

NEWS RELEASE

Working Capital Extended & Seritza Loan Update

29 March 2022: Ncondezi Energy Limited (“Ncondezi” or the “Company”) (AIM:NCCL) provides an update on the integrated Ncondezi 300MW power project in Tete, Mozambique (the “Project”) and the working capital facility term loan (“Loan”) with Seritza Limited (“Seritza”).

Highlights

- Seritza has confirmed that it will extend the period in which it will not call in the Loan to 29 April 2022, whilst restructuring discussions are still being finalised (the “Restructuring”)
- Cash conservation strategy implemented potentially extending working capital runway from August 2022 to Q1 2023, depending on the Restructuring outcome
- China Machinery Engineering Corporation (“CMEC”) has initiated discussions with potential financiers for the Project not affected by the Chinese Government’s statement on financing coal projects outside of China

Ncondezi Chief Executive Officer, Hanno Pengilly said: *“The Chinese Government’s position on financing coal power projects abroad remains unclear at this stage. Regardless the Company continues to work closely with its strategic partner, CMEC to identify a solution to move the Project forward, including engagement with potential private project financiers in China and elsewhere in the world who are not restricted by the Chinese Government’s position. In parallel to this, the Company is reviewing alternative opportunities at the Project’s site, utilising existing works that could unlock additional value to shareholders whilst not affecting the main Project. The Board remains fully committed to identifying a solution to break the current Project deadlock.*

The Company has held Project update meetings with Electricidade de Moçambique and the Mozambique Ministry of Mineral Resources and Energy during the quarter. Following the appointment of a new Minister for Mineral Resources and Energy in March we now expect progress on finalising the Project’s transmission integration to be made during Q2.

A cost conservation strategy has been implemented by the Board and it is expected to extend the Company’s cash position into August 2022. Should the Company be successful in its Restructuring discussions with Seritza this could potentially be extended to Q1 2023.

The Company will provide further updates at the appropriate time”

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 Hanno Pengilly.

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