

## NEWS RELEASE - RNS REACH

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### Submission of Historical Cost Audit

29 September 2020: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce the submission of the historical cost audit report (the "Report") to China Machinery Engineering Corporation ("CMEC") for the integrated Ncondezi 300MW coal-fired power project in Tete, Mozambique (the "Project").

#### Highlights

- Report covers Ncondezi development expenditure on both the mine and 300MW coal-fired power project over the last 10 years
- Completed by an international independent audit firm
- Submitted to CMEC for review

**Ncondezi Chief Executive Officer, Hanno Pengilly said:** *"The news that the audit report has been completed and submitted to our partner, CMEC ticks off another milestone for the Company. This audit work is the most detailed carried out to date, covering 10 years of development costs on both the mine and power plant.*

*Once the Report is approved by both parties, the historical costs will be reimbursed as part of the capital investment by Ncondezi at financial close, providing a clear crystallisation of value for Ncondezi shareholders.*

*Agreement on the historical costs is a key condition precedent for the full form shareholders agreement between Ncondezi and CMEC, and is in addition to the subscription price to be agreed for the 60% share in the Project and the Project developers fee.*

*The team is very pleased with the progress made to date and continues to work tirelessly to complete the remaining workstreams. We look forward to providing further updates to shareholders in due course."*

## Enquiries

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

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## 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.