

## NEWS RELEASE

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### Partners Confirm Project Unaffected

28 September 2020: Following the announcement on the 22 September 2020 Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) has held discussions with GE Steam Power ("GE") and China Machinery Engineering Corporation ("CMEC") regarding the Ncondezi 300MW power project (the "Project") and confirms it has not received any notice of change to the Joint Development Agreement ("JDA") signed in July 2019.

In the event that a new technology partner is required, CMEC has put in place a contingency plan and compiled a preferred list of partners who are familiar with the Project. CMEC has indicated that such a process would take 1 month to complete if required.

In the meantime there is no change to the timeline for critical Project work streams, including the historical cost audit and tariff negotiations, which are progressing positively.

**Ncondezi Chief Executive Officer, Hanno Pengilly said:** *"Having discussed GE's announcement earlier this week with our partners, we remain confident that any potential impact on our Project is not material to the project outcome. It is worth highlighting that the technology partner has no impact on the planned Project financing. Work continues at pace across all our workstreams and we look forward to providing further positive updates on the Project in the coming weeks."*

**CMEC President, Fang Yanshui said:** *"CMEC reiterates its commitment to the Ncondezi Project and intention to be the lead strategic investor and main EPC and O&M contractor for the power plant and mine. In the event that a new technology partner is required, CMEC is confident that a replacement can be put in place without impacting critical work streams such as the tariff negotiations and project financing. CMEC has strong relationships with the world's leading technology partners in this sector, some of which have worked with Ncondezi in the past as part of previous EPC processes, and more recently to benchmark our current technology proposal."*

### Enquiries

For further information please visit [www.ncondezienergy.com](http://www.ncondezienergy.com) or contact:

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**Note:**

**The information contained within this announcement in relation to the proposed Placing and Subscriptions 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 2019, the Company entered into the Commercial and Industrial ("C&I") renewable and battery storage sector and in October 2019 announced its first investment in an off grid solar battery project. The Company has also secured the right to fund a US\$5.5m C&I project development pipeline in Mozambique through a Relationship Agreement with a C&I developer. 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.