

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, or the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Copies of this Document are being sent to Shareholders. If you have sold or otherwise transferred all of your holding of shares in Ncondezi Coal Company Limited please forward this Document and the accompanying Form of Proxy and Form of Instruction at once to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred part only of your holding in shares in Ncondezi Coal Company Limited you should retain this Document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this Document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute any offer to issue or sell or a solicitation of any offer to subscribe for or buy shares in Ncondezi Coal Company Limited.



NCONDEZI COAL COMPANY LIMITED

(Incorporated and registered in the British Virgin Islands with registered number 1019077)

Notice of Annual General Meeting of Shareholders

Notice of a Meeting of Shareholders of the Company to be held at 10.30 a.m. BST on 27 July 2011 at Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA, England is set out at the end of this Document. A Form of Proxy for holders of Ordinary Shares for use at the Meeting of Shareholders accompanies this Document and, to be valid, must be completed and returned to Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES, Channel Islands. The Form of Proxy must be returned as soon as possible but in any event to be received not later than 10.30 a.m. BST on 25 July 2011 or 48 hours before any adjourned meeting. A Form of Instruction for holders of Depositary Interests for use at the Meeting of Shareholders accompanies this Document and, to be valid, must be completed and returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, England as soon as possible but in any event to be received not later than 10.30 a.m. BST on 24 July 2011 or 72 hours before any adjourned meeting. The return of one or more completed Forms of Proxy or Forms of Instruction will not prevent you from attending the Meeting of Shareholders and voting in person if you wish to do so (and are so entitled).

A summary of the action to be taken by Shareholders of the Company is set out in the Notice of Meeting of Shareholders set out at the end of this Document.

DEFINITIONS

The following definitions apply throughout this Document unless the context requires otherwise:

| | |
|---|---|
| "Act" | the BVI Business Companies Act, 2004 (No. 16 of 2004) as amended and includes the regulations made under the Act |
| "Admission" | the admission of the Ordinary Shares to trading on the AIM market operated by the London Stock Exchange which became effective on 10 June 2010 |
| "Articles of Association" | the articles of association of the Company as amended from time to time |
| "Depository Interests" | the interests representing Ordinary Shares held through Computershare Investor Services PLC as depository |
| "Directors" or the "Board" | the directors of the Company whose names are set out on page 3 of this Document |
| "Form of Instruction" | the form of instruction for holders of Depository Interests in connection with the Meeting of Shareholders |
| "Form of Proxy" | the form of proxy for use by the Shareholders in connection with the Meeting of Shareholders |
| "Meeting of Shareholders" or "Meeting" | the meeting of shareholders to be held at 10.30 a.m. BST on 27 July 2011, notice of which is set out at the end of this Document, or any adjournment of that meeting |
| "Notice" | the notice of the Meeting of Shareholders set out at page 7 of this Document |
| "Ordinary Shares" | the existing shares of no par value in the Company |
| "Resolutions" | the resolutions set out in the Notice to be proposed at the Meeting of Shareholders |
| "Shareholders" | registered holders of Ordinary Shares in the Company |
| "Ncondezi" or the "Company" | Ncondezi Coal Company Limited (incorporated and registered in the British Virgin Islands under the Act with registered number 1019077) whose registered office is at Coastal Building, 2 nd Floor, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands |

LETTER FROM THE CHAIRMAN

NCONDEZI COAL COMPANY LIMITED

(Incorporated and registered in the British Virgin Islands with registered number 1019077)

Directors

Richard Stuart, Non-Executive Chairman
Graham Mascall, Chief Executive Officer
Estevão Pale, Non-Executive Director
Nigel Sutherland, Non-Executive Director
Colin Harris, Non-Executive Director
Mark Trevan, Non-Executive Director

Registered Office

2nd Floor
Wickham's Cay II
P.O. Box 2221
Road Town
Tortola
British Virgin Islands

To the holders of existing Ordinary Shares

30 June 2011

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

I have pleasure in sending you the Notice of this year's Annual General Meeting which we are holding at 10.30 a.m. BST on 27 July 2011 at Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA, England. You will find enclosed with this letter a copy of the Company's Annual Report and Accounts for the year ended 31 December 2010.

As the Notice contains certain items of business which are of a technical nature, this letter explains the business set out in the Notice. This letter also explains why the Directors recommend that Shareholders vote in favour of the Resolutions proposed at the Meeting of Shareholders.

