, other than statements of historical facts, contained in this document, including statements regarding the Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward-looking statements in this document use words such as "aim", "anticipate", "target", "expect", "estimate", "plan", "goal", "believe", "will", "may", "could", "should", "future", "intend" "opportunity", "potential", "project", "seek" and other words having a similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates and foreign exchange rates, changes in legislation, changes in consumer habits and other factors outside the control of the Company, that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements contained in this document are based upon information available to the Directors at the date of this document and the posting or receipt of the document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the relevant Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Qualifying Depository Interest Holders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements and the Excess Open Offer Entitlements which will be enabled for settlement on 9 January 2015. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Shares prior to the Record Date. If the Open Offer Entitlements and/or the Excess Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 6 January 2015, an Application Form will be sent to each Qualifying Depository Interest Holder in substitution for the Open Offer Entitlements and the Excess Open Offer Entitlements credited to his/her stock account in CREST. Qualifying Depository Interest Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	5.00 p.m. on 19 December 2014
Announcement of the Open Offer, publication of this document and the Application Form	22 December 2014
Ex-entitlement Date	22 December 2014
Open Offer Entitlements and Excess Open Offer Entitlements credited to CREST stock accounts of Qualifying Depository Interest Holders	23 December 2014
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 5 January 2015
Latest time and date for depositing Open Offer Entitlements and Excess Open Offer Entitlements into CREST	3.00 p.m. on 6 January 2015
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 7 January 2015
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction in respect of Depository Interests	11.00 a.m. on 9 January 2015
Expected date for announcement of result of the Open Offer	12 January 2015
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 15 January 2015
New Ordinary Shares credited to CREST members' accounts in Depository Interest form	15 January 2015
Dispatch of definitive share certificates for New Ordinary Shares in certificated form	by 21 January 2015

Each of the times and dates in the table above is indicative only and may be subject to change. If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

References to times in this document are to London time unless stated otherwise.

Note:

If you have any questions on how to complete the Application Form, please contact Computershare Investor Services (BVI) Limited on telephone number 0870 707 4040 or +44 870 707 4040 outside the UK. This helpline is open from 9.00 a.m. to 5.00 p.m. on Monday to Friday (inclusive). Please note that calls to the helpline cost approximately eight pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any legal, financial or taxation advice.

The ISIN code for the Ordinary Shares is VGG640631039. The ISIN code for the Open Offer Entitlements is VGG640631377. The ISIN Code for the Excess Open Offer Entitlements is VGG640631294.

OPEN OFFER STATISTICS

Number of Existing Ordinary Shares	236,662,043
Maximum number of New Ordinary Shares to be issued pursuant to Open Offer	59,165,510
Offer Price	5.78 pence
Gross proceeds of the Open Offer	£3,419,767
Number of Ordinary Shares as enlarged by the Open Offer ¹	295,827,553
New Ordinary Shares as a percentage of the Enlarged Share Capital	20.0 per cent.

1. Assuming the Open Offer is taken up in full.

DIRECTORS AND ADVISERS

Directors	Michael Haworth, <i>Non-Executive Chairman</i> Paul Venter, <i>Chief Executive Officer</i> Estevão Pale, <i>Non-Executive Director</i> Peter O'Connor, <i>Non-Executive Director</i> Christiaan Schutte, <i>Non-Executive Director</i> Jacek Glowacki, <i>Non-Executive Director</i>
Registered office	2nd Floor Wickham's Cay II PO Box 2221 Road Town Tortola British Virgin Islands
Nominated Adviser	Liberum Capital Limited Ropemaker Place Level 12 25 Ropemaker Street London EC2Y 9LY United Kingdom
Financial PR	Pelham Bell Pottinger 5th Floor Holborn Gate 330 High Holborn London WC1V 7QD United Kingdom
Solicitors to the Company as to English law	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 4HA United Kingdom
Solicitors to the Company as to BVI law	Ogier 44 Esplanade St Helier Jersey JE4 9WG Channel Islands
Auditor to the Company	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Receiving Agents	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6AH United Kingdom
Registrars	Computershare Investor Services (BVI) Limited Woodbourne Hall PO Box 3162 Road Town Tortola British Virgin Islands

Depository
Computershare Investor Services Plc
The Pavilions
Bridgwater Road
Bristol BS13 8AE
United Kingdom

Company Secretary
Elysium Fund Management Limited
PO Box 650
1st Floor
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 3JX

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Admission”	the admission of the Offer Shares subscribed for by Qualifying Participants to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time
“Application Form”	the personalised application form on which Qualifying non-CREST Shareholders may apply for New Ordinary Shares under the Open Offer
“Board” or “Directors”	the directors of the Company as at the date of this document
“Business Day”	a day which is not a Saturday or Sunday or a bank or national holiday in England on which the banks are open for general banking business in the City of London
“BVI”	the territory of the British Virgin Islands
“City Code”	the City Code on Takeovers and Mergers, as amended from time to time
“Closing Price”	the closing middle-market quotation of an Ordinary Share, as established in the daily official list of the London Stock Exchange
“Company” or “Ncondezi”	Ncondezi Energy Limited
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Depository Interest”	a depository interest issued by Computershare, acting in its capacity as the depository, representing an entitlement to an Existing Ordinary Share which may be traded through CREST in dematerialised form

“Depository Interest Holders”	holders of any Depository Interests
“Employee Share Scheme”	any scheme for providing incentives to employees and Directors of the Company involving share options, allocations or awards of shares, share appreciation rights or other similar matters involving shares or securities of the Company
“enabled for settlement”	in relation to Open Offer Entitlements or Excess Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear)
“Enlarged Share Capital”	all of the issued shares of the Company following completion of the Open Offer on Admission
“EPC”	a technical term referring to engineering, procurement, construction and commissioning
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 22 December 2014
“Excess Application Facility”	the facility for Qualifying Participants to apply for Excess Shares up to the Excess Open Offer Entitlement Limit and subject to the terms and conditions of the Open Offer set out in Part 3 of this document and, in the case of Qualifying non-CREST Shareholders, also contained in the Application Form
“Excess Open Offer Entitlements”	in respect of each Qualifying Participant who has taken up his or her Open Offer Entitlement in full, the entitlement (in addition to his or her Open Offer Entitlement) to apply for Excess Shares up to the relevant Excess Open Offer Entitlement Limit and subject to the Offer Threshold and which may be subject to scaling down as set out in this document
“Excess Open Offer Entitlement Limit”	the maximum number of Excess Shares for which a Qualifying Participant may apply under the Excess Application Facility, as set out in the relevant Application Form or credited to the relevant stock account, which will be a number equal to 100 per cent of the Qualifying Participants’ Open Offer Entitlement
“Excess Shares”	Offer Shares in addition to those arising under the Open Offer Entitlement for which Qualifying Participants may apply under the Excess Application Facility, up to a maximum of the Excess Open Offer Entitlement Limit
“Existing Ordinary Shares”	the 236,662,043 Ordinary Shares in issue on the date of this document
“FCA”	the Financial Conduct Authority of the UK

“FSMA”	Financial Services and Market Act 2000 (as amended)
“London Stock Exchange”	London Stock Exchange plc
“MIREM”	Mozambican Ministry of Mineral Resources
“Money Laundering Regulations”	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms), the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006
“Ncondezi Group” or “Group”	the Company and its subsidiaries as at the date of this document
“Ncondezi Project”	realisation by the Company of the full potential of the 300MW integrated thermal coal mine and power plant project located near Tete in northern Mozambique
“New Ordinary Shares”	the new Ordinary Shares to be issued pursuant to the Open Offer
“Offer Price”	5.78 pence per New Ordinary Share
“Offer Shares”	up to 59,165,510 New Ordinary Shares for which Qualifying Participants are being invited to apply at the Offer Price to be issued pursuant to the Open Offer and including, where the context so requires, the Excess Shares
“Offer Threshold”	means the aggregate maximum subscription not exceeding the Offer Shares
“Open Offer”	the conditional invitation made to Qualifying Participants to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part 3 of this document and in the Application Form
“Open Offer Entitlement”	the <i>pro rata</i> entitlement of Qualifying Participants to subscribe for Offer Shares allocated to Qualifying Participants pursuant to the Open Offer
“Ordinary Shares”	shares of no par value each of the Company
“Overseas Shareholders”	a Shareholder or Depositary Interest Holder with a registered address outside the United Kingdom
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placing”	the placing of 54,988,520 new Ordinary Shares to Africa Finance Corporation, which raised £3.18 million (US\$5 million) before expenses
“Qualifying Depositary Interest Holders”	Depositary Interest Holders on the register of Depositary Interest Holders of the Company on the Record Date (but excluding certain Overseas Shareholders)

