

NEWS RELEASE

EPC and O&M bids Received

31 December 2019: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to provide an update on its power tariff finalisation and submission process for the integrated Ncondezi 300MW coal fired power project and coal mine in Tete, Mozambique (the "Project").

Highlights:

- Updated Engineering, Procurement and Construction ("EPC") and Operations and Maintenance ("O&M") bids received
- Supporting EPC and O&M information on track for early January 2020
- Indicative debt financing terms received for the Project
- Preliminary tax and financial incentives report received
- Tariff submission remains on track for early Q1 2020
- Target tariff negotiation finalisation targeted during H1 2020

Ncondezi Chief Executive Officer, Hanno Pengilly said: *"The Project remains on track to deliver a formal tariff offer to Electricidade de Moçambique ("EDM") in early Q1 2020. EPC and O&M bids have been received by the Project strategic partners and are now under review. In addition, preliminary commercial bank funding terms for the debt component of the Project financing have been received. Ncondezi is targeting a minimum debt financing of 70% of Project capital costs. Together these represent the key inputs to update the Project financial model and deliver a credible tariff offer to EDM. A further update is expected once all information to update the model has been received.*

The Ncondezi Project is one of the most advanced development stage baseload power projects in Mozambique, which would provide low cost reliable 24 hour power whilst meeting the strictest emission standards. The Project is aligned with government strategy for additional baseload power on the grid by 2023 and universal energy access by 2030."

Enquiries

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About Ncondezi Energy

Ncondezi is an African power development company with an advanced staged, integrated 300MW thermal coal power plant and mine project located in the Tete Province, Northern Mozambique.

The Company is focused on providing reliable, affordable and accessible baseload energy which will secure against the effects of water drought and intermittency of new renewables. This project supports Mozambique's energy strategy of universal electricity access by 2030. According to the World Bank, only 30% of the Mozambican population had access to energy in 2017. The Ncondezi Project would provide 300MW of reliable and available power helping to close the infrastructure gap of the region and serving as a catalyst for economic development.

The power plant will be designed to be equipped with state-of-the-art emissions controls technologies that will reduce local air pollutants, minimizing the plant's impact on the environment and ensuring its compliance with the most stringent emission standards

In April 2019 the Company announced a proposed Joint Venture with GridX Africa Power Development to enter into the Commercial and Industrial ("C&I") renewable and battery storage sector and in October 2019 announced their first investment in an off grid solar battery project. The move into the C&I solar and battery storage sector offers a significant opportunity for the Company to complement the existing large-scale baseload power project and access near-term low-risk annuity income streams which have significant growth potential.