

## NEWS RELEASE

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### EPC Contract Target Signature Date Agreed

23 August 2021: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce a target signature date for the Engineering, Procurement and Construction ("EPC") power plant contract for the integrated Ncondezi 300MW coal fired power project and coal mine in Tete, Mozambique (the "Project") has been agreed with China Machinery Engineering Corporation ("CMEC") with signature reverted for during Q3 2021.

The Company is also pleased to announce that a number of funding proposals are being considered to ensure that it is adequately capitalised to complete the next phase of the Project's de-risking milestones.

**Ncondezi Chief Executive Officer, Hanno Pengilly said:** *"The Company remains confident in the Ncondezi Project's strong merits which include a focus on providing competitively priced power, both in Mozambique and the wider region, in combination with the use of the latest emission control technologies to minimise the plant's impact on the environment and ensure compliance with the most stringent emission standards.*

*This confidence is reinforced by agreement of a target signature date with CMEC for the power plant EPC contract of during Q3 2021, which is the main construction contract for the Project and will represent a material de-risking event.*

*Whilst Project deliverables in 2021 have been slower than expected, the Company, with ongoing support from CMEC, has worked diligently to ensure the Project is properly positioned for success. COVID-19 lockdowns and increasing scrutiny on the rationale for new fossil fuel power generation have presented added challenges this year, however the Company believes that the Project is sufficiently advanced and has the necessary support to effectively navigate them and unlock value through delivery of key milestones before year end.*

*To ensure we are adequately capitalised for the next phase of the Project, we are currently considering a number of funding solutions and are confident a solution will be finalised shortly.*

*We look forward to providing further updates in due course."*

**CMEC Project Director, Zhang Daguang said:** *"CMEC remains committed to working with Ncondezi to further progress the Project, and continues to progress its internal investment process and engagement with the Chinese Government and financing institutions. CMEC is also pleased to report positive progress and support from all parties involved, which has allowed for a commitment to finalise the power project EPC agreement with Ncondezi this quarter."*

### 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.