

NEWS RELEASE

Placing

26 August 2021: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce that it has raised a total of £600,000 before expenses by way of a placing.

Highlights

- Raised a total of £600,000 before expenses via the issue of 40,000,000 ordinary shares of no par value ("Ordinary Shares") in the Company ("Placing Shares") at a price of 1.5 pence per Placing Share (the "Placing Price") (the "Placing").
- Scott Fletcher, a Non Executive Director of the Company, has subscribed for 3,333,333 Placing Shares in the Placing for a total of £50,000. Following the Placing Scott Fletcher will be beneficially interested in 76,823,020 Ordinary Shares, representing approximately 18.7 per cent. of the Company's enlarged issued share capital.
- For every two Placing Shares subscribed for in the Placing participating investors will receive a non-transferable warrant to subscribe for an Ordinary Share with an exercise period of eighteen months from the date of admission to trading on AIM of the Placing Shares ("Admission") and exercisable at a price of 3 pence per Ordinary Share (the "Placing Warrants").
- In addition to the Placing, Hanno Pengilly, the Company's CEO, has confirmed his intention to apply any bonus due to him on the achievement of various milestones in relation to 2021 in subscribing for new Ordinary Shares in the Company at a price which will be determined by, amongst other things, the prevailing share price of the Company's Ordinary Shares at that time. Any such subscription will be subsequent to completion of the Placing and is conditional upon the approval of certain shareholder resolutions at the Company's AGM to be held in 2021.

The Company will use the net proceeds of the Placing for general working capital purposes and development expenditure at the 300MW Ncondezi Project (the "Project").

Ncondezi Chief Executive Officer, Hanno Pengilly said:

"We are pleased to have successfully completed the fund raise which ensures the Company is adequately capitalised to complete the next phase of de-risking milestones for the Project. The Board considered a range of funding options and proceeded with the fundraise as the best solution on a cost and dilution basis for all shareholders versus other alternative financing arrangements that were proposed.

Despite the increasing challenges around coal investment globally, a strong business case remains for its use as a key supplier of reliable, low-cost baseload power. As a result, coal power remains one of the main generation sources globally, and Ncondezi believes it can play an important role as part of a balanced and sustainable energy transition for the southern African region whilst adhering to the strictest international environmental standards.

The Company can now fully focus its attention on delivering key workstreams to further advance the Project before year end. The recent commitment from CMEC to sign the EPC contract this quarter, provides a critical steppingstone for the delivery of future milestones.

We look forward to updating shareholders in due course.”

Placing

The Company has raised gross proceeds of £600,000 before expenses, through a conditional Placing of 40,000,000 Ordinary Shares at a price of 1.5 pence per Ordinary Share.

As part of the Placing, for each two new Placing Shares subscribed for, the placee will receive a non-transferable Placing Warrant to subscribe for an Ordinary Share with an exercise period of eighteen months and exercisable at a price of 3 pence per Ordinary Share. A total of 20,000,000 Placing Warrants will be issued of which 3,580,070, including the warrants to be issued to Scott Fletcher, are conditional upon the approval of certain shareholder resolutions at the Company's AGM in 2021. The Placing Warrants will not be listed and will be exercisable at any time for a period of eighteen months from the date of Admission.

Application will be made for the Admission, with Admission expected to take place on or around 10 September 2021. Completion of the Placing is conditional upon, inter alia, Admission taking place. The Placing Shares will rank pari passu in all respects with the existing Ordinary Shares of the Company.

The Placing was arranged by Novum Securities Limited pursuant to a placing agreement entered into with them. In connection with the Placing, the Company has also agreed to issue 2,000,000 warrants over Ordinary Shares to a nominee of Novum Securities Ltd (“Novum”) (“Broker Warrants”). Each Broker Warrant entitles the holder to subscribe for one Ordinary Share at the Placing Price which are exercisable at any time for a period of eighteen months from the date of Admission. The issue of the Broker Warrants is conditional on approval of certain shareholder resolutions at the Company's AGM in 2021.

Related Party Transaction

Scott Fletcher's participation in the Placing and Placing Warrants constitutes a related party transaction for the purposes of AIM Rule 13. Accordingly, the independent directors for the purposes of the related party transaction, being all of the Company's directors other than Scott Fletcher, consider, having consulted with Liberum Capital Limited, the Company's Nominated Adviser, the terms of the transaction to be fair and reasonable insofar as the Company's shareholders are concerned.

Voting Rights

Following Admission, the Company's issued share capital will comprise 410,714,119 Ordinary Shares, each with one voting right. The above figure of Ordinary Shares may be used by Shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the Disclosure and Transparency Rules.

Investor Conference Call

The Company will host a shareholder webinar and Q&A via Microsoft Teams at 14:00 BST on Tuesday 31st August 2021.

The call will be hosted by CEO Hanno Pengilly who will provide an update and answer shareholder questions.

To obtain the link for the conference and to submit questions please email info@ncondezienergy.com.

Enquiries

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

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The notification below is made in accordance with the requirements of the EU Market Abuse Regulation as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Scott Fletcher
2	Reason for the notification	
a)	Position/status	Non-Executive Director
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Ncondezi Energy Limited
b)	LEI	2138003W75PP9STE9J18
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument	Ncondezi Energy Limited ordinary shares of no par value
	Identification code	VGG640631039
b)	Nature of the transaction	Fundraising

c)	Price(s) and volume(s)	<table border="1" data-bbox="710 342 1412 470"> <thead> <tr> <th data-bbox="710 342 965 405">Price(s)</th> <th data-bbox="965 342 1457 405">Volume(s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="710 405 965 470">1. 1.5p</td> <td data-bbox="965 405 1457 470">1. 3,333,333</td> </tr> </tbody> </table>		Price(s)	Volume(s)	1. 1.5p	1. 3,333,333
Price(s)	Volume(s)						
1. 1.5p	1. 3,333,333						
d)	Aggregated information - Aggregated volume - Price	3,333,333 1.5p					
e)	Date of the transaction	26/08/2021					
f)	Place of the transaction	London Stock Exchange, AIM					

Note:

The information contained within this announcement in relation to the proposed Placing 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 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.