

23 September, 2010

NCONDEZI COAL COMPANY LTD

("Ncondezi" or the "Company")

NCONDEZI COMMENCES CORE DRILLING

Ncondezi Coal Company Limited (AIM: NCCL), a coal exploration and development company with coal assets in the Tete Province in Mozambique, today announces the initiation of core drilling on licences 804L & 805L (the "Ncondezi Project"), as part of the Company's work programme to complete a Definitive Feasibility Study ("DFS") by mid 2012.

The core drilling follows the announcement on 1 September, 2010 that the Company had commenced the DFS work programme. Currently there is one core drill rig on site. A further 2 core drill rigs are expected on site in the next few weeks. This is in addition to the 3 percussion hole drill rigs currently drilling holes spaced at 4km & 2km centres on a grid across the whole Ncondezi Project licence areas.

Cores are being stored in a refrigerated store at the Company's site camp and will be sent to a laboratory in South Africa for a full suite of wash and, depending on results, coking coal tests. Results are expected in the early part of Q1 2011 and will be released when they have been received and processed.

Graham Mascal, CEO of Ncondezi Coal Company, commented:

"I am very pleased to announce that we are now drilling cored holes on schedule in parallel with more percussion holes on our Ncondezi Project. This will enable completion of coal quality test work and announced results. We look forward to keeping our investors informed of our progress."

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About Ncondezi Coal Company Ltd

Ncondezi Coal Company Ltd is an exploration and development company with four coal exploration and prospecting licences in the Tete Province of Mozambique. The Company holds prospecting and exploration licences over more than 73,160 ha in the Zambezi Basin, a geological environment considered to be one of the last undeveloped coal basins in the world.

Exploration work is most advanced on the Ncondezi Project, which comprises licence areas 804L & 805L, and is located approximately 40km northeast of the provincial capital Tete and 10km from the Sena railway. The Ncondezi Project covers an area of approximately 38,700ha and has a JORC coal resource of 1.8 billion tonnes. A scoping study completed in early 2010 confirmed the economic potential for an open pitable 10 million tonne per annum export thermal coal operation with coking coal potential. It is the Company's objective to complete a definitive feasibility study on the Ncondezi Project in the second half of 2012 and move to initial production in the second half of 2014.

Further details about Ncondezi Coal Company Ltd can be found on the Company's website: www.ncondzicoal.com