

NEWS RELEASE

Directors Bridge Loan Extension

15 October 2021: Ncondezi Energy Limited (“Ncondezi” or the “Company”) (AIM:NCCL) announces that Ncondezi Green Power (“NGP”) its wholly owned renewable energy subsidiary has agreed an extension to the Directors Bridge Loan (“Bridge Loan”) announced on 4 May 2021.

Key highlights

- Bridge Loan extended for a further 20 business days
- Repayment date now 7 December 2021

Bridge Loan Extension

In order to ensure the Company has sufficient time to refinance the Bridge Loan, a Bridge Loan Extension has been entered into by Scott Fletcher, Hanno Pengilly and Michael Haworth as Lenders and Ncondezi Green Power as borrower. The Bridge Loan Extension provides for the Bridge Loan to be repaid 20 business days after the existing Repayment date taking the Repayment Date to 7 December 2021. Should NGP fail to meet the new Repayment Date the existing conversion and default conversion rights will still apply. This means that if NGP fails to repay by the Repayment Date or under events of default typical for a project of this nature, the Lenders can convert the loan into approximately 53% of the then issued share capital of NGP. Should NGP become insolvent, enter a creditors process, issue shares without Lender approval or following 20 business days of a Project event of default, fail to implement a written request by a Lender to sell the assets of the Project (“Material Default Conversion”) the Lenders can convert the loan into approximately 95% of the then issued share capital of NGP.

Related Party Transaction

The Bridge Loan Extension constitutes a related party transaction for the purposes of AIM Rule 13 of the AIM Rules for Companies. Accordingly, the Company’s Non-Executive Director Aman Sachdeva (being the only director not involved in the Bridge Loan and therefore considered to be independent for the purposes of the related party transaction) considers, having consulted with Liberum Capital Limited, the Company’s Nominated Adviser, the terms of the Bridge Loan Extension to be fair and reasonable insofar as the Company’s shareholders are concerned.

Further updates will be made as required by market rules.

Enquiries

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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 Aman Sachdeva.

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.