

NEWS RELEASE

Ncondezi Signs MoU with Shanghai Power as Potential Strategic Investor

27 October 2014: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce that it has signed a non-binding Memorandum of Understanding ("MoU") with Shanghai Electric Power Company Limited ("SEP") to progress and agree a transaction where SEP could potentially become the controlling shareholder in the 300MW power plant project (the "Ncondezi Power Project" or the "Power Project"), located near Tete in northern Mozambique.

SEP is a company incorporated in the People's Republic of China and listed on the Shanghai Stock Exchange with the majority of its shares held by China Power Investment Corporation ("CPI"). CPI is one of the largest power generation groups in China with an installed capacity of 90,000MW. SEP has experience of owning, constructing and operating coal fired power stations and has a stated strategy of international growth in Africa, specifically Mozambique.

The MoU documents SEP and Ncondezi's mutual intention to further cooperate with each other and sets out a work plan and timetable, with a view to executing a legally binding Joint Venture Agreement Heads of Terms ("JVAHOTs") during Q4 2014.

It is currently the intention within the MoU that the JVAHOTs will outline a transaction whereby SEP acquires a controlling equity position in the Power Project.

In addition, it is also the intention that SEP will acquire a minority interest in the Ncondezi Mine Project ("Mine Project").

The above mentioned investments structure is still subject to final due diligence by SEP, and any changes will be documented in the JVAHOTs and which will be announced when they are signed.

Following execution of this MOU, the Parties will commence the negotiation of the JVAHOTs. Such process shall run concurrently with the final due diligence process to be conducted by SEP in order to meet the Q4 2014 timetable. Ncondezi has agreed to give SEP a short period of exclusivity to agree the JVAHOTs.

Commenting on the announcement, CEO Paul Venter said, *"The formalising of the relationship between Ncondezi and SEP through the signing of this MoU is a significant step toward agreeing a transaction which will bring the Ncondezi Power Project to commercial realisation. SEP brings a wealth of power plant financing, construction and operating expertise that will be a major benefit to both the Power Project and Mozambique."*

Enquiries:

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Ncondezi Energy owns 100% of the Ncondezi Project which is strategically located in the power generating hub of the country, the Tete Province in northern Mozambique. The Company is developing an integrated thermal coal mine and power plant in phases of 300MW up to 1,800MW. The first 300MW phase is targeting domestic consumption in Mozambique using reinforced existing transmission capacity to meet current demand.

新闻稿

与潜在战略投资者上海电力签署《备忘录》

2014年10月27日：Ncondezi Energy Limited（“Ncondezi”或“公司”）（AIM: NCCL）在此宣布，其与上海电力股份有限公司（“SEP”）签署了不具有法律约束力的《谅解备忘录》（“《备忘录》”），以推进和同意其与SEP的潜在交易，即拟由SEP成为位于莫桑比克北部Tete省附近的300MW电站项目（“Ncondezi电站项目”或“电站项目”）的控股股东。

SEP是一家在中华人民共和国境内注册成立，并在上海证券交易所上市的企业，其大多数股份由中国电力投资集团公司（“CPI”）持有。CPI是中国最大的发电集团之一，其装机容量达90,000MW。SEP在拥有、建设和运营燃煤发电站方面具有经验，且已确定了在非洲，特别是莫桑比克的国际化发展战略。

《备忘录》规定了SEP和Ncondezi进一步合作的合意并制定了工作计划和时间表，拟在2014年第四季度签署具有法律约束力的《合资协议条款清单》（“《条款清单》”）。

根据目前《备忘录》项下双方合意，《条款清单》中将规定由SEP取得电站项目的控股权。

此外，根据双方合意，SEP将取得Ncondezi煤矿项目（“煤矿项目”）的少数权益。

上述投资结构仍将取决于SEP的最终尽职调查结果，且任何变更将在《条款清单》中予以规定，并将在其签署后进行公告。

《备忘录》签署后，双方将开始就《条款清单》进行谈判。该谈判过程将与SEP的最终尽职调查同步进行，以满足2014年第四季度的时间表要求。Ncondezi已同意给予SEP短期的排他期，以便双方就《条款清单》达成一致意见。

首席执行官Paul Venter就本公告评论说：“Ncondezi和SEP通过签署《备忘录》而建立正式的合作关系，为双方达成交易并实现Ncondezi电站项目的商业价值迈出了重要的一步。SEP带来了发电站融资、建设和运营的丰富专业技能，将同时为电站项目和莫桑比克带来重大利益。”

查询

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Ncondezi Energy 100%拥有 Ncondezi 项目，该项目地处战略位置，位于国家的发电基地，莫桑比克北部 Tete 省。公司正在分期开发一体化动力煤煤矿和发电站，将由 300MW 扩容至 1800MW。首期 300MW 将面向莫桑比克国内市场，通过加强现有传输容量满足现有需求。