“Qualifying non-CREST Shareholders”	Shareholders on the register of members of the Company on the Record Date holding Existing Ordinary Shares in certificated form (but excluding certain Overseas Shareholders)
“Qualifying Participants”	Qualifying non-CREST Shareholders and Qualifying Depository Interest Holders
“Record Date”	5.00 p.m. on 19 December 2014 in respect of the entitlements of Qualifying Participants under the Open Offer
“Registrars” “Depository” or “Computershare”	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS99 6ZY
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Restricted Jurisdiction”	Canada, Australia, Japan or the Republic of South Africa
“Securities Act”	US Securities Act of 1933 (as amended)
“SEP”	Shanghai Electric Power Company Limited
“Shareholders”	the holders of Existing Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Uncertificated or uncertificated form”	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction

PART 1

LETTER FROM THE CHAIRMAN

NCONDEZI ENERGY LIMITED

*(Incorporated and registered in the British Virgin Islands
under the BVI Business Companies Act 2004 with registered number 1019077)*

Directors

Michael Haworth, *Non-Executive Chairman*
Paul Venter, *Chief Executive Officer*
Estevão Pale, *Non-Executive Director*
Peter O'Connor, *Non-Executive Director*
Christiaan Schutte, *Non-Executive Director*
Jacek Glowacki, *Non-Executive Director*

Registered Office

2nd Floor
Wickham's Cay II
PO Box 2221
Road Town
Tortola
British Virgin Islands

22 December 2014

To Shareholders, Depositary Interest Holders and, for information only, holders of share options and/or awards under any Employee Share Scheme

Dear Shareholder/Depositary Interest Holder

Open Offer of up to 59,165,510 New Ordinary Shares at 5.78 pence per share on the basis of 1 New Ordinary Share for every 4 Existing Ordinary Shares

1 INTRODUCTION

Your Board announced today that, following completion of the Placing of 54,988,520 new Ordinary Shares to Africa Finance Corporation, which raised £3.18 million (US\$5 million), before expenses, it is seeking to raise an additional amount of approximately £3.4 million (US\$5.4 million), before expenses, by way of an Open Offer to Qualifying Participants (on the basis of 1 Offer Share for every 4 Existing Ordinary Shares) of up to 59,165,510 new Ordinary Shares.

Open Offer

The Board proposes to raise approximately £3.4 million before expenses pursuant to the Open Offer through the issue of up to 59,165,510 New Ordinary Shares at a price of 5.78 pence per New Ordinary Share on the basis of 1 New Ordinary Share for every 4 Existing Ordinary Shares. The Offer Price represents a premium of 7.5 per cent. to the Closing Price of 5.375 per Existing Ordinary Share and a premium of 0.87 per cent. to the 30 day volume weighted average price of 5.73 pence per Ordinary Share as at close of business on, in each case, 19 December 2014 (being the last practicable date before the publication of this document).

The Open Offer is being made at the placing price of 5.78 pence per new Ordinary Share, which was the same price as was paid by AFC and which was the 30 day volume-weighted, average price of the Ordinary Shares as at close of business on 12 December 2014. The purpose for making the Open Offer is:

- (a) to provide Qualifying non-CREST Shareholders and Qualifying Depositary Interest Holders with an opportunity to acquire New Ordinary Shares at the placing price of 5.78 pence per New Ordinary Share;
- (b) to reduce dilution of the shareholdings of Qualifying Participants that would otherwise occur as a result of the Placing by inviting Qualifying Participants to subscribe for their Open Offer Entitlement and for any Excess Open Offer Entitlement, subject to availability; and
- (c) to provide the Company with additional capital to invest in the business of the Group.

Entitlements of Qualifying Participants pursuant to the Open Offer will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be allocated to the Qualifying Participants but will be aggregated and sold for the benefit of the Company. Further details of the Open Offer are set out in paragraph 3 below and Part 3 of this document.

Certain Overseas Shareholders will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of this document.

In order to maximise the Ordinary Shares available under the Open Offer, AFC has irrevocably undertaken not to take up its Open Offer Entitlement. The Open Offer Entitlement that would have otherwise pertained to AFC, together with any Open Offer Entitlements not taken up under the Open Offer, will be made available to Qualifying Participants under the Excess Application Facility. Applications for Excess Shares under the Excess Application Facility will be satisfied only to the extent that corresponding applications by other Qualifying Participants are not made or are made for less than their pro rata entitlements. If applications under the Excess Application Facility are received for more than the total number of Ordinary Shares available following take-up of the Open Offer Entitlements, such applications will be scaled back at the discretion of the directors, who will have regard to the pro rata number of Excess Shares applied for by the Qualifying Participants under the Excess Application Facility. No assurances can therefore be given that the applications by Qualifying Participants will be met in full, in part or at all.

2 BACKGROUND TO AND REASONS FOR THE OPEN OFFER

Over the last 12 months, the Company has made significant progress in relation to the on-going development of its 300MW integrated thermal coal mine and power plant project which is located near Tete in northern Mozambique (the “**Ncondezi Project**”).

In September 2014, the Company announced that it had reached a conditional commercial deal with Electricidade de Mozambique (“**EDM**”) on the sale of electricity from the Ncondezi Project. The agreed commercial deal includes the range for the starting electricity tariff to be paid by EDM, which will then be subject to adjustments during the 25 year operational life of the Ncondezi Project. The starting tariff range is based on a number of assumptions including indexation, financing costs, coal costs, operator & maintenance costs and the technical parameters and capital costs contained in the binding Power Plant EPC bids. Based on a target project capital structure of 70 per cent. debt and 30 per cent. equity, the Company believes that the conditional commercial deal supports the economics of the Ncondezi Power Plant and provides a regionally competitive US\$ based project equity IRR.

The Company has been working to satisfy the conditions precedent and agree with EDM an indicative timetable to financial close which is now targeted for Q1 2016. Notwithstanding the progress that has been made, the conditions precedent for the commercial deal will not be met prior to the end of 2014 and the Company intends to seek an extension from EDM to the period for satisfaction of the conditions precedent.

In October 2014, the Company announced that it had entered into a non-binding memorandum of understanding with Shanghai Electric Power Company Limited (“**SEP**”), which may lead to SEP becoming a controlling shareholder in the Ncondezi Power Project and a minority shareholding in the Ncondezi Mine Project. SEP is a leading subsidiary of China Power Investment Corporation (“**CPI**”) which has total installed capacity of 90,000 MW and is one of the largest power companies in the Peoples’ Republic of China. A deal with SEP has the potential to provide the Company, and all stakeholders in the Ncondezi Project, with the opportunity to partner with a major power generation company and potentially fast track the timetable to financial close. SEP has undertaken a detailed due diligence process in relation to the Company that started in December 2013 and the Company continues to make good progress with SEP in relation to finalising their outstanding due diligence items. A binding agreement with SEP is now targeted for Q1 2015.

On 18 December 2014, the Company completed the Placing to African Finance Corporation (“**AFC**”) of 54,998,520 new Ordinary Shares in the Company which raised £3.18 million (US\$5 million) before expenses. AFC is a leading African-led multilateral development financial institution which has significant experience of investing in African power and infrastructure projects. In October 2014, AFC executed financing documents on the Kpone IPP in Ghana which is a 350MW, light crude oil and gas fired, combined cycle power plant.

The Placing to the AFC was structured via a cash box. A cash box placing is a mechanism whereby a company can raise new equity funds via an issue of shares for non-cash consideration (to which pre-emption rights do not apply) in circumstances where it does not have authority to issue such shares directly for cash (for which a disapplication of pre-emption rights is required). A cash box placing is not an issue for cash, but an issue of shares made in consideration for the transfer to the issuer of shares in a special purpose subsidiary company. The Placing to AFC was not subject to shareholders' approval.

The Board determined that the Placing to AFC was in the best interests of Shareholders as it allowed the Company to raise financing within a short timeframe and was combined with the Open Offer (through which the Company would be able to raise an additional amount of up to approximately £3.4 million). The Open Offer provides Qualifying Participants with the opportunity to subscribe for additional Ordinary Shares at the same price as AFC and to reduce their dilution associated with the Placing to AFC.

