

10 June 2010

## **NCONDEZI COAL COMPANY LIMITED**

("Ncondezi" or the "Company")

### **Admission to Trading on AIM**

**£35.6m (US\$52m) fundraising**

#### **Highlights**

- Admission to AIM with a market capitalisation of £146.6million
- Placing of 28,956,454 new shares at 123p each to raise £35.6 million (US\$52 million)
- Proceeds to be used to fund further exploration and a fast-track bankable feasibility study at the Ncondezi Project and working capital needs of the Company

Ncondezi Coal Company Limited (AIM:NCCL), a coal exploration and development company with assets in the Tete Province in Mozambique, Southern Africa, announces its admission to trading on AIM and the commencement of dealings in its shares on AIM at 8.00 am today and the successful completion of a placing (the "Placing") which raised gross proceeds of £35.6 million (US\$52 million) for the Company, before expenses.

Pursuant to the Placing, the Company has issued 28,956,454 million new shares of no par value ("Ordinary Shares") at 123 pence each (the "Placing Price") to a broad base of institutional and other investors. Based on the Placing Price, the market capitalisation of Ncondezi immediately following completion of the Placing and the Admission to AIM will be approximately £146 million.

Liberum Capital Limited is the Nominated Adviser to the Company. Liberum Capital Limited and Renaissance Capital Limited are Joint Bookrunner and Joint Broker to the Company.

#### **Overview of Ncondezi**

Ncondezi is a British Virgin Islands registered company that holds 4 prospecting and exploration licences in the Tete Province of Western Mozambique, which is regarded to be one of the world's last remaining undeveloped coking and thermal coal basins. Following earlier exploration, the Company has defined a JORC 1.8 billion tonne coal resource at the Ncondezi Project which comprises two of its licences (804L and 805L).

The Company plans to further explore these licence areas to increase its overall coal resource, upgrade the current JORC resource, and ultimately to develop mining operations producing thermal and, potentially, coking coal. Further test work is required to confirm this potential. SRK, on behalf of Ncondezi, recently completed a Scoping Study on the Ncondezi Project, which confirmed the economic and technical viability of a 37 year open pit mine, producing 10 million tonnes per annum of export quality thermal coal, commencing in the second half of 2014.

The Company's assets are located in the Zambezi coal basin in the Tete Province of north-western Mozambique. The primary market for Ncondezi's export thermal coal is expected to be India. Several international mining, steel and energy companies are making major investments to develop coal resources and reserves in Mozambique for the purpose of supplying international markets. In particular, the region's infrastructure is also receiving substantial investment, associated with developments by Vale and Riversdale at their respective Moatize and Benga coal projects which are expected to start production in late 2011.

The Company intends to utilise the proceeds of the Placing to conduct further exploration work and a fast-track bankable feasibility study, to be completed in the second half of 2012, which will encompass further drilling and evaluation of the Ncondezi Project. Social and environmental studies will also be undertaken in order to advance the Ncondezi Project towards production.

Further details about the Company can be found on the Company's website: [www.ncondezicoal.com](http://www.ncondezicoal.com)

**Graham Mascall, CEO of Ncondezi Coal Company Limited, commented:**

*"We are delighted that the Company's shares commenced trading on AIM. The Company's main objective is to upgrade and extend the existing JORC resource and to complete a fast-track bankable feasibility study on the Ncondezi Project. We also aim to carry out further test work in order to assess the potential for coking coal."*

*The Ncondezi Project presents an exciting opportunity to develop a new coal mine in one of the world's largest underdeveloped coal regions. Work to date has already defined a JORC resource of 1.8 billion tonnes. We are excited about the potential for upgrading existing resources as well as the potential for coking coal."*

**Enquiries:**

**Ncondezi Services UK Ltd**

Graham Mascall +44 (0)20 7183 5402

**Liberum Capital Limited**

Nominated Adviser and Joint Broker  
Chris Bowman/Ellen Francis +44 (0)20 3100 2000

**Renaissance Capital Limited**

Joint Broker +44 (0)20 7367 8273  
Jeremy Wrathall

**Pelham Bell Pottinger**

Charles Vivian +44 (0)20 7861 3232 / +44 (0) 7859 048 228  
Klara Kaczmarek