

NEWS RELEASE

Meeting of Priority China Investment Projects

20 December 2019: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to provide a project update on meetings held with the Inter-Ministerial Committee for China and Mozambique (the "Committee") regarding the development of the integrated Ncondezi 300MW coal fired power project and coal mine in Tete, Mozambique (the "Project"), and an update on the Shareholder Loan.

Highlights:

- Ncondezi was invited to present to the Committee as a China Mozambique priority investment project
- Ncondezi has been selected as a priority infrastructure project in the context of cooperation between Mozambique and China, agreed under the Second Forum Road and Belt, held in China during April 2019
- The Committee is constituted by various sectors of the government of Mozambique, namely the Ministry of Mineral Resources and Energy ("MIREME"), Ministry of Land, Environment and Rural Development and the Agency for Promotion of Investment and Exports, and is coordinated by the Ministry of Economy and Finance, assisted by the Ministry of Foreign Affairs and Cooperation
- Discussions were focused on evaluating the current status of projects and identifying where government could further facilitate the development process
- Parties have identified areas where the Project development process has the potential to be accelerated, particularly with respect to key license applications and access to Government, and have agreed to explore these further in the new year
- Ncondezi represented the sole power development project at the meeting
- The meeting concluded with the Committee confirming its satisfaction with the Project update and progress to date, and emphasized its readiness to assist in all necessary aspects for effective project implementation
- Draft Shareholder Loan restructuring documentation has been submitted to the lenders for review during December 2019, targeting finalisation in January 2020

Ncondezi Chief Executive Officer, Hanno Pengilly said: *"The Ncondezi Project is one of the region's most advanced base load power projects which would be able to supply low cost reliable 24 hour power in a part of the world with some of lowest energy access rates. The Project's inclusion on the list of key infrastructure projects between Mozambique and China highlights the support at senior levels within both governments to progress the Project. The Company welcomes the opportunity to work with both the Ministry of Economy and Finance and the Ministry of Foreign Affairs, and participate in progress meetings with other key government departments. These meetings have the potential to facilitate various processes which could help unlock value for the Project. Several areas have been identified to potentially accelerate the Project development timetable, and these will be explored in more detail in the new year."*

The Shareholder Loan restructuring process has progressed with draft documentation submitted to lenders for review. The Company received in principle support for the restructure in November 2019 and I am confident that the restructuring will be completed in January 2020."

Shareholder Loan Update

On 26 November the Company announced that it had received “in principle” support from all shareholder loan holders (“Lenders”) to enter the loan restructuring. Draft loan restructuring documents were submitted to Lenders during December 2019, and the Company will make an announcement once the documentation is finalised as appropriate. The Company is targeting completion of loan restructuring documentation during January 2020. The loan restructuring is subject to the lenders agreeing to the documentation. The proposed restructuring would also constitute a related party transaction for the purposes of the AIM Rules for Companies. Accordingly, should the Restructuring be accepted by all Lenders, and before signing, the Company’s Independent Directors will need to consider, and consult with Liberum Capital Limited, the Company’s nominated adviser, as to whether the terms of the restructuring are fair and reasonable insofar as its shareholders are concerned. There can be no certainty that the restructuring of the Shareholder Loan will occur.

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 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.