The Company's strategic focus continues to be to conclude a binding agreement with SEP or an alternative strategic investor acceptable to EDM and to satisfy the other conditions precedent of the EDM commercial deal and to progress the following work streams:

- finalisation of the work program and timetable to financial close with EDM;
- finalisation of the strategic investor process;
- finalisation of the Power Purchase Agreement and Power Concession Agreement with EDM and the Mozambican DoE;
- selecting the preferred EPC bid for the Power Plant and the negotiation of a bankable EPC contract;
- selection of the preferred EPC and mine contractor for the Mine and the negotiation of bankable contracts; and
- selection of the preferred Operation & Maintenance Contractor for the Power Plant and the negotiation of bankable contracts.

Funds from the Open Offer and Placing are to be used principally to:

- to ensure that the Company is adequately funded whilst it works to complete the strategic partner process and EDM conditions precedent
- provide funding for select development work streams; and
- fund the Company's further general working capital requirements.

3 PRINCIPAL TERMS OF THE OPEN OFFER

The Board proposes to raise approximately £3.4 million before expenses pursuant to the Open Offer through the issue of up to 59,165,510 New Ordinary Shares at a price of 5.78 pence per New Ordinary Share. The Offer Price represents a premium of 7.5 per cent. to the Closing Price of 5.375 pence per Existing Ordinary Share and of 0.87 per cent. to the 30 day volume weighted average price of 5.73 per Ordinary Share as at close of business on, in each case, 19 December 2014 (being the last practicable date before the publication of this document).

Qualifying Participants will have an Open Offer Entitlement pursuant to which they may apply for Offer Shares under the Open Offer at the Offer Price on the following basis:

1 Offer Share for every 4 Existing Ordinary Shares,

and so in proportion for any number of, or entitlements to, Existing Ordinary Shares held by them and registered in their names on the Record Date. In addition, Excess Shares over and above their Open Offer Entitlement will be available through the Excess Application Facility up to a maximum of the relevant Excess Open Offer Entitlement Limit, provided that Qualifying Participants have taken up their Open Offer Entitlements in full.

In order to maximise the Ordinary Shares available under the Open Offer to other Shareholders, AFC has irrevocably undertaken not to take up its Open Offer Entitlement. The Open Offer Entitlement that would have otherwise pertained to AFC, together with any Open Offer Entitlements not taken up under the Open

Offer, will be made available to Qualifying Participants under the Excess Application Facility. Applications for Excess Shares under the Excess Application Facility will be satisfied only to the extent that corresponding applications by other Qualifying Participants are not made or are made for less than their pro rata entitlements. If applications under the Excess Application Facility are received for more than the total number of Ordinary Shares available following take-up of the Open Offer Entitlements, such applications will be scaled back at the discretion of the directors, who will have regard to the pro rata number of Excess Shares applied for by the Qualifying Participants under the Excess Application Facility. No assurances can therefore be given that the applications by Qualifying Participants will be met in full, in part or at all.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Qualifying Participants' entitlements under the Open Offer.

Open Offer Entitlements will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be allocated to the Qualifying Participants but will be aggregated and sold for the benefit of the Company. Certain Overseas Shareholders will not qualify to participate in the Open Offer or the Excess Open Offer Entitlement. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of this document.

Valid applications by Qualifying Participants will be satisfied in full up to their Open Offer Entitlements and their Excess Open Offer Entitlements. Qualifying Participants are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares up to the Excess Open Offer Entitlement Limit through the Excess Application Facility. Applicants can apply for less than their entitlements under the Open Offer but cannot apply for more than their Excess Open Offer Entitlement Limit.

Application has been made for the Open Offer Entitlements and the Excess Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be credited to CREST on 23 December 2014. The Open Offer Entitlements and the Excess Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 9 January 2015. Applications through the CREST system may only be made by the Qualifying Depositary Interest Holder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 9 January 2015. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part 3 of this document.

Qualifying Participants should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying Depositary Interest Holders should note that, although their Open Offer Entitlement and their Excess Open Offer Entitlement will be credited to their CREST accounts, the Open Offer Entitlements and Excess Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Depositary Interest Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim. New Ordinary Shares which are not taken up under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Participants who do not apply to take up New Ordinary Shares will have no rights under the Open Offer. Offer Shares not applied for by Qualifying Participants under their Open Offer Entitlement may be allocated to Qualifying Participants to meet any valid applications under the Excess Application Facility.

The Open Offer constitutes an offer of Ordinary Shares in compliance with the pre-emption rights contained in the Company's Articles of Association and incorporates certain exclusions which the Board has deemed necessary or desirable due to legal or practical problems arising in or under the laws of certain territories. In the case of the Open Offer, the Board considers that the relevant exclusions include, amongst other things, restrictions on the ability for Overseas Shareholders to participate in order to reduce the risk of the Company breaching any overseas securities laws and rounding down each Qualifying Participant's entitlement to the nearest whole number. The fractional entitlements will be aggregated and made available via the Excess Application Facility.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and on the accompanying Application Form.

The Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for Admission. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 15 January 2015 at which time it is also expected that the Offer Shares will be enabled for settlement in CREST.

Upon completion of the Open Offer, and assuming take up in full, the Offer Shares will represent approximately 25.0 per cent. of the Company's existing issued shares and approximately 20.0 per cent. of the Company's Enlarged Share Capital.

4 DILUTION

Following the issue of the New Ordinary Shares to be allotted pursuant to the Open Offer, if the Open Offer is taken up in full, Qualifying Participants who do not take up any of their entitlements in respect of the Open Offer or who are not eligible to do so will experience a dilution of 38.6 per cent. of their interests in the Company as a result of the Open Offer.

As a result of the successful completion of the Placing to AFC, in total 54,988,520 Ordinary Shares were issued (representing 23.2 per cent. of the enlarged share capital of the Company following completion of such Placing).

The Open Offer, if fully subscribed, will result in the issue of 59,165,510 Offer Shares (representing approximately 20 per cent. of the Enlarged Share Capital of the Company). The Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Offer Shares. No temporary documents of title will be issued for the Open Offer.

Shareholders who do not elect to participate in the Open Offer will suffer a maximum dilution, as a result of completion of the Placing and Open Offer, as set out in the table below:

	<i>Amount raised</i>	<i>Maximum number of Ordinary Shares issued/to be issued</i>	<i>Dilution to non-participating Shareholders</i>
Placing	£3.18m	54,998,520	23.2%
Open Offer ⁽¹⁾	£3.4m	59,165,510	20.0%
Total	£6.58m	114,164,030	38.6%

Note:

(1) Assuming the Open Offer is taken up in full.

The participation of a Qualifying Participant for its Open Offer Entitlement and any Excess Shares does not guarantee that its percentage shareholding will not be diluted from the position prior to the Placing and the Open Offer as a result of the Placing and the Open Offer.

5 USE OF PROCEEDS

Any funds raised from the Open Offer will be used to:

- (a) ensure that the Company is adequately funded whilst it works to complete the strategic partner process and EDM conditions precedent;
- (b) provide funding for select development work streams; and
- (c) fund the Company's further general working capital requirements.

6 TRANSFER OF STRATA HOLDING AND RELATIONSHIP AGREEMENT

On 19 December 2014, the Company was notified by Strata Limited that it had, on that same day, effected the transfer of its entire holding of 54,289,641 Ordinary Shares in the Company to Strata Limited shareholders (the "**Strata Transfer**"). As a result, Strata Limited is no longer a shareholder in the Company and the Relationship Agreement between Strata Limited and the Company has terminated. As part of the Strata Transfer, 6,790,394 shares were transferred from Strata Limited to a trust in which Michael Haworth is deemed to be interested. Consequently, Michael Haworth is directly or indirectly interested in 12,726,743 Ordinary Shares representing 5.4 per cent. of the Company's outstanding issued share capital (as at 19 December being the latest practicable date before the publication of this document).

7 INTENTIONS OF CERTAIN DIRECTORS

Michael Haworth, a Director of the Company, is interested in 12,726,743 Existing Ordinary Shares of which 2,330,314 Existing Ordinary Shares are registered in his name and the balance are held through a trust of which he is a potential beneficiary. Michael Haworth intends to subscribe for 1,165,156 Offer Shares which represents his total Open Offer Entitlement in respect of the shares registered in his name, including the Excess Open Offer Entitlement for these shares.

8 OVERSEAS SHAREHOLDERS

The attention of Shareholders and Depositary Interest Holders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares or Depositary Interests for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part 3 of this document.

