

NEWS RELEASE

Tariff Process and General Update

25 March 2020: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to provide a general update on its power tariff finalisation and submission process for the integrated Ncondezi 300MW coal fired power project and coal mine in Tete, Mozambique (the "Project").

Highlights:

- Project Financial Model (the "FM") now in final form and awaiting final approvals from the Company's Board of Directors and its Partners to be submitted to Electricidade de Moçambique ("EDM")
- Tariff submission remains on track for Q1 2020
- Proposals under review to provide additional capital to cover working capital costs beyond Q2 2020

Ncondezi Chief Executive Officer, Hanno Pengilly said: *"I am pleased to report that the Company and its Partners have continued to progress the Project despite the difficult global market conditions, and that we are still on track for submission of a formal power tariff offer to EDM this quarter.*

The FM is in final form, meaning that all key inputs and assumptions have been agreed and the commercial parameters are within targets. The FM is now awaiting formal approval from each party to be submitted to EDM.

The Project's objective is to provide low cost, reliable and accessible electricity within Mozambique, a country with one of the lowest electricity access rates on the continent, whilst using state of the art emission control technologies to minimise the impact on the environment. Energy access is a key driver of economic and social development in any country, and the Project will promote job creation, productivity, and expanded business at a crucial time.

The Company and its Partners are focused on maintaining the Project's current development programme, with a number of work streams due to start following tariff submission. The impact of the COVID-19 virus is being closely monitored by all parties, and we have implemented procedures and actions to mitigate against any long term effect on the Project. It is worth noting that a significant portion of Project deliverables during this quarter came from Partner teams located in China. Our thanks go to them and all our Partners for their exceptional commitment during this difficult time to ensure any impact on the Project work programme has been minimised.

Given the uncertainty and rapidly changing nature of the situation, Ncondezi is working to protect its cash flow by pro-actively managing its capital expenditure and working capital as well as identifying opportunities for cost savings that will not impact the long-term success of the Company.

The Company currently has adequate cash resources to cover corporate costs until Q2 2020 (subject to the shareholder loan extension). We are actively exploring a number of funding and working capital solutions beyond this period. A number of financing proposals have been received and are currently under review. The Company's focus is to ensure that it can continue to advance its strategy without having to raise equity at a time when the Board considers the market price to materially undervalue the Company.

Currently there are no binding agreements in place with no certainty that additional funding will be raised. More information will be provided as these initiatives progress"

Enquiries

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Note:

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain. If you have any queries on this, then please contact Hanno Pengilly, Chief Executive Officer of the Company (responsible for arranging release of this announcement) on +27 (0) 71 362 3566.

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 to Mozambique and 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.