Ordinary Resolutions at Meeting of Shareholders

Resolution 1 - Report and Accounts

The Shareholders are given the opportunity to receive and adopt the Company's annual accounts for the financial year ended 31 December 2010 together with the last directors' report and auditors' report on those accounts (the "**Report and Accounts**").

Resolution 2 - Directors' Remuneration Report

In accordance with best practice, Shareholders are given the opportunity to vote on whether or not they approve the Remuneration Report and this vote will be in respect of the content of the Remuneration Report and not specific to any Director's level or terms of remuneration. You can find the report on page 22 of the Report and Accounts, available on our website at www.ncondezicoal.com.

Resolutions 3 to 4 - Re-election of Directors

The Company's Articles of Association require one-third of the directors to retire by rotation each year. The Chairman is satisfied that and, in the case of the Chairman, the Board is satisfied that following individual formal performance evaluations, the performance of the Directors standing for re-election continues to be effective and demonstrates commitment to the role. Biographical details of all the Directors appear on pages 16 and 17 of the Report and Accounts.

Resolutions 5 and 6 - Re-appointment and remuneration of auditor

Resolutions 5 and 6 propose the re-appointment of BDO LLP as auditors of the Company from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the Directors to set their remuneration.

Resolution 7 - Authority to issue shares

This resolution deals with the Directors' authority to issue Relevant Securities (as defined in the Notice) in accordance with Regulation 3 of the Articles of Association. The current authority to issue shares expires at the Meeting and the Directors are seeking a renewal of the authorities given to them on Admission.

This resolution will, if passed, authorise the Directors to issue:

- (i) in relation to a pre-emptive rights issue only, Relevant Securities up to a maximum number of shares equal to no more than 60% of the Company's issued shares (excluding treasury shares) as at the date of the Notice. This maximum is reduced by the number of any Relevant Securities issued under paragraph (ii) below; and
- (ii) in any other case, Relevant Securities up to a maximum number of shares equal to no more than 30% of the Company's issued shares (excluding treasury shares) as at the date of the Notice.

As at close of business on the date preceding the Notice, the Company did not hold any treasury shares.

The authority granted by this resolution will expire fifteen months after the passing of the resolutions or, if earlier, the date of the next Annual General Meeting of the Company.

The Directors have no present intention to exercise this authority.

Special Resolutions at the Meeting of Shareholders

Resolution 8 - Disapplication of pre-emption rights

This resolution deals with Directors' authority to issue Relevant Securities for cash without first offering them to existing Shareholders in proportion to their existing holdings. The current authority to disapply the pre-emption rights expires at the Meeting and the Directors are seeking a renewal of the authorities given to them on Admission.

This resolution will, if passed, give the Directors power, subject to the passing of resolution 7, to issue equity securities (as defined by section 560 of the UK Companies Act 2006) for cash either pursuant to the authority conferred by resolution 7 or by way of a sale sell treasury shares without first offering them existing shareholders in proportion to their existing holdings, provided that this power will be limited to:

- (i) the issue of equity securities in connection with any offer by way of a rights issue;

- (ii) the holders of equity securities in the Company in proportion (as nearly as may be practicable) to their respective holdings;
- (iii) to the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary; and
- (iv) in any other case, to the issuance of Relevant Securities up to an aggregate number equal to 10% of the Company's issued shares as at the date of the Notice.

The power granted by this resolution will expire fifteen months after the passing of the resolutions or, if earlier, the date of the next annual general meeting of the Company.

The Directors have no present intention to exercise this authority.

Resolution 9 - Amendment of the Articles of Association

The Company's Articles of Association currently include two provisions, namely Regulation 2.4 and Regulation 3.8 respectively, which deal with the issue of shares for a non cash consideration. Regulation 2.4 states that before the Company can issue shares for a non cash consideration, the directors must pass a resolution which states (i) the amount to be credited for the issue of the shares; (ii) their determination of the reasonable present cash value of the non-money consideration; (iii) and that, in their opinion, the present value of the non cash consideration for the issue is not less than the amount to be credited for the issue of shares. Regulation 3.8 stipulates that where the Company issues shares for a non-cash consideration it must obtain an independent valuation of that consideration in accordance with sections 593 and 597 of the UK Companies Act 2006.

This resolution proposes to amend the Articles of Association by deleting Regulation 3.8 as the additional requirement for a formal external valuation could lead to a lengthy and costly exercise which may negatively impact on the Company's competitiveness. Shareholders will still benefit from the protection afforded to them in such circumstances under Regulation 2.4.