In particular, Shareholders and/or Depositary Interest Holders who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

9 RISK FACTORS AND ADDITIONAL INFORMATION

The attention of Shareholders and Depositary Interest Holders is drawn to the risk factors set out in Part 2 and the information contained in Parts 3 and 4 of this document, which provide additional information on the Open Offer and the Group.

10 ACTION TO BE TAKEN IN RESPECT OF THE OPEN OFFER

Application has been made for the Depositary Interests in respect of New Ordinary Shares to be admitted to CREST. It is expected that the Open Offer Entitlements and the Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 23 December 2014. Admission and commencement of dealings in New Ordinary Shares on AIM and the crediting of CREST members' accounts for Depositary Interests is expected to be enabled for settlement in CREST at 8.00 a.m. on 15 January 2015. Applications through the CREST system may only be made by the Qualifying Participant originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Depository Interest Holders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Participant originally entitled or by a person entitled by virtue of a *bona fide* market claim. Qualifying non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

Qualifying non-CREST Shareholders wishing to apply for Offer Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3.1 of Part 3 “Terms and Conditions of Open Offer” of this document and on the accompanying Application Form and return it with the appropriate payment to Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH, so as to arrive no later than 11.00 a.m. on 9 January 2015.

Qualifying Participants who do not wish to apply for any Offer Shares under the Open Offer, should not complete or return the Application Form.

If you are a Qualifying Depository Interest Holder, no Application Form will be sent to you. Qualifying Depository Interest Holders will have Open Offer Entitlements and, where required, Excess Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3.2 of Part 3 “Terms and Conditions of the Open Offer” of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part 3 “Terms and Conditions of the Open Offer” of this document by no later than 11.00 a.m. on 9 January 2015.

Qualifying Depository Interest Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

11 TAXATION

If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent tax adviser without delay.

12 INTERESTS OF THE COMPANY

The Directors believe that the Open Offer is in the best interests of the Company and Shareholders, taken as a whole.

Michael Haworth

Non-Executive Chairman

PART 2

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors in the Company. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in the UK, BVI and Mozambique and elsewhere as well as overall global financial conditions.

There is a high risk that investors may lose a substantial portion or even all of the money they invest in the Company. An investment in the Company is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment.

Investors should also take their own tax advice as to the consequences of owning shares in the Company as well as receiving returns from it. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any shares in the Company and neither the Company nor the Directors will be responsible for any tax consequences for any such investors.

1 SPECIFIC RISK FACTORS

1.1 Off-taker risk

While the Company has announced that it has reached a commercial deal with Electricidade de Mozambique ("**EdM**") as to the starting tariff for the Power Purchase Agreement ("**PPP**") which supports the power plant project economics, these terms and the PPA remain subject to contract. In the event that the Group is unable to finalise the PPA on acceptable terms, the Group will need to secure a potential credible power off-taker(s) to raise finance for the power plant project. There is no guarantee that, in such circumstances, the Group will be able to secure a credit worthy off-taker for the full output with the plant operating at load factors in excess of 80 per cent.

1.2 Financial closure

The Group will need to secure project financing, investment from strategic investors and/or investment from co-developers to complete the Ncondezi Project and a failure to do so may lead to failure of the Ncondezi Project and/or delay in its execution. While the Company has announced the entry into a non-binding memorandum of understanding with SEP, which contemplates SEP becoming a controlling shareholder in the power plant project and a minority interest holder in the related coal mine, any investment by SEP remains subject to completion of SEP's due diligence and to contract. There can be no guarantee that a final agreement will be reached with SEP on acceptable terms or that any such agreement will provide all necessary financing for the Ncondezi Project.

Even if a transaction is agreed with SEP or another strategic investor, the Group may still need to raise further finance to meet its obligations in respect of the development of the Ncondezi Project and for general operational requirements. There is no assurance the Group will be successful in raising such finance, by way of equity capital raising, co-developer funding or otherwise. If the Group is unable to obtain additional financing as needed, some of its interests may be relinquished or disposed of and/or the scope of its operations reduced.

To achieve financial close of the Ncondezi Project, the Group will also need to progress, and possibly conclude, some of its on-going negotiations on key project agreements, including the Power Concession

Agreement and the Power Purchase Agreement. Failure or delay in doing so may lead to failure of the Ncondezi Project and/or delay in its execution.

1.3 Competition from other power stations in Mozambique

The Group's proposed power project is currently the only dedicated integrated power plant and mine project in Mozambique. However, other power stations are being developed in the Tete region and competing for similar resources such as water and transmission line servitudes.

1.4 Performance risk

As the power plant project progresses, performance warranties and guarantees will be required from the EPC (Engineering, Procurement and Construction) contractor as part of the EPC contract, including liquidated damages for non-performance.

Whilst the minimum functional specification will define the operating characteristics, including the net capacity and operational criteria such as start-up response times, dynamic response, and minimum load etc, the power plant may be unable to perform as per the EPC proposal which may lead to delay or the need to raise further capital.

1.5 River water resource risk

Whilst detailed water investigations are being performed to ascertain the quantity of water available to the Ncondezi Project (power plant and mine) and the required extraction rates, the Revúbuè and Ncondezi Rivers are seasonal and should there be insufficient water at the confluence (water extraction point), the power plant operation will fail.

1.6 Project development risks

There can be no assurance that the Group will be able to manage effectively the expansion of its operations or that the Group's current personnel, systems, procedures and controls will be adequate to support the Group's operations, including the Ncondezi Project. This includes, *inter alia*, the Group managing the acquisition of required land tenure, infrastructure development, contracting, procurement, technology, financing and any issues affecting local and indigenous populations, their cultures and religions. Any failure of the Board to manage effectively the Group's growth and development could have a material adverse effect on the Ncondezi Project economics and the Group's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Group's current strategy will develop as anticipated and that the Ncondezi Project will be realised or that the Group will be profitable.

1.7 Coal risk

The Group is continuing its work to optimise the coal supply, boiler design and technology for the Ncondezi Project. Such work is on-going and there remain risks the anticipated coal supply, boiler design and/or technology may prove sub-optimal and that changes will be required. Addressing any such issues may result in increased costs and/or delays, while a failure to do so may result in plant underperformance.

1.8 Use of CFB Technology

Circulating Fluidised Bed ("CFB") technology has not been used in Mozambique as there are currently no coal fired power plants. Although CFB is proven technology, its application in Mozambique is new. Consequences may include not meeting guaranteed numbers in terms of plant output, efficiency and emission limits.

Operator and maintenance issues may arise if the Group is not familiar with this technology or is unable to find qualified personnel to operate this technology. This may have an impact on plant reliability and availability.

1.9 Power plant location geotechnical risks

An initial geotechnical study was completed late in H2 2012 on the proposed power plant site. Whilst no fatal flaws were identified, further work will need to be completed to reaffirm the geotechnical study results ahead of any major construction. However, improper geotech investigations may lead to increase in construction costs.

1.10 Utilities availability and transportation

The cost of the infrastructure related to plant resources may increase if a proper assessment by way of utilities studies and surveys of the area and location is not completed to determine the logistics associated with the supply of utilities.

1.11 Landmines

A comprehensive demining exercise has cleared the project site of any landmine risks. However, additional work will be required around the areas of the power evacuation route once this route has been confirmed.

Existence of landmines in the Tete region and specifically in the project area may lead to safety issues such as fatalities and injury.

1.12 Exploration and mining

The business of exploration for and identification of coal deposits, is speculative and involves a high degree of risk. The coal deposits of any projects owned or acquired by the Group may not contain economically recoverable volumes of coal of sufficient quality or quantity. Even if there are economically recoverable deposits, delays in the construction and commissioning of mining projects or other technical difficulties may make the deposits difficult to exploit.

The exploration and development of any project may be disrupted, damaged or delayed by a variety of risks and hazards which are beyond the control of the Group. These include (without limitation) geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays.

Exploration is also subject to general industrial operating risks, such as environmental hazards, explosions, fires, equipment failure and industrial accidents, which may result in potential delays or liabilities, loss of life, injury, environmental damage, damage to or destruction of property and regulatory investigations. Although the Group intends, itself or through operators, to maintain insurance in accordance with industry practice, no assurance can be given that the Group or the operator of an exploration project will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. The Group may elect not to become insured because of high premium costs or may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

1.13 Estimating mineral reserve and resource

The estimation of mineral reserves and mineral resources is a subjective process and the accuracy of reserve and resource estimates is a function of the quantity and quality of available data and the assumptions used and judgements made in interpreting engineering and geological information. There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Group's estimates. The exploration of mineral rights is speculative in nature and is frequently unsuccessful. The Group may therefore be unable to successfully discover and/or exploit reserves.

