

## NEWS RELEASE

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### Project Update

17 January 2022: Ncondezi Energy Limited (“Ncondezi” or the “Company”) (AIM:NCCL) is pleased to provide an update on the integrated Ncondezi 300MW power project in Tete, Mozambique (the “Project”).

#### Highlights

- Awaiting further clarity on China’s position on financing coal projects abroad ahead of progressing the Project tariff
- China Machinery Engineering Corporation (“CMEC”) remains committed to the Project and continues to lead the process on Project financing
- Feedback on Transmission Integration Study expected during Q1 2022
- Company funded to the end of H1 2022

**Ncondezi Chief Executive Officer, Hanno Pengilly said:** *“The Company continues to work closely with its strategic partner, CMEC, to gain further clarity on President Xi’s announcement regarding availability of Chinese financing for coal power projects abroad. This is critical for the Project and all workstreams to progress the tariff are ready to proceed once this has been addressed. We understand this to be a global issue affecting all Chinese backed coal power development projects abroad, and that this impact is under review by the relevant Chinese authorities. CMEC continues to support the Project and is leading the financing process. In parallel to the Chinese financing process, Ncondezi and CMEC are reviewing potential alternative solutions for the Project which should be finalised during the quarter.*

*The case for the Project remains strong, there is a clear need for new baseload power in Mozambique to meet the Mozambique Government’s own targets however we also recognise that the environment for new coal power is challenging and the uncertainty on timing is causing a drag on the share price. We were pleased to see that the US\$2bn Temane Gas Power (450MW) and related transmission infrastructure projects reached financial close last month and that work has begun on the Mozambique – Malawi interconnector project. Both demonstrate the Government is delivering on their “Energy For All” strategy and improving credibility as an investment destination for large infrastructure projects, particularly in the energy sector. As one of the most advanced baseload development power projects in the country we are in a prime position to assist the Government in continuing to meet their targets and energy transition to more cost effective and reliable forms of supply.*

*While we await for clarity on financing for the Project and feedback from EDM on the Transmission Integration Study, the Board has taken the decision to review and implement a cash conservation strategy to further extend the Company’s working capital position beyond H1 2022 to ensure no further funding is required in the immediate future.*

*The Company will provide further updates at the appropriate time”*

#### Enquiries

For further information please visit [www.ncondezienergy.com](http://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

### **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