

NEWS RELEASE

Project Financial Model Submitted for Internal Review Ahead of Submission to EDM

28 January 2020: 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:

- Project Financial Model (the "FM") has been updated and submitted to the Company's Partners for review
- FM drives the Project power tariff calculation to be submitted to Electricidade de Moçambique ("EDM")
- FM update follows receipt of key updated information, including:
 - Engineering, Procurement and Construction ("EPC") and Operations and Maintenance ("O&M") proposals
 - Indicative debt terms from the Industrial and Commercial Bank of China ("ICBC")
 - Tax and accounting assumptions from KPMG Auditores e Consultores S.A. ("KPMG")
- Letter of Interest ("LoI") received from China Export & Credit Insurance Corporation ("Sinosure") regarding the provision of political and commercial risk insurance for the Project
- Tariff submission remains on track for Q1 2020
- Target tariff negotiation finalisation expected during H1 2020

Ncondezi Chief Executive Officer, Hanno Pengilly said: *"The updated FM with supporting documentation from leading global players in the power and finance sectors further elevates the Project as a leading advanced stage development project in Mozambique, and sends a clear message to Government, EDM and potential investors as to the serious intentions of the Company and its Partners to deliver the Project."*

The submission of the FM represents an important step forward in the development process of the Project and follows the achievement of a number of critical milestones over the past two months including the receipt of updated EPC and O&M proposals and indicative debt terms from one of the largest banks in the world. The updated FM is the final milestone to unlock power tariff negotiations with EDM as the Company looks to deliver a credible and competitive tariff offer during Q1 2020.

The updated FM has been submitted for internal review, and all parties are committed to getting the FM signed off for submission to EDM as soon as possible.

The LoI from Sinosure, whilst still at an early stage, is a critical path item for debt funding of any large infrastructure project of this nature and highlights the Chinese Government's continuing support for the development of affordable, reliable baseload energy projects in Mozambique."

Enquiries

For further information please visit www.ncondezienergy.com or contact:

Ncondezi Energy	Hanno Pengilly	+27 (0) 71 362 3566
Liberum Capital Limited NOMAD & Joint Broker	Andrew Godber, Edward Thomas, Kane Collings	+44 (0) 20 3100 2000
Novum Securities Limited Joint Broker	Colin Rowbury	+44 (0) 20 7399 9427
Pimlico Advisory Ltd Investor Relations	Elizabeth Johnson	+44 (0) 777 56 55 927

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 to Mozambique and 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.