1.14 Lack of dividends for the foreseeable future

For the foreseeable future, the Group intends to retain any future earnings for the business and therefore the Company does not anticipate paying dividends in the short to medium term.

1.15 Dilution of Shareholders' interests

The Company will need to raise additional funds in the future to finance its investments and the power plant project. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro-rata basis to existing Shareholders, as is the case under the Excess Application Facility within this Open Offer, the percentage ownership of the Shareholders may be reduced, Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

The Directors propose that the Company should be able to issue new Ordinary Shares to raise additional working capital for the Company as required. Insofar as such new Ordinary Shares are not offered first to existing Shareholders, then their interests in the Company will be diluted.

1.16 Public acceptance of coal

As a result of the unique political, technological and environmental factors that affect the coal industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for coal power and increase the regulation of the coal power industry. Transnational governmental agreements regarding the Group's products, the environment or reduced acceptance of coal as a clean source of energy may lead to reduced demand for the Company's products and adversely affect the performance of the Group.

1.17 Reputational risk

In order to develop and construct its mines and the power plant project, the Group will be required to relocate a number of local residents and may be required to pay such residents compensation in respect of the relocation. The relocation as well as the level of compensation may adversely affect the Group's reputation and potentially the performance of the Group.

2 LEGAL, TAX AND REGULATORY RISKS

2.1 Litigation risks

Legal proceedings may arise from time to time in the course of the Group's activities. There have been a number of cases where the rights and privileges of mining, exploration and power companies have been the subject of litigation. The Directors cannot preclude that such litigation may be brought against the Company or a member of the Group in the future from time to time.

2.2 City Code

The City Code does not apply to the Company. As a result, a takeover offer for the Company will not be regulated by the UK takeover authorities. However, the Company's articles of association contain certain takeover protections, although these provisions will not provide the full protection afforded by the City Code.

These provisions, like others contained in the articles of association of the Company, will be enforceable by the Company (acting through its directors) against Shareholders. However, the Company would need to take any action to enforce such provisions in the courts of the BVI without any guarantee that any such action would be successful or any certainty as to the amount of the costs that the Company might incur in connection with any said action.

2.3 Economic, political, judicial, administrative, taxation or other regulatory factors

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in Mozambique (which is where the Group will operate and hold its major assets), in the UK or elsewhere. These risks and uncertainties include, but are not limited to: hyperinflation; labour unrest; risk of war or civil unrest; expropriation and nationalisation; renegotiations or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; terrorist activities; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations that favour or require the

awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Please see below for further detailed risks relating to Mozambique.

2.4 Inherent uncertainties in interpreting tax legislation

The Group is subject to uncertainties relating to the determination of its tax liabilities. The tax system and tax legislation in Mozambique have been in force for only a relatively short time and may be subject to frequent changes and varying interpretations. The Directors believe that the Group is in substantial compliance with tax legislation and any contractual terms entered into that relate to tax which affect its operations and that, consequently, no additional tax liabilities will arise in excess of those recognised in the financial statements.

However, the risk remains that the relevant Government authorities may take a differing position with regard to the interpretation of contractual provisions or tax legislation. The resulting effect of this matter is that significant additional tax liabilities may arise. Due to the range of uncertainties in assessing any potential additional tax liabilities, it is not practicable for the Directors to estimate the financial effect in terms of the amount of additional tax liabilities, if any, together with any associated penalties and charges for which the Group may be liable.

The Directors' interpretation of the tax system and tax legislation in Mozambique and the application to business transactions of the Group may be challenged by the relevant tax authorities and, as a result, the Group may be assessed on additional tax payments including fines, penalties and interest charges, which could have a material adverse effect on the Group's financial position and results of operations.

2.5 Surface tax in Mozambique

The Group is currently required to pay an annual surface tax on the land comprised in its existing prospecting and exploration licences. All surface tax has been paid by the previous owners of the licences although some surface tax was paid later than required. This was rectified and accepted by the Ministry, although any future late payments of surface tax may lead to the revocation of the licences or a fine being levied on the Group.

3 RISKS RELATING TO MOZAMBIQUE

3.1 Political risk

The Group's operations are based in Mozambique. As a result, there are political and economic risks relating to Mozambique which could adversely affect an investment in the Company. Although politically and economically Mozambique has been relatively stable in the past sixteen years with a democratically elected government and strong growth rates there can be no guarantee that this stability will remain.

The Group may be adversely affected by changes in judicial, administrative, taxation or other regulatory factors in Mozambique, the UK, the BVI or elsewhere.

3.2 Mozambique legal system and Mozambique legislation risks

The legal system in Mozambique may not be as fully developed as in the Western world and therefore has inherent uncertainties that could limit the legal protections available to the Group. The following risks relating to the Mozambique legal system create uncertainties, many of which do not exist in countries with more developed market economies:

- (a) inconsistencies among:
 - (i) laws;
 - (ii) decrees, orders and regulations issued by the Government and ministries; and
 - (iii) regional and local laws, rules and regulations;

- (b) limited judicial and administrative guidance on interpreting Mozambique legislation;
- (c) substantial gaps in the regulatory structure due to delay or absence of implementing regulations;
- (d) some lack of expertise and experience of the legal operators and State agencies;
- (e) the relative inexperience of judges and courts in interpreting new principles of Mozambique legislation particularly those relating to business, corporate and securities laws,
- (f) some lack of judicial independence from political, social and commercial forces;
- (g) a high degree of discretion on the part of governmental authorities; and
- (h) bankruptcy procedures that are not well developed and are subject to abuse.

Although the judicial system can be described as independent, judges may have little experience in dealing with complex commercial law issues, which leads to a degree of uncertainty as to the outcome of any litigation. Further, it may be difficult to obtain swift and equitable enforcement, or to obtain enforcement of a judgment by a court of another jurisdiction. Another risk is that the introduction of new Mozambique laws and regulations and the interpretation of existing ones may be subject to policy changes reflecting domestic political or social changes. As the Mozambique legal system develops, there can be no assurance that changes in such legislation or interpretation thereof will not have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Expropriation or nationalisation of any of the Group's assets, or portions thereof, potentially without adequate compensation, would have a material adverse effect on the Group.

3.3 Compliance with employment requirements

In Mozambique there are restrictions on the employment of the expatriate workforce, with a quota system being in place. Under this system, a company employing less than 10 employees is entitled to have 10 per cent. of its workforce being foreigners; companies employing between 10 and 100 employees may have eight per cent. of its workforce being foreigners; and companies employing more than 100 employees can only have five per cent. of its workforce being foreigners. These quota requirements affect employees and consultants. Hiring expatriates outside these limits is possible on special application to the Ministry of Labour, but it is not at all certain that an application would be successful.

This may adversely impact the business of the Group as this may lead to higher employment costs or the Group not being able to employ those persons with the most appropriate skills.

3.4 Compliance with environmental requirements

Mining licence holders in Mozambique are required by law to comply with environmental protection plans agreed with the government in respect of each licence. The environmental protection plan obliges the holders of licences in Mozambique to ensure that the level of environmental pollution does not exceed accepted limits and for reclamation of licence areas by means of backfilling, levelling and cultivations to allow for future public use. The licence holder must deposit a bond in the form of a cash deposit, bank guarantee or insurance policy to secure compliance with its environmental obligations. If the licence holder fails to implement part of the EM Plan the mining authorities can use the funds to implement those measures. The value of the bond is reviewed by the MIREM every two years and as a matter of policy the MIREM is currently requiring a 50 per cent. bond although this is not prescribed under any publicly available legal diploma.

Although not currently considered to be a risk by the Directors, the Group's ability to explore and exploit its assets may be adversely affected by this requirement if the bond becomes too high which may adversely affect the Group's operations. Similar issues and risks may also manifest themselves in relation to the Ncondezi Project.

4 GENERAL RISK FACTORS – RISKS RELATING TO THE ORDINARY SHARES

4.1 Investment in AIM securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and to be less liquid than investment in companies whose shares are listed on the Official List and traded on the London Stock Exchange's Main Market for listed securities. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

4.2 Potentially volatile share price and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise for their holding of Ordinary Shares may be influenced by a significant number of factors, some specific to the Company, the Group and their operations and some which affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

4.3 Market perception

Market perception of mining, exploration and power companies may change which could impact on the value of investors' holdings and impact on the ability of the Group to raise further funds by issue of further shares in the Company.

It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to above crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.

