

NEWS RELEASE

Remobilisation of C&I Solar Battery Storage Project and Proposed Directors Bridge Loan

1 March 2021: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce:

- its wholly owned renewables subsidiary, Ncondezi Green Power ("NGP"), has remobilised construction works at its maiden Commercial and Industrial ("C&I"), 400kWp solar and 912kWh battery storage project in Mozambique (the "Project"); and
- the signing of a non-binding US\$500,000 bridge loan term sheet between NGP and certain Directors of the Company to finance the balance of construction costs to commission the Project (the "Bridge Loan")

Highlights

Maiden C&I Solar & Battery Project

- Remobilisation of construction at C&I 400kWp solar PV plus 912kWh battery storage project
- Fully off-grid project, believed to be the first project of its type in Mozambique
- Target Project commissioning in June 2021
- Utilising market leading equipment including JA Solar panels and Tesla Power Pack
- Targeting generation of 600MWh and CO2 savings up to 517t per annum
- 15 year fixed price offtake agreement, denominated in US\$ with annual price escalations
- Contracted revenues of US\$3.1 over the life of the Project

US\$500,000 Bridge Loan term sheet

- Funding split US\$50k:US\$100k:US\$350k between Chairman Michael Haworth, CEO Hanno Pengilly and NED Scott Fletcher (the "Lenders")
- Provides balance of funding required to complete Project construction
- Fixed 30% coupon payable at the earlier of 6 months or commissioning of the Project
- Entered into by Company subsidiary NGP allowing the Company to implement its C&I strategy without diluting shareholders
- Lenders right to convert the Bridge Loan into equity of NGP with a coupon of 50% should NGP default on repayments or under events of default typical for a project of this nature
- Bridge Loan is subject to finalisation and execution of full form loan agreements, targeted for completion in March 2021
- Bridge Loan expected to constitute an AIM Rule 13 related party transaction and further updates will be provided in due course

Ncondezi Chief Executive Officer, Hanno Pengilly said: “Today’s announcement reinforces the Company’s commitment to the C&I renewable energy sector in Africa. Project construction is set to resume this month with commissioning targeted for June 2021 following the lifting of COVID-19 related force majeure. The Project is using leading technology from Tesla, JA Solar and ABB for the battery pack, solar panels and inverters respectively.

This is the first of our pipeline of green energy C&I assets to near completion and is expected to provide near term revenue for the Company. Although the impact of COVID-19 delayed the Project delivery timetable, the demand for sustainable energy solutions that provide increased energy security whilst also reducing costs has become more robust. Corporates globally are implementing aggressive net zero emission reduction policies which are outpacing Government targets by up to 20 years. Ncondezi’s early entry into this sector in 2019 has positioned it to take advantage of this with what is believed to be the largest fully off-grid solar and battery storage project in Mozambique. I believe this is an innovative, new high growth sector which complements our baseload power project and one in which we can become market leaders in a relatively short time frame.

A US\$500,000 Bridge Loan term sheet has been put in place by certain of the Company’s Directors to provide sufficient capital to complete construction and commission the Project. The Bridge Loan will be provided directly to the Company’s wholly owned subsidiary, Ncondezi Green Power, and honours the prior commitments not to dilute shareholders to progress the Company’s C&I strategy.”

Enquiries

For further information please visit www.ncondezienergy.com or contact:

Ncondezi Energy	Hanno Pengilly	+27 (0) 71 362 3566
Liberum Capital Limited NOMAD & Joint Broker	Scott Mathieson, Edward Thomas, Kane Collings	+44 (0) 20 3100 2000
Novum Securities Limited Joint Broker	Colin Rowbury	+44 (0) 20 7399 9427
Pimlico Advisory Ltd Investor Relations	Elizabeth Johnson	+44 (0) 777 56 55 927

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this Announcement and such information is now considered to be in the public domain. The person who arranged for the release of this announcement on behalf of the Company was Hanno Pengilly, CEO.

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.