Action to be taken by Shareholders

Shareholders will find enclosed with this Document a Form of Proxy and the holders of Depositary Interests will find enclosed a Form of Instruction for use at the Meeting of Shareholders.

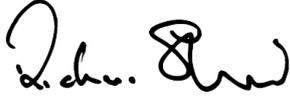
Whether or not you intend to be present at the Meeting, Shareholders are requested to complete, sign and return your Form of Proxy to Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES, Channel Islands. The Form of Proxy must be returned as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. BST on 25 July 2011. The completion and return of a Form of Proxy will not preclude you from attending the Meeting of Shareholders and voting in person should you wish to do so.

Holders of Depositary Interests are requested to complete, sign and return your Form of Instruction instructing Computershare Company Nominees Limited (the "**Custodian**") to vote the underlying Ordinary Shares on their behalf at the Meeting of Shareholders to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, England, as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. BST on 24 July 2011. A holder of Depositary Interests has no right to attend and vote the underlying Ordinary Shares at a Meeting of Shareholders and should therefore complete and return the Form of Instruction so that the Custodian may vote on their behalf. However, if a holder of Depositary Interests or their representative do wish to attend and/or vote at the Meeting of Shareholders they should request a Letter of Representation from the Custodian in accordance with the instructions on the Form of Instruction.

Board Recommendation

The Directors believe that all the proposals to be considered at the Meeting of Shareholders are in the best interests of both the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their own beneficial holdings.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Richard Stuart". The signature is written in a cursive style with a large initial 'R'.

Richard Stuart
Non-Executive Chairman

NCONDEZI COAL COMPANY LIMITED

(Incorporated and registered in the British Virgin Islands with registered number 1019077)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT This year's Annual General Meeting of Ncondezi Coal Company Limited (the "**Company**") will be held at 10.30 a.m. BST on 27 July 2011 at Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA, England to consider and, if thought fit, approve the following resolutions, which will be proposed as ordinary and special resolutions as indicated below:

ORDINARY RESOLUTIONS

Receipt of Accounts and Reports

- 1 To receive and adopt the Company's financial statements for the year ended 31 December 2010 together with the Directors' report and auditors' report on those accounts.

Directors' Remuneration Report

- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2010.

Re-election of Directors

- 3 To re-elect Richard Stuart as a Director of the Company.
- 4 To re-elect Estevão Pale as a Director of the Company.

Re-appointment of Auditors and Auditors' Remuneration

- 5 To authorise the Directors to re-appoint BDO LLP as auditors of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which the accounts are to be laid before the Company.
- 6 To authorise the Directors to agree the Auditors' remuneration.

Authority to Issue Shares

THAT, for the purposes of the Articles of Association, the Directors be generally and unconditionally authorised to issue Relevant Securities (as defined in the notes to these resolutions):

- 7.1 up to an aggregate number of shares equal to 60% of the issued shares of the Company as at the date of this Notice and such number to be reduced by the number of any Relevant Securities issued under paragraph 7.2 below (the "**Rights Issue Allotment Number**" for the purposes of Regulation 3 of the Articles of Association for the Allotment Period as defined below) in connection with an offer by way of a rights issue:
 - (a) to holders of shares in proportion (as nearly as may be practicable) to their respective holdings; and

- (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- 7.2 in any other case, up to an aggregate number of Relevant Securities being equal to 30% of the issued shares of the Company as at the date of this Notice (the "**Allotment Number**" for the purposes of Regulation 3 of the Articles of Association for the Allotment Period),

provided that this authority shall, unless renewed, varied or revoked by the Company, expire fifteen months after the passing of the resolutions or, if earlier, the date of the next annual general meeting of the Company (the "**Allotment Period**" for the purposes of Regulation 3 of the Articles of Association) save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be issued and the Directors may issue Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to issue Relevant Securities but without prejudice to any issuance of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

8 Disapplication of Pre-emption Rights

THAT, for the purposes of the Articles of Association, subject to the passing of resolution 7:

- 8.1 the Directors be given the general power to issue equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 7 or by way of a sale of treasury shares, as if Regulation 3 of the Articles of Association did not apply to any such issuance, provided that this power shall be limited to:

- (a) the issue of equity securities in connection with an offer by way of a rights issue;
- (b) to the holders of equity securities in the Company in proportion (as nearly as may be practicable) to their respective holdings; and
- (c) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- 8.2 the issuance (otherwise than pursuant to paragraph 8.1 above) of Relevant Securities up to an aggregate number equal to 10% of issued shares of the Company at the date of this Notice (the "**Non-Pre-emptive Number**" for the

purposes of Regulation 3 of the Articles of Association for the period set out in the next paragraph).