PART 3

TERMS AND CONDITIONS OF THE OPEN OFFER

INTRODUCTION

As explained in the letter from the Chairman set out in Part 1 of this document, the Company intends to raise an additional amount of approximately £3.4 million, before expenses, by way of an Open Offer of up to 59,165,510 New Ordinary Shares at 5.78 pence per New Ordinary Share.

The purpose of this Part 3 is to set out the terms and conditions of the Open Offer. Up to 59,165,510 New Ordinary Shares may be issued through the Open Offer. Qualifying Participants are being offered the right to subscribe for Offer Shares in accordance with the terms of the Open Offer. The Open Offer is not underwritten.

The Record Date for entitlements under the Open Offer for Qualifying Depository Interest Holders and Qualifying non-CREST Shareholders is 5.00 p.m. on 19 December 2014. Open Offer Entitlements and Excess Open Offer Entitlements are expected to be credited to stock accounts of Qualifying Depository Interest Holders in CREST by 23 December 2014.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 9 January 2015 with Admission and commencement of dealings in Offer Shares expected to take place at 8.00 a.m. on 15 January 2015.

This document and, for Qualifying non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part 3 "Terms and Conditions of the Open Offer" which gives details of the procedure for application and payment for the Offer Shares.

The Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Participants to apply for up to 59,165,510 Offer Shares pro-rata (excepting fractional entitlements) to their current holdings of Existing Ordinary Shares and, under the Excess Application Facility, to apply for Excess Shares up to the relevant Excess Open Offer Entitlement Limit, in each case at the Offer Price in accordance with the terms of the Open Offer.

The participation of a Qualifying Participant for its Open Offer Entitlement and any Excess Shares under the Excess Application Facility does not guarantee that its percentage shareholding will not be diluted from the position prior to the Placing and the Open Offer as a result of the Placing and the Open Offer.

Any Qualifying Participant who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

If your Existing Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear which, where the purchaser or transferee is a Qualifying Depository Interest Holder, on settlement, will transfer the appropriate number of Open Offer Entitlements and Excess Open Offer Entitlements to the purchaser or transferee.

1 THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying non-CREST Shareholders, in the Application Form), Qualifying Participants are invited to apply for Offer Shares at the Offer Price pro rata to their holdings at the Record Date, payable in full on application on the basis of:

1 Open Offer Share for every 4 Existing Ordinary Shares

held by them and registered in their names on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held.

In order to maximise the Ordinary Shares available under the Open Offer to other Shareholders, AFC has irrevocably undertaken not to take up its Open Offer Entitlement. The Open Offer Entitlement that would have otherwise pertain to AFC, together with any Open Offer Entitlements not taken up under the Open Offer, will be made available to Qualifying Participants under the Excess Application Facility. Applications for Excess Shares under the Excess Application Facility will be satisfied only to the extent that corresponding applications by other Qualifying Participants are not made or are made for less than their pro rata entitlements. If applications under the Excess Application Facility are received for more than the total number of Ordinary Shares available following take-up of the Open Offer Entitlements, such applications will be scaled back at the discretion of the directors, who will have regard to the pro rata number of Excess Shares applied for by the Qualifying Participants under the Excess Application Facility. No assurances can therefore be given that the applications by Qualifying Participants will be met in full, in part or at all.

The Offer Price represents a premium of 7.5 per cent. to the Closing Price of 5.375 pence per Existing Ordinary Share and a premium of 0.87 per cent. to the 30 day volume weighted average price of 5.73 pence per Ordinary Share as at close of business on, in each case, 19 December 2014 (being the last practicable date before the publication of this document).

Open Offer Entitlements will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be allocated to the Qualifying Participants but will be aggregated and sold for the benefit of the Company. Certain Overseas Shareholders will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box A), your Open Offer Entitlements (in Box B) and your Excess Open Offer Entitlements in (Box C). No application in excess of a Qualifying Participant's maximum entitlement will be met and any Qualifying Participant so applying will be deemed to have applied for his maximum entitlement. Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant's risk) without interest within 14 days by way of cheque or CREST payment, as appropriate.

If you are a Qualifying Depositary Interest Holder, application will be made for your Open Offer Entitlement and your Excess Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess Open Offer Entitlements are expected to be credited to CREST accounts on 23 December 2014. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

The Open Offer is not a rights issue. Qualifying non-CREST Shareholders should note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying Depositary Interest Holders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Participant originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3.

The Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2 CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional on:

- (a) the Company allotting, subject only to Admission, the Offer Shares; and
- (b) Admission occurring not later than 8.00 a.m. on 15 January 2015 (or such later time and/or date as the Company may, in its sole discretion, elect being no later than 8.00 a.m. on 31 January 2015).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Participants will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of Offer Shares held in uncertificated form.

Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying Participants who have validly elected to hold their Offer Shares in certificated form by 31 January 2015.

In respect of those Qualifying Participants who have validly elected to hold their Offer Shares in uncertificated form, entitlements representing Offer Shares are expected to be credited to their stock accounts maintained in CREST by 15 January 2015.

Applications will be made for the Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 15 January 2015, when dealings in the Offer Shares are expected to begin.

All monies received by Computershare in respect of Offer Shares will be credited to a non-interest bearing account by the Registrars.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

3 PROCEDURES FOR APPLICATION AND PAYMENTS

The action to be taken by you in respect of the Open Offer depends on whether you are sent an Application Form in respect of your Open Offer Entitlement and Excess Offer Open Entitlement under the Open Offer or your Open Offer Entitlement and Excess Open Offer Entitlement is credited to your CREST stock account.

Qualifying Participants who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held on the Record Date. It will also show Qualifying Participants their Open Offer Entitlement and Excess Open Offer Entitlement that can be allotted in certificated form. Qualifying Participants who hold all their Existing Ordinary Shares or entitlements thereto in CREST will be allotted Offer Shares or entitlements thereto in CREST.

Qualifying Participants who hold part of their Existing Ordinary Shares or entitlement thereto in uncertificated form will be allotted Offer Shares or entitlements thereto in uncertificated form to the extent that their entitlement to Offer Shares arises as a result of holding Existing Ordinary Shares or entitlement thereto in uncertificated form. However, it will be possible for Qualifying Participants to deposit Open Offer Entitlements and Excess Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(e) of this Part 3 "Terms and Conditions of the Open Offer".

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and their Excess Open Offer Entitlements in CREST should refer to the CREST manual for further information on the CREST procedures referred to below.

Qualifying Participants who do not want to apply for the Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

If you have an Application Form in respect of your Open Offer Entitlement and Excess Open Offer Entitlement under the Open Offer:

(a) **General**

Subject to paragraph 6 of this Part 3 “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box A. It also shows the Open Offer Entitlement allocated to them set out in Box B and finally, the Excess Open Offer Entitlement in Box C. Entitlements to Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Offer Shares will be aggregated and may be allocated by the Board. Box D shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Box E shows how much they would need to pay if they wish to take up their Excess Open Offer Entitlement in full. Box I shows the total amount to pay for the Open Offer Entitlement and the Excess Open Offer Entitlement. Qualifying non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying non-CREST Shareholders.

(b) **Bona fide market claims**

Applications to acquire Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 17 January 2015. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box L on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States of America, any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below.

(c) **Excess Applications**

Qualifying non-CREST Shareholders with Application Forms who are applying for all their Open Offer Entitlements may apply to acquire Excess Shares using the Excess Application Facility, should they wish, up to a maximum of their Excess Open Offer Entitlement Limit. The total number of Open Offer Shares will not be increased in response to any excess applications.

Applications under the Excess Application Facility for any Excess Shares shall be determined by the Directors in their absolute discretion and no assurance can be given that these applications will be met in full, in part or at all. In the event of oversubscription for Excess Shares under the Excess Application Facility, the Directors intend to limit applications by Qualifying Participants pro rata to their aggregate holdings of Existing Ordinary Shares. Excess monies in respect of applications which are not met in full will be returned by post to applicants, at the applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(d) **Application procedures**

Qualifying non-CREST Shareholders wishing to apply to acquire Offer Shares (whether in respect of all or part of their Open Offer Entitlement and their Excess Open Offer Entitlement) should complete the Application Form in accordance with the instructions printed on it.

Completed Application Forms should be posted to Computershare, Corporate Actions Projects, Bristol BS99 6AH, or returned by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by Computershare by no later than 11.00 a.m. on 9 January 2015. Qualifying non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying non-CREST Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 9 January 2015; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 9 January 2015 from authorised persons (as defined in FSMA) specifying the Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(e) **Payments**

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Computershare RE: Ncondezi and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or

draft to confirm that the relevant Qualifying non-CREST Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by Computershare. If the Open Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Offer Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Computershare shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying non-CREST Shareholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. Neither Computershare nor the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

(f) ***Incorrect Sums***

If an Application Form encloses a payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying non-CREST Shareholder in question; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form up to that Qualifying non-CREST Shareholder's entitlement, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Computershare in respect of Offer Shares will be held in a separate account by Computershare.

(g) ***Effect of application***

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts

resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference). Nothing in this paragraph shall exclude the liability of any person for fraud;
- (iv) acknowledges that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the “**Exchange Information**”), and that he/she is able to obtain or access the Exchange Information without undue difficulty. Neither the Company nor any person acting on its behalf nor any of its affiliates nor any of its directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;
- (v) represents and warrants to the Company that he is the Qualifying non-CREST Shareholder originally entitled to the Open Offer Entitlement and the Excess Open Offer Entitlement;
- (vi) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlement and his Excess Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the Offer Shares, to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the articles of association of the Company from time to time;
- (viii) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prohibited or restricted by law or regulation and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prohibited or restricted by law or regulation (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;
- (ix) the purchase by him/her of New Ordinary Shares does not trigger in the jurisdiction in which he/she is resident:
 - (A) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or

- (B) any disclosure reporting obligation of the Company; or
 - (C) any registration or other obligation on the part of the Company; or
 - (D) the requirement for the Company to take any other action;
- (x) represents and warrants to the Company that he/she is not, and nor is he/she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (xi) confirms that in making the application he/she is not relying and has not relied on either the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his/her investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Corporate Actions Projects, Bristol BS99 6AH, or you can contact Computershare on 0870 707 4040 or +44 870 707 4040 if calling from outside of the United Kingdom. Calls to the helpline number cost approximately eight pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note Computershare cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or their Excess Open Offer Entitlements or give any financial, legal or tax advice.

If you have an Open Offer Entitlement or Excess Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer:

(h) **General**

Subject to paragraph 6 of Part 3 "Terms and Conditions of the Open Offer" in relation to certain Overseas Shareholders, each Qualifying Depository Interest Holder will receive a credit to his stock account in CREST of his Open Offer Entitlement and Excess Open Offer Entitlement equal to the maximum number of Offer Shares (including Excess Shares) or entitlements thereto for which he is entitled to apply under the Open Offer. Entitlements to Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements and Excess Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Offer Shares arising will be aggregated and made available by the Board, at its discretion.

The CREST stock account to be credited will be an account under the Participant ID and member account ID that apply to the Existing Ordinary Shares, or entitlement thereto, held on the Record Date by the Qualifying Depository Interest Holder in respect of which the Open Offer Entitlements and the Excess Open Offer Entitlements have been allocated.

If for any reason Open Offer Entitlements and Excess Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying Depository Interest Holders cannot be credited by, 5.00 p.m. on 23 December 2014, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying Depository Interest Holder in substitution for the Open Offer Entitlement and the Excess Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying Depository Interest Holders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Offer Shares should refer to the CREST manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare on 0870 707 4040 or +44 870 707 4040 if calling from outside of the United Kingdom. Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements and their Excess Open Offer

Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(i) **Market claims**

Each of the Open Offer Entitlements and the Excess Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying Depository Interest Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the Excess Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(j) **Unmatched Stock Event (“USE”) instructions**

Qualifying Depository Interest Holders who are CREST members and who want to apply for Offer Shares in respect of all or some of their Open Offer Entitlements and Excess Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Computershare under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Offer Shares or entitlement thereto applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Computershare in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Offer Shares or entitlement thereto referred to in paragraph 3.2(c)(i) above.

(k) **Content of USE instruction in respect of Open Offer Entitlements**

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Computershare);
- (ii) the ISIN of the Open Offer Entitlement. This is VGG640631377;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare in its capacity as a CREST receiving agent. This is 3RA41;
- (vi) the member account ID of Computershare in its capacity as a CREST receiving agent. This is NCONOPEN;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 9 January 2015; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 9 January 2015. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 9 January 2015 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on 15 January 2015 (or such later time and date as the Company may, in its sole discretion, determine being no later than 8.00 a.m. on 31 January 2015), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying Depository Interest Holder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(l) ***Content of USE instruction in respect of Excess Open Offer Entitlements***

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Offer Shares for which application is being made (and hence the number of the Excess Open Offer Entitlement(s) and being delivered to Computershare);
- (ii) the ISIN of the Excess Open Offer Entitlement. This is VGG640631294;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare in its capacity as a CREST receiving agent. This is 3RA41;
- (vi) the member account ID of Computershare in its capacity as a CREST receiving agent. This is NCONOPEN;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 9 January 2015; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 9 January 2015. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 9 January 2015 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer does not become unconditional by 8.00 a.m. on 15 January 2015 (or such later time and date as the Company may, in its sole discretion, determine being no later than 8.00 a.m. on 31 January 2015), the Open Offer will lapse, the Excess Open Offer Entitlements admitted to CREST will be disabled

and Computershare will refund the amount paid by a Qualifying Depository Interest Holder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(m) ***Deposit of Open Offer Entitlements and Excess Open Offer Entitlements into, and withdrawal from, CREST***

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements and Excess Open Offer Entitlements set out in his/her Application Form may be deposited into CREST (either into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and/or Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 9 January 2015.

In particular, having regard to normal processing times in CREST and on the part of Computershare, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements or Excess Open Offer Entitlements (as the context requires) in CREST, is 3.00 p.m. on 6 January 2015 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or Excess Open Offer Entitlements from CREST is 4.30 p.m. on 5 January 2015 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements or Excess Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess Open Offer Entitlements (as the context requires) prior to 11.00 a.m. on 9 January 2015.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Computershare by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and Computershare from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(n) ***Validity of application***

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 9 January 2015 will constitute a valid application under the Open Offer.

(o) ***CREST procedures and timings***

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and

its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 9 January 2015. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(p) ***Incorrect or incomplete applications***

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through Computershare, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction up to the CREST member's entitlement, refunding any unutilised sum to the CREST member in question (without interest).

(q) ***Effect of valid application***

A CREST member who makes or is treated as making a valid application for some or all of his pro-rata entitlement to the Offer Shares in accordance with the above procedures thereby:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Computershare's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference). Nothing in this paragraph shall exclude the liability of any person for fraud;
- (v) acknowledges that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the "**Exchange Information**"), and that he is able to obtain or access the Exchange Information without undue difficulty. Neither the Company nor any person acting on its behalf nor any of its respective affiliates nor any of its respective directors, officers, employees, agents, partners or professional advisers has or

shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;

- (vi) represents and warrants that he is the Qualifying Participant originally entitled to the Open Offer Entitlements and Excess Open Offer Entitlements;
 - (vii) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlements and his Excess Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement and Excess Open Offer Entitlement by virtue of a *bona fide* market claim;
 - (viii) requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the articles of association of the Company from time to time;
 - (ix) represents and warrants to the Company that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares or entitlement thereto is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares or entitlement thereto which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares or entitlement thereto is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or entitlement thereto under the Open Offer;
 - (x) the purchase by him/her of New Ordinary Shares does not trigger in the jurisdiction in which he/she is resident:
 - (A) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or
 - (B) any disclosure reporting obligation of the Company; or
 - (C) any registration or other obligation on the part of the Company; or
 - (D) the requirement for the Company to take any other action;
 - (xi) represents and warrants that he/she is not, and nor is he/she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
 - (xii) confirms that in making the application he/she is not relying and has not relied on either the Company or any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his/her investment decision.
- (r) ***Company's discretion as to the rejection and validity of applications The Company may in its sole discretion:***
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3 "Terms and Conditions of the Open Offer";
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in

substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Computershare has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.
- (s) **Lapse of the Open Offer**
- In the event that the Open Offer does not become unconditional by 8.00 a.m. on 15 January 2015 or such later time and date as the Company may, in its sole discretion, determine (being no later than 8.00 a.m. on 31 January 2015), the Open Offer will lapse, the Open Offer Entitlements and the Excess Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying Depository Interest Holder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

4 MONEY LAUNDERING REGULATIONS

4.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, Computershare may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Computershare. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to Computershare to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “**relevant Offer Shares**”) shall thereby be deemed to agree to provide Computershare with such information and other evidence as Computershare may require to satisfy the verification of identity requirements.

If Computershare determines that the verification of identity requirements apply to any acceptor or application, the relevant Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Computershare is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Computershare nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting

CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn. The interest earned on such monies will be retained for the benefit of the Company.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and Computershare from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (d) if the aggregate subscription price for the Offer Shares is less than €15,000 (approximately £11,900).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Computershare RE: Ncondezi" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Computershare. If the agent is not such an organisation, it should contact Computershare at Computershare Corporate Actions Projects, Bristol BS99 6AH.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Computershare on 0870 707 4040 or +44 870 707 4040 if calling from outside of the United Kingdom. Calls to the helpline number cost approximately eight pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Please note Computershare cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement and their Excess Open Offer Entitlement.

If the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of €15,000 (approximately £11,900) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she

has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 9 January 2015, Computershare has not received evidence satisfactory to it as aforesaid, Computershare may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 Open Offer Entitlements and Excess Open Offer Entitlements in CREST

If you hold your Open Offer Entitlement and your Excess Open Offer Entitlement in CREST and apply for Offer Shares or entitlement thereto in respect of some or all of your Open Offer Entitlement and your Excess Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Computershare is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Computershare before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Computershare such information as may be specified by Computershare as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare as to identity, Computershare may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Offer Shares or entitlement thereto concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Offer Shares or entitlement thereto represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5 ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 12 January 2015. Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Offer Shares, fully paid, will commence at 8.00 a.m. on 15 January 2015.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 9 January 2015 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 15 January 2015, Computershare will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Offer Shares or entitlement thereto with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs.

CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying Depository Interest Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess Open Offer Entitlements, and to allot and/or issue any Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown

of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

No temporary documents of title will be issued and transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6 OVERSEAS SHAREHOLDERS

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Offer Shares under the Open Offer.

No action has been or will be taken by either the Company or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to stock accounts in CREST of, Overseas Shareholders or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due

in such territory.

Neither the Company nor any of its representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Offer Shares in respect of the Open Offer unless the Company, in its sole discretion, determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Offer Shares or in the case of a credit of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying Depositary Interest Holder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Participants in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess Open Offer Entitlements. No public offer of Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement and/or a credit of an Excess Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

6.2 **United States**

The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares or entitlement thereto in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares or entitlements thereto will be credited to a stock account in CREST of, any Qualifying Participants with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares or entitlement thereto and wishing to hold such New Ordinary Shares or entitlement thereto in registered form must provide an address for registration of the New Ordinary Shares or entitlement thereto issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

6.3 **Restricted Jurisdictions**

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess Open Offer Entitlements. The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

6.4 **Other Overseas Territories**

Application Forms will not be sent to, and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to stock accounts in CREST of, Overseas Shareholders or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Qualifying Participants in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Participants who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Offer Shares in respect of the Open Offer.

6.5 **Representations and warranties relating to Overseas Shareholders**

6.5.1 Qualifying non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Offer Shares comprised therein represents and warrants to the Company and Computershare that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (a) such person is not requesting registration of the relevant Offer Shares from within the United States or any Restricted Jurisdiction;
- (b) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it;
- (c) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (b) above at the time the instruction to accept was given; and
- (d) such person is not acquiring Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Offer Shares into any of the above territories. The Company and/or Computershare may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form if it:
 - (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or
 - (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or
 - (iii) purports to exclude the warranty required by this sub-paragraph 6.5.1.

6.5.2 Qualifying Depository Interest Holders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 "Terms and Conditions of the Open Offer" represents and warrants to the Company and Computershare that, except where proof has been provided to the Company's satisfaction that such person's acceptance will

not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into any of the above territories.

6.5.3 Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or Depositary Interest Holders or on a general basis by the Company in its absolute discretion.

Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders or Depositary Interest Holders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7 TIMES AND DATES

The Company shall, after consultation with its financial and legal advisers, be entitled to amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Participants may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8 TAXATION

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

9 FURTHER INFORMATION

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying non-CREST Shareholders and other Qualifying Participants to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10 GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Offer Shares, by way of their Open Offer Entitlement, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Participants irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 4

ADDITIONAL INFORMATION

1 THE COMPANY

The Company was incorporated and registered on 30 March 2006 in the British Virgin Islands as a company limited by shares with registered number 1019077. The Company's legal and commercial name is Ncondezi Energy Limited. The principal legislation under which the Company operates is the BVI Business Companies Act 2004 (as amended).

2 SHARES IN THE COMPANY

The number of authorised and issued shares of the Company as at 19 December 2014 (being the latest practicable date prior to the publication of this document), and as it is expected to be immediately following Admission is set out below:

	<i>Authorised</i>	<i>Issued and fully paid</i>
As at 19 December 2014 (being the latest practicable date prior to the publication of this document)	Unlimited	236,662,403
On Admission ¹	Unlimited	295,827,553

1. Assuming the Open Offer is taken up in full.

At a meeting of the Company every member present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder. Holders of Ordinary Shares are entitled to receive dividends.

On a winding-up or other return of capital, holders are entitled to share in any surplus assets pro rata to the amount paid up on their Ordinary Shares. The Ordinary Shares are not redeemable at the option of either the Company or the holder. There are no restrictions on the transfer of Ordinary Shares.

3 DIRECTORS AND THEIR INTERESTS IN THE ORDINARY SHARES

As at 19 December 2014 (being the latest practicable date prior to the publication of this document) and, as at Admission, the interests of the Directors in the issued shares of the Company were and are expected to be as follows:

	<i>Ordinary Shares held as at 19 December 2014</i>	<i>% of the Existing Ordinary Shares</i>	<i>Ordinary Shares that will be held as at Admission¹</i>	<i>% of the Company's issued shares as at Admission¹</i>	<i>Ordinary Shares that will be held as at Admission²</i>	<i>% of the Company's issued share as at Admission²</i>
Michael Haworth ³ Non-Executive Chairman	12,726,743	5.4%	15,908,429	5.4%	19,090,115	6.5%
Paul Venter Chief Executive Officer	–	–	–	–	–	–
Estevão Pale Non-Executive Director	–	–	–	–	–	–
Peter O'Connor Non-Executive Director	–	–	–	–	–	–
Christiaan Schutte Non-Executive Director	–	–	–	–	–	–
Jacek Glowacki Non-Executive Director	–	–	–	–	–	–

1. Assuming that Open Offer Entitlements are taken up in full and the issue of all Open Offer Shares.
2. Assuming that the Open Offer Entitlements including the maximum under the Excess Application Facility are applied for by that person and satisfied in full and the issue of all of the Open Offer Shares.
3. Includes shares held by a trust of which Michael Haworth is a potential beneficiary.

The above shareholdings are in addition to the interests of the Directors under any Employee Share Scheme, which have been previously announced.

4 SUBSTANTIAL SHAREHOLDINGS

As at 19 December 2014 (being the latest practicable date prior to the publication of this document) and, as at Admission, the interests of substantial existing Shareholders (excluding those of Directors disclosed in paragraph 3 above) issued shares of the Company were and are expected to be as follows:

<i>Shareholder</i>	<i>Ordinary Shares held as at 19 December 2014</i>	<i>% of the Existing Ordinary Shares</i>	<i>Ordinary Shares that will be held as at Admission¹</i>	<i>% of the Company's issued shares as at Admission¹</i>	<i>Ordinary Shares that will be held as at Admission²</i>	<i>% of the Company's issued share as at Admission²</i>
African Finance Corporation	54,988,520	23.2%	54,988,520	18.6%	54,988,520	18.6%
Kulczyk Investments SA ³	29,111,719	12.3%	36,389,648	12.3%	43,667,577	14.8%
Brooks Macdonald Asset Management	25,149,195	10.6%	31,436,493	10.6%	37,723,791	12.8%
Hardwick Trust	9,548,787	4.0%	11,935,983	4.0%	14,323,179	4.8%
RBC, Jersey clients	8,387,502	3.5%	10,484,377	3.5%	12,581,252	4.3%
Canaccord Genuity Wealth Management	7,402,504	3.1%	9,253,130	3.1%	11,103,756	3.8%

1. Assuming that Open Offer Entitlements are taken up in full and the issue of all of the Open Offer Shares.
2. Assuming that Open Offer Entitlements including the maximum Excess Open Offer Entitlements are applied for by that person and satisfied in full and the issue of all of the Open Offer Shares.
3. Includes associated companies.

5 EXPENSES

The total costs and expenses of or incidental to the Open Offer is estimated to amount to approximately £70,000 (excluding VAT).

Dated: 22 December 2014