

NEWS RELEASE

Project Update

25 March 2021: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to provide an update on the integrated Ncondezi 300MW coal fired power project and coal mine in Tete, Mozambique (the "Project").

Highlights:

- Positive tariff negotiations continue
- The next step is receipt of formal feedback from Electricidade de Moçambique ("EDM") and the Government of Mozambique following submission of agreed studies in December 2020
- China Machinery Engineering Corp ("CMEC") has reiterated its support for Project

Ncondezi Chief Executive Officer, Hanno Pengilly said: *"We are at an advanced stage in our negotiations with both EDM and the Government. All the requested information has been delivered and further questions have been answered. We are now awaiting formal feedback from both EDM and the Government which will drive the Project timetable for the next critical milestones."*

The Project remains the most advanced baseload power project in the area with the ability to supply the required power to the grid, inline with current Government generation policy targets. The Project also benefits from strong partner support as demonstrated by CMEC's commitment to certain early works budget. This has ensured that the work necessary for the Project to meet Chinese investment standards has continued during the negotiations.

Finalising the tariff will unlock all the remaining milestones and while we aim to provide updates as regularly as possible, we must balance this with the sensitive nature of such negotiations. We continue to believe the Project is in a very strong position as it is technically sound, has a financing plan in place and able to provide a commercially attractive tariff. We look forward to providing further updates in due course."

Enquiries

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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 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.