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If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please send this document, together with its accompanying documents at once, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, Japan or the Republic of South Africa, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form. If your Existing Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear which, where the purchaser or transferee is a Qualifying Depositary Interest Holder, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. Neither the Placing nor the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority ("FCA") pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to section 85 of FSMA. In addition, this document does not constitute an AIM Admission Document drawn up in accordance with the AIM Rules.

NCONDEZI ENERGY LIMITED

*(incorporated and registered in the British Virgin Islands
under the BVI Business Companies Act 2004 with registered number 1019077)*

**Open Offer and Placing of approximately 60,557,840 New Ordinary Shares
at 5 pence per share on the basis of**

1 New Ordinary Share for every 2 Existing Ordinary Shares

**Nominated Adviser, Joint Financial Adviser and
Joint Broker: Liberum Capital Limited**

Joint Financial Adviser and Joint Broker: finnCap Ltd

Liberum Capital Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser, joint financial adviser and joint broker to the Company in connection with the Open Offer and Placing and is not acting for any other persons in relation to the Open Offer and Placing. Liberum Capital Limited is retained by the Company in connection with the Open Offer and Placing and shall not be responsible to any other party for providing advice or taking any other action in relation to the Open Offer and Placing. Persons receiving this document should note that Liberum Capital Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Liberum Capital Limited or for advising any other person on the arrangements described in this document. Liberum Capital Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Liberum Capital Limited nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. Liberum Capital Limited disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document. Liberum Capital Limited may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Ordinary Shares (including the Placing Shares and the Offer Shares) and/or related instruments for its own account for the purposes of hedging any underwriting exposure or otherwise. Except as required by applicable law or regulation, Liberum Capital Limited does not propose to make any public disclosure in relation to any such transactions.

finnCap Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as joint financial adviser and joint broker to the Company in connection with the Open Offer and Placing and is not acting for any other persons in relation to the Open Offer and Placing. finnCap Ltd is retained by the Company in connection with the Open Offer and Placing and shall not be responsible to any other party for providing advice or taking any other action in relation to the Open Offer and Placing. Persons receiving this document should note that finnCap Ltd will not be responsible to anyone other than the Company for providing the protections afforded to clients of finnCap Ltd or for advising any other person on the arrangements described in this document. finnCap Ltd has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by finnCap Ltd nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. finnCap Ltd disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document. finnCap Ltd may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Ordinary Shares (including the Placing Shares and the Offer Shares) and/or related instruments for its own account for the purposes of hedging any underwriting exposure or otherwise. Except as required by applicable law or regulation, finnCap Ltd does not propose to make any public disclosure in relation to any such transactions.

The Company's Existing Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the New Ordinary Shares will commence, at 8.00 a.m. on 23 December 2013. The New Ordinary Shares will not be admitted to trading on any other investment exchange. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) ("UKLA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the UKLA.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and to the Risk Factors in Part 2 of this document.

The latest time for acceptance and payment under the Open Offer is 11.00 a.m. on 17 December 2013. The procedure for application is set out in Part 3 of this document and the Application Form.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares and/or Open Offer Entitlements to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, and Open Offer Entitlements may not be transferred through CREST, in or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the New Ordinary Shares and/or Open Offer Entitlements may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, or credited to the stock account of any person in the United States of America, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New Ordinary Shares and the Open Offer Entitlements have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part 3 of this document.

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this document. Accordingly, the Open Offer that is the subject of this document may only be made in Jersey where the Open Offer is not an offer to public or the Open Offer is valid in the United Kingdom and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom. By accepting the Open Offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the Open Offer.

The Open Offer is being made within the Bailiwick of Guernsey in accordance with the Prospectus Rules 2008. The Open Offer is only being made within the Bailiwick of Guernsey to existing shareholders of the Company and a subscription for the New Ordinary Shares will only be accepted from such person. This document may not be reproduced or used for any other purpose.

A copy of this document will also be available from the Company's website, www.ncondezienergy.com.

This document contains (or may contain) certain forward-looking statements with respect to the Company and certain of its goals and expectations relating to its future financial condition and performance which involve a number of risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. All statements, other than statements of historical facts, contained in this document, including statements regarding the Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward-looking statements in this document use words such as "aim", "anticipate", "target", "expect", "estimate", "plan", "goal", "believe", "will", "may", "could", "should", "future", "intend" "opportunity", "potential", "project", "seek" and other words having a similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates and foreign exchange rates, changes in legislation, changes in consumer habits and other factors outside the control of the Company, that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements contained in this document are based upon information available to the Directors at the date of this document and the posting or receipt of the document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the relevant Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Qualifying Depositary Interest Holders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 23 December 2013. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Shares prior to the Record Date. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 3 December 2013, an Application Form will be sent to each Qualifying Depositary Interest Holder in substitution for the Open Offer Entitlements credited to his/her stock account in CREST. Qualifying Depositary Interest Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	5.00 p.m. on 29 November 2013
Announcement of the Open Offer and Placing, publication of this document and the Application Form	2 December 2013
Ex-entitlement Date	2 December 2013
Open Offer Entitlements credited to CREST stock accounts of Qualifying Depository Interest Holders	3 December 2013
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 11 December 2013
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 12 December 2013
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 13 December 2013
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction in respect of Depository Interests	11.00 a.m. on 17 December 2013
Expected date for announcement of result of the Open Offer and Placing and any Further Placing	18 December 2013
Admission and commencement of dealings in the New Ordinary Shares on AIM	8.00 a.m. on 23 December 2013
New Ordinary Shares credited to CREST members' accounts in Depository Interest form	23 December 2013
Dispatch of definitive share certificates for New Ordinary Shares in certificated form	by 31 December 2013

If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

All references are to London time unless stated otherwise.

Note:

If you have any questions on how to complete the Application Form, please contact Computershare Investor Services (BVI) Limited on telephone number 0870 707 4040 or +44 870 707 4040 outside the UK. This helpline is open from 9.00 a.m. to 5.00 p.m. on Monday to Friday (inclusive). Please note that calls to the helpline cost approximately eight pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside of the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that calls to the helpline may be monitored or recorded and that the helpline is not able to advise on the merits of the matters set out in this document or provide any legal, financial or taxation advice.

The ISIN code for the Ordinary Shares is VGG640631039. The ISIN code for the Open Offer Entitlements is VGG640631112.

OPEN OFFER AND PLACING STATISTICS

Number of Existing Ordinary Shares	121,115,683
Number of Offer Shares	60,557,840
Maximum number of New Ordinary Shares to be issued pursuant to Open Offer and Placing	68,835,981
Offer Price	5 pence
Gross proceeds of the Open Offer and Placing in the absence of the Further Placing	£3,027,892
Number of Ordinary Shares as enlarged by the Open Offer and Placing in the absence of the Further Placing	181,673,523
New Ordinary Shares as a percentage of the Enlarged Share Capital in the absence of the Further Placing	33.3 per cent.
Maximum gross proceeds of the Open Offer and Placing if the Further Placing is implemented	£3,441,799
Maximum number of Ordinary Shares as enlarged by the Open Offer and Placing if the Further Placing is implemented	189,951,664
New Ordinary Shares as the maximum percentage of the Enlarged Share Capital if the Further Placing is implemented	36.2 per cent.

Please refer to the Chairman's letter for details of the Irrevocable Undertakings that have been received and for details of the Placing (including the Further Placing) arrangements.

DIRECTORS AND ADVISERS

Directors	Michael Haworth, <i>Non-Executive Chairman</i> Paul Venter, <i>Chief Executive Officer</i> Graham Mascall, <i>Non-Executive Director</i> Estevão Pale, <i>Non-Executive Director</i> Nigel Sutherland, <i>Non-Executive Director</i> Mark Trevan, <i>Non-Executive Director</i> Peter O'Connor, <i>Non-Executive Director</i> Christiaan Schutte, <i>Non-Executive Director</i> Jacek Glowacki, <i>Non-Executive Director</i>
Registered office	2nd Floor Wickham's Cay II PO Box 2221 Road Town Tortola British Virgin Islands
Nominated Adviser, Joint Financial Adviser and Joint Broker	Liberum Capital Limited Ropemaker Place Level 12 25 Ropemaker Street London EC2Y 9LY United Kingdom
Joint Financial Adviser and Joint Broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ United Kingdom
Financial PR	Pelham Bell Pottinger 5th Floor Holborn Gate 330 High Holborn London WC1V 7QD United Kingdom
Solicitors to the Company as to English law	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 4HA United Kingdom
Solicitors to the Company as to BVI law	Ogier Ogier House The Esplanade St Helier Jersey JE4 9WG Channel Islands
Solicitors to the Joint Financial Advisers and Joint Brokers	Nabarro LLP Lacon House 84 Theobald's Road London WC1X 8RW

Auditor to the Company	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Receiving Agents	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6AH United Kingdom
Registrars	Computershare Investor Services (BVI) Limited Woodbourne Hall PO Box 3162 Road Town Tortola British Virgin Islands
Depositary	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE
Company Secretary	Elysium Fund Management Limited PO Box 650 1st Floor Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 3JX

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Admission”	the admission of the Offer Shares subscribed for by Qualifying Participants and the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time
“Application Form”	the personalised application form on which Qualifying non-CREST Shareholders may apply for New Ordinary Shares under the Open Offer
“Board” or “Directors”	the directors of the Company as at the date of this document
“Business Day”	a day which is not a Saturday or Sunday or a bank or national holiday in England on which the banks are open for general banking business in the City of London
“BVI”	the territory of the British Virgin Islands
“City Code”	The City Code on Takeovers and Mergers, as amended from time to time
“Closing Price”	the closing middle-market quotation of an Ordinary Share, as established in the daily official list of the London Stock Exchange
“Company” or “Ncondezi”	Ncondezi Energy Limited
“Conditional Placees”	certain existing Shareholders and persons directly or indirectly interested in such existing Shareholders who have conditionally agreed to subscribe for Placing Shares, subject to clawback under the Open Offer or to satisfy minimum commitments to Placees
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)

“Depository Interest”	a depository interest issued by the depository representing an entitlement to an Existing Ordinary Share which may be traded through CREST in dematerialised form
“Depository Interest Holders”	holders of any Depository Interests
“Employee Share Scheme”	any scheme for providing incentives to employees and Directors of the Company involving share options, allocations or awards of shares, share appreciation rights or other similar matters involving shares or securities of the Company
“enabled for settlement”	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear)
“Enlarged Share Capital”	all of the issued shares of the Company following completion of the Open Offer and Placing on Admission
“EPC”	a technical term referring to engineering, procurement, construction and commissioning
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 2 December 2013
“Existing Ordinary Shares”	the 121,115,683 Ordinary Shares in issue on the date of this document
“FCA”	the Financial Conduct Authority of the UK
“finnCap”	finnCap Ltd, 60 New Broad Street, London EC2M 1JJ, United Kingdom
“Firm Placees”	new investors in the Company who are directly or indirectly interested in Strata and who have conditionally agreed to subscribe for Placing Shares
“Firm Placees’ Committed Shares”	19,547,681 New Ordinary Shares forming part of the Strata Entitlement, which Strata has undertaken not to take up pursuant to the Open Offer and in respect of which the Company has received binding placing commitments
“FSMA”	Financial Services and Market Act 2000 (as amended)
“Fundraising”	the Open Offer and Placing
“Further Placing”	the conditional placing by Liberum and finnCap on behalf of the Company of up to, in aggregate, 8,278,141 new Ordinary Shares to be issued for cash free of pre-emption rights to Placees in order to meet the Minimum Commitment in full
“Irrevocable Undertakings”	the respective irrevocable undertakings entered into by: <ul style="list-style-type: none"> (a) Strata not to take up the Strata Entitlement; and (b) the Subscribing Shareholders to take up the Subscribing Shareholders’ Committed Shares.

“Liberum”	Liberum Capital Limited, Level 12 Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AR
“London Stock Exchange”	London Stock Exchange plc
“Minimum Commitment”	a minimum of, in aggregate, 15,875,280 New Ordinary Shares to be placed with Placees under the Placing and, to the extent required, under any Further Placing
“Money Laundering Regulations”	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms), the Terrorism Act 2000, the Anti Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006
“Ncondezi Group” or “Group”	the Company and its subsidiaries as at the date of this document
“New Ordinary Shares”	the new Ordinary Shares to be issued pursuant to the Open Offer and Placing
“Offer Price”	5 pence per New Ordinary Share
“Offer Shares”	up to 60,557,840 New Ordinary Shares being made available to Qualifying Participants pursuant to the Open Offer
“Open Offer”	the conditional invitation made to Qualifying Participants to apply to subscribe for the Offer Shares at the Offer Price on the terms and subject to the conditions set out in Part 3 of this document and in the Application Form
“Open Offer Entitlement”	the entitlement of Qualifying Participants to subscribe for Offer Shares allocated to Qualifying Participants pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of no par value each in the capital of the Company
“Overseas Shareholders”	a Shareholder or Depositary Interest Holder with a registered address outside the United Kingdom
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placees”	prospective investors other than the Firm Placees and the Conditional Placees who have conditionally agreed to subscribe for Placing Shares, subject to clawback under the Open Offer
“Placing”	the conditional placing by Liberum and finnCap on behalf of the Company of New Ordinary Shares with certain investors and existing Shareholders (or their associated investment vehicles) pursuant to the Placing Agreement
“Placing Agreement”	the agreement entered into between the Company, Liberum and finnCap in respect of the Open Offer and Placing dated 2 December 2013, as described in Part 4 of this document
“Placing Participants”	the Firm Placees, the Placees and the Conditional Placees

“Placing Shares”	the New Ordinary Shares issued to any of the Placing Participants
“Qualifying Depositary Interest Holders”	Depositary Interest Holders on the register of Depositary Interest Holders of the Company on the Record Date (but excluding certain Overseas Shareholders)
“Qualifying non-CREST Shareholders”	Shareholders on the register of members of the Company on the Record Date holding Existing Ordinary Shares in certificated form (but excluding certain Overseas Shareholders)
“Qualifying Participants”	Qualifying non-CREST Shareholders and Qualifying Depositary Interest Holders
“Record Date”	5.00 p.m. on 29 November 2013 in respect of the entitlements of Qualifying Shareholders under the Open Offer
“Registrars” “Depositary” or “Computershare”	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS99 6ZY
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Restricted Jurisdiction”	Canada, Australia, Japan or the Republic of South Africa
“Securities Act”	US Securities Act of 1933 (as amended)
“Shareholders”	the holders of Existing Ordinary Shares
“Strata”	Strata Limited, a company incorporated in Guernsey
“Strata Entitlement”	27,144,820 Offer Shares, being the pro-rata entitlement of Strata under the Open Offer, in respect of all of which Strata has given an Irrevocable Undertaking not to take up
“Subscribing Shareholders”	Brooks MacDonald Asset Management, Kulczyk Holdings S.A., Forest Nominees, Leganes Limited and David St. George, being Shareholders who have given Irrevocable Undertakings to take up the Subscribing Shareholders’ Committed Shares
“Subscribing Shareholders’ Committed Shares”	the in aggregate 14,197,886 of the Offer Shares forming a portion of the Subscribing Shareholders’ respective pro-rata entitlements under the Open Offer (representing 23.4 per cent. of the Open Offer), which the Subscribing Shareholders have given Irrevocable Undertakings to take up
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Uncertificated or uncertificated form”	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction

PART 1

LETTER FROM THE CHAIRMAN

NCONDEZI ENERGY LIMITED

*(Incorporated and registered in the British Virgin Islands
under the BVI Business Companies Act 2004 with registered number 1019077)*

Directors

Michael Haworth, *Non-Executive Chairman*
Paul Venter, *Chief Executive Officer*
Graham Mascall, *Non-Executive Director*
Estevão Pale, *Non-Executive Director*
Nigel Sutherland, *Non-Executive Director*
Mark Trevan, *Non-Executive Director*
Peter O'Connor, *Non-Executive Director*
Christiaan Schutte, *Non-Executive Director*
Jacek Glowacki, *Non-Executive Director*

Registered Office

2nd Floor
Wickham's Cay II
PO Box 2221
Road Town
Tortola
British Virgin Islands

2 December 2013

To Shareholders, Depositary Interest Holders and, for information only, holders of share options and/or awards under any Employee Share Scheme

Dear Shareholder/Depositary Interest Holder

Open Offer and Placing of approximately 60,557,840 New Ordinary Shares at 5 pence per share on the basis of 1 New Ordinary Share for every 2 Existing Ordinary Shares.

1.1 INTRODUCTION

Your Board announced today that it has conditionally raised approximately £3 million before expenses by way of an Open Offer on a 1 for 2 basis and Placing of up to 60,557,840 New Ordinary Shares at 5 pence per New Ordinary Share.

Open Offer

The Open Offer is being made to Qualifying Participants to provide Qualifying non-CREST Shareholders and Qualifying Depositary Interest Holders with an opportunity to participate in the proposed issue of New Ordinary Shares on a pre-emptive basis and to provide the Company with additional capital to invest in the business of the Group.

The Board proposes to raise approximately £3 million before expenses pursuant to the Open Offer through the issue of up to 60,557,840 New Ordinary Shares at a price of 5 pence per New Ordinary Share on the basis of one New Ordinary Share for every two Existing Ordinary Shares. The Offer Price represents a discount of 47.4 per cent. to the Closing Price of 9.5 pence per Existing Ordinary Share and of 49.4 per cent. to the 30 day volume weighted average price of 9.88 pence per Ordinary Share as at close of business on, in each case, 29 November 2013 (being the last practicable date before the publication of this document).

Entitlements of Qualifying Participants pursuant to the Open Offer will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Participants but will be made available at the Board's discretion. Further details of the Open Offer are set out in paragraph 1.3 below and Part 3 of this document.

Certain Overseas Shareholders will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of this document.

In connection with the Open Offer, the Company has received Irrevocable Undertakings from:

- (a) Strata not to take up any part of the Strata Entitlement, which is to be placed under the Placing as further described below; and
- (b) the Subscribing Shareholders to take up at least a portion of their pro-rata entitlements under the Open Offer, being 14,197,886 of the Offer Shares (representing 23.4 per cent. of the Open Offer).

Placing

In order to raise approximately £3 million before expenses, in conjunction with the Open Offer the Company has announced that it has conditionally placed up to 46,359,954 New Ordinary Shares at 5 pence each to the extent not taken up under the Open Offer by means of a placing by Liberum and finnCap of:

1. 19,547,681 New Ordinary Shares to certain people directly or indirectly interested in Strata ("**Firm Placees**");
2. 18,676,800 New Ordinary Shares to certain new investors ("**Placees**"), which are subject to clawback under the Open Offer; and
3. 8,135,473 New Ordinary Shares to certain existing Shareholders and persons directly or indirectly interested in the existing Shareholders, which are subject to clawback under the Open Offer or to satisfy minimum commitments to Placees (as referred to below) ("**Conditional Placees**").

The Open Offer and Placing are not underwritten.

If the Open Offer is taken up in full by Qualifying Participants (other than Strata):

- (A) Firm Placees would receive their placing participation in full;
- (B) Placees would receive, in aggregate, a minimum of 15,875,280 New Ordinary Shares (including under any Further Placing (as defined below)) and would not receive the remaining 2,801,520 New Ordinary Shares for which they have given commitments; and
- (C) Conditional Placees would not receive any Offer Shares (other than those a Conditional Placee may have agreed to take up as a Qualifying Participant under the Open Offer or subscribe for as a Firm Placee).

Strata, which currently holds 54,289,641 Ordinary Shares, representing 44.82 per cent. of the Company's Existing Ordinary Shares, will not take up any part of the Strata Entitlement, being the pro-rata entitlement of Strata to 27,144,820 New Ordinary Shares under the Open Offer. The Strata Entitlement has been placed with the Firm Placees and Placees, and such placing shall satisfy 100 per cent. of the Firm Placees' placing allocations of 19,547,681 New Ordinary Shares and 40.68 per cent. of the Placees' maximum allocations of 18,676,800 New Ordinary Shares. The remainder of the New Ordinary Shares allocated to Placees have been placed to Placees subject to clawback under the Open Offer. However, the Directors have committed to Placees that in the event that they are subject to clawback to satisfy valid applications under the Open Offer and there are not sufficient additional shares that can be clawed back from Conditional Placees to satisfy the Minimum Commitment, the Directors will use their existing authority to allot up to 8,278,141 Ordinary Shares to Placees for cash free of pre-emption rights in order to meet the Minimum Commitment in full ("**Further Placing**"). In the event that the Directors utilise their full authorities to conduct the Further Placing, an aggregate of 68,835,981 New Ordinary Shares will be issued under the Placing and Open Offer and Further Placing raising gross proceeds of £3.44 million.

The purpose of this document is to explain the background to the Open Offer and Placing and to set out the reasons why your board of the Company believes that the Open Offer and Placing are in the best interests of the Company and its Shareholders.

1.2 BACKGROUND TO AND REASONS FOR THE OPEN OFFER AND PLACING

The Board's strategy is to realise the full potential of the 300MW integrated thermal coal mine and power plant project which is located near Tete in northern Mozambique (the "**Ncondezi Project**").

As announced on 18 November 2013, the Ncondezi Project has gained significant momentum since signing the Power Framework Agreement ("**PFA**") with the Government of Mozambique in April 2013. The Company has been granted its Mining Concession, had both the mine and power Plant Environmental Social Impact Assessments approved, signed its Coal Supply Agreement Heads of Terms ("**CSA HoTs**") and the Power

Purchase Agreement Heads of Terms and Transmission Agreement Heads of Terms (together the “**PPA HoTs**”) with Electricidade de Mozambique (“**EdM**”), the state owned power utility company.

Following signing of the PPA HoTs in October 2013, the Company has agreed an accelerated timetable with EdM and the Mozambican Government to complete the Final Form Power Purchase Agreement (“**FF PPA**”) by the end of Q1 2014. The FF PPA is a major value driver for the Company as it will set out the binding terms (including the electricity tariff rate) for which EdM will purchase power from the Ncondezi Project. Following the signing of the FF PPA in Q1 2014, the Company is targeting to reach financial close at the end of Q4 2014 in order to begin commissioning the power plant in H2 2017 and to commence commercial operations in H1 2018. As described further in paragraph 1.7 below, a portion of the funds raised from the Open Offer and Placing will be applied towards funding the development costs related to achieving FF PPA. This includes the following key development work streams which will feed into the FF PPA negotiations and are therefore integral to the Company’s strategy to complete the FF PPA by the end of Q1 2014:

- Completing the binding EPC proposals process to select a preferred EPC firm. This process includes a pre-qualified short list of seven EPC firms from around the world who have been selected to tender. The pre-qualified bidders are expected to submit a binding, fixed price lump sum turnkey contract for the engineering, procurement, construction and commissioning of two 150MW power plant boiler units using Circulating Fluidised Bed (“**CFB**”) technology in Q1 2014. The binding process is being managed by STEAG Energy Services GmbH, a subsidiary of one of Germany’s largest electricity producers;
- Meeting the required conditions precedent to make the PFA effective and allow initiation of Power Generation Concession negotiations with the Mozambican Government. Currently, 4 of the 7 conditions precedent have been met and the remainder are targeted for completion by the end of 2013. The Power Generation Concession will confer the right to undertake the generation, sale and export of electricity from the power plant, and is expected to be completed in Q1 2014;
- Finalisation of a bankable Coal Supply Agreement (“**CSA**”) between the Ncondezi Project power plant and mine to supply coal for the life of the power plant. A CSA Heads of Terms is already in place, and this agreement is now being progressed to a bankable CSA by the end of Q1 2014. Ncondezi has recently completed a detailed in-fill drill program on a ring fenced area of the South Block on the Ncondezi Project to provide sufficient product for the 25 year life of the power plant. The updated JORC resource statement announced on 18 November 2013 confirmed a measured resource of 120Mt which is theoretically sufficient to supply the first phase 300MW power station for in excess of 25 years with contingency of 40 per cent. plus an additional 300MW unit should the Ncondezi Project expand to 600MW; and
- Launching of the RFQ process for an EPC contract on the 85km transmission line required to connect the Ncondezi Project to the northern grid in Mozambique. A preferred technical consultant has been identified and is in the process of being appointed to manage this process and the RFQ is expected to go out in Q1 2014 with binding EPC bids due in Q2 2014.

As is market practice in emerging market power station development, the Company is also seeking a co-developer to fund the Ncondezi Project to financial close once the FF PPA is in place, which is estimated to cost \$15 million exclusive of any funds raised as part of the Open Offer and Placing. The Company has launched a process to identify a power plant co-developer, which is expected to be completed by the end of Q1 2014 around finalization of the FF PPA. Co-developers in the power sector typically invest at or just before FF PPA as they bring significant expertise in completing the financing phase of development and act as cornerstone investors for the equity requirement at financial close. The Company has appointed KPMG LLP (“**KPMG**”) as its project financial adviser to manage this process, and there are a number of potential co-developers, which include specialist power private equity firms as well as strategic independent power producers, that have been granted access by the Company to a dataroom in connection with the Ncondezi Project in order to conduct due diligence in the same.

Additional proceeds from the Open Offer and Placing will be applied towards ensuring that the Company is adequately funded to complete the co-developer selection process as well as cover general working capital requirements.

1.3 PRINCIPAL TERMS OF THE OPEN OFFER

The Open Offer is being made to Qualifying Participants to provide Qualifying non-CREST Shareholders and Qualifying Depositary Interest Holders with an opportunity to participate in the proposed issue of New Ordinary Shares on a pre-emptive basis and to provide the Company with additional capital to invest in the business of the Group.

The Board proposes to raise approximately £3 million before expenses pursuant to the Open Offer through the issue of up to 60,557,840 New Ordinary Shares at a price of 5 pence per New Ordinary Share. The Offer Price represents a discount of 47.4 per cent. to the Closing Price of 9.5 pence per Existing Ordinary Share and of 49.4 per cent. to the 30 day volume weighted average price of 9.88 per Ordinary Share as at close of business on, in each case, 29 November 2013 (being the last practicable date before the publication of this document).

Qualifying Participants may apply for Offer Shares under the Open Offer at the Offer Price on the following basis:

1 Offer Share for every 2 Existing Ordinary Shares,

and so in proportion for any number of, or entitlements to, Existing Ordinary Shares held on the Record Date. Entitlements of Qualifying Participants pursuant to the Open Offer will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Participants but will be made available at the Board's discretion. Certain Overseas Shareholders will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 3 of this document.

Valid applications by Qualifying Participants will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form for Qualifying non-CREST Shareholders or credited to the CREST account of Qualifying Depository Interest Holders. Applicants can apply for less than their entitlements under the Open Offer but cannot apply for more than their entitlements under the Open Offer.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 3 December 2013. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 17 December 2013. Applications through the CREST system may only be made by the Qualifying Depository Interest Holder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 17 December 2013. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part 3 of this document.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying Depository Interest Holders should note that, although their Open Offer Entitlement will be credited to their CREST accounts, the Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Depository Interest Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim. New Ordinary Shares which are not taken up under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Participants who do not apply to take up New Ordinary Shares will have no rights under the Open Offer. Any New Ordinary Shares which are not applied for in respect of the Open Offer will be issued to the Placees, with the net proceeds retained for the benefit of the Company.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and on the accompanying Application Form.

The Offer Shares (and the Placing Shares) will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for Admission. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 23 December 2013 at which time it is also expected that the Offer Shares will be enabled for settlement in CREST.

Upon completion of the Open Offer and Placing (assuming no Further Placing), the New Ordinary Shares will represent approximately 50 per cent. of the Company's existing issued shares and approximately 33.3 per cent. of the Company's Enlarged Share Capital. In the event that the Further Placing is conducted

in full, the New Ordinary Shares will represent approximately 56.8 per cent. of the Company's existing issued shares and approximately 36.2 per cent. of the Company's Enlarged Share Capital.

Following the issue of the New Ordinary Shares to be allotted pursuant to the Open Offer and Placing, Qualifying Participants who do not take up any of their entitlements in respect of the Open Offer or who are not eligible to do so will experience a dilution of 33 per cent. of their interests in the Company as a result of the Open Offer and Placing, assuming no Further Placing. In the event that the Further Placing is conducted in full, Qualifying Participants who do not take up any of their entitlements in respect of the Open Offer or who are not eligible to do so will experience a dilution of a maximum of 36.2 per cent. of their interests in the Company.

1.4 PRINCIPAL TERMS OF THE PLACING

In order to raise approximately £3 million before expenses, in conjunction with the Open Offer the Company has announced that it has conditionally placed up to 46,359,954 New Ordinary Shares at 5 pence each to the extent not taken up under the Open Offer by means of a placing by Liberum and finnCap of:

1. 19,547,681 New Ordinary Shares to certain people directly or indirectly interested in Strata ("**Firm Placees**");
2. 18,676,800 New Ordinary Shares to certain new investors ("**Placees**") which are subject to clawback under the Open Offer; and
3. 8,135,473 New Ordinary Shares to certain existing Shareholders and persons directly or indirectly interested in the existing Shareholders, which are subject to clawback under the Open Offer or to satisfy minimum commitments to Placees (as referred to below) ("**Conditional Placees**").

The Open Offer and Placing are not underwritten.

If the Open Offer is taken up in full by Qualifying Participants (other than Strata):

- (A) Firm Placees would receive their placing participation in full;
- (B) Placees would receive, in aggregate, a minimum of 15,875,280 New Ordinary Shares (including under any Further Placing (as defined below)) and would not receive the remaining 2,801,520 New Ordinary Shares for which they have given commitments; and
- (C) Conditional Placees would not receive any Offer Shares (other than those a Conditional Placee may have agreed to take up as a Qualifying Participant under the Open Offer or subscribe for as a Firm Placee).

Strata, which currently holds 54,289,641 Ordinary Shares, representing 44.82 per cent. of the Company's Existing Ordinary Shares, will not take up any part of the Strata Entitlement, being the pro-rata entitlement of Strata to 27,144,820 New Ordinary Shares under the Open Offer. The Strata Entitlement has been placed with the Firm Placees and Placees, and such placing shall satisfy 100 per cent. of the Firm Placees' placing allocations of 19,547,681 New Ordinary Shares and 40.68 per cent. of the Placees' maximum allocations of 18,676,800 New Ordinary Shares. The remainder of the New Ordinary Shares allocated to Placees have been placed to Placees subject to clawback under the Open Offer. However, the Directors have committed to Placees that in the event that they are subject to clawback to satisfy valid applications under the Open Offer and there are not sufficient additional shares that can be clawed back from Conditional Placees to satisfy the Minimum Commitment, the Directors will use their existing authority to allot up to 8,278,141 Ordinary Shares to Placees for cash free of pre-emption rights in order to meet the Minimum Commitment in full ("**Further Placing**"). In the event that the Directors utilise their full authorities to conduct the Further Placing, an aggregate of 68,835,981 New Ordinary Shares will be issued under the Placing and Open Offer and Further Placing, raising gross proceeds of £3.44 million.

The Placing and any Further Placing is or will be conditional, *inter alia*, upon:

- (A) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (B) the Company allotting, subject only to Admission, the Placing Shares and any Shares pursuant to the Further Placing (to the extent necessary) to the Placing Participants in accordance with the terms of the Placing Agreement;

- (C) Admission becoming effective by no later than 8.00 a.m. on 23 December 2013 or such later time and/or date (being no later than 8.00 a.m. on 31 December 2013) as Liberum, finnCap and the Company may agree.

If, before Admission, any of the conditions in the Placing Agreement (save in respect of any condition relating to Admission) have not been satisfied (or, if applicable, waived by Liberum and finnCap) before the times so provided in each condition then the Placing Agreement shall automatically terminate, the Placing Shares will not be issued and all monies received from the Placing Participants will be returned to them (at the Placing Participants' risk and without interest) as soon as possible thereafter.