The power granted by this resolution will expire fifteen months after the passing of the resolutions or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to issue equity securities as if Regulation 3 of the Articles of Association did not apply but without prejudice to any issuance of equity securities already made or agreed to be made pursuant to such authorities.

Amendment to Articles of Association

- 9 **THAT**, the Articles of Association of the Company be amended by deleting Regulation 3.8 and that the remaining provisions of Regulation 3 be renumbered accordingly and that the registered agent of the Company be and is hereby authorised to take all steps it thinks necessary (including but not limited to preparing amended and restating constitutional documents) to file this resolution with the Registrar of Corporate Affairs in the British Virgin Islands.

By order of the board

Secretary: Elysium Fund Management Limited

Dated: 30 June 2011

Registered office: 2nd Floor, Wickham's Cay II, PO Box 2221, Road Town, Tortola, British Virgin Islands

NOTES TO RESOLUTIONS 7 AND 8

In this Notice:

"Relevant Securities" means:

- (a) Shares other than Shares issued pursuant to:
 - (i) an Employee Share Scheme;
 - (ii) a right to subscribe for Shares in the Company where the grant of the right itself consisted a relevant security; or
 - (iii) a right to convert securities into Shares where the grant of the right itself constituted a relevant security;
- (b) any right to subscribe for or to convert any security into Shares in the Company other than rights to subscribe for or convert any security into Shares issued pursuant to an Employee Share Scheme.

References to the issuance of relevant securities include the grant of such right.

"Employee Share Scheme" means any scheme for providing incentives to employees and Directors of the Company involving share options, allocations or awards of shares, share appreciation rights or other similar matters involving shares or securities.

NOTES TO NOTICE

- (i) Only members of the Company are entitled to attend and vote at the Meeting. A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and on a poll vote instead of him/her. A member of the Company may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company.
- (ii) A Form of Proxy for holders of Ordinary Shares for use at the Meeting accompanies this document and, to be valid, must be completed and returned, together with any power of attorney or other authority under which it is signed, to Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES, Channel Islands. In either case the Form of Proxy must be returned as soon as possible but in any event to be received not later than 10.30 a.m. BST on 25 July 2011 or 48 hours before any adjourned meeting.
- (iii) A Form of Instruction for holders of Depositary Interests for use at the Meeting accompanies this document and, to be valid, must be completed and returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, England as soon as possible but in any event to be received not later than 10.30 a.m. BST on 24 July 2011 or 72 hours before any adjourned meeting.
- (iv) Completing a Form of Proxy does not prevent a shareholder from attending and voting in person if so entitled. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy to abstain on any particular resolution. However, it should be noted that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.
- (v) A shareholder must inform the Company's registrars in writing of any termination of the authority of a proxy.
- (vi) In the case of joint holders of Ordinary Shares, the signature of only one of the joint holders is required on the Form of Proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.
- (vii) To be entitled to attend and vote at the Meeting (for the purpose of the determination by the Company of the votes they may cast), a member of the Company must be entered in the register of members of the Company at 5.30 p.m. BST on 25 July 2011.
- (viii) During the Meeting there will be an opportunity for Shareholders, proxies or corporate representatives to ask questions relevant to the business of the Meeting.
- (ix) The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the Meeting from 10 a.m. BST on the day of the Meeting until the conclusion of the Meeting:

- (A) copies of the service contracts of the Executive Directors under which they are employed by the Company and the letters of appointment (and other related documents) of the Non-Executive Directors; and
 - (B) the Articles of Association of the Company.
- (x) Electronic proxy appointment through CREST

CREST members who wish to issue an instruction through the CREST electronic voting appointment service may do so for the Meeting to be held at 10.30 a.m. BST on 27 July 2011 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for an instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited ("EUI")'s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes an instruction or is an amendment a previously made instruction must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) not later than 72 hours before the time appointed for the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions made through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001, as amended.

- (xi) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf of all its powers as a shareholder provided that they do not do so in relation to the same shares.
- (xii) You may not use any electronic address provided either in this notice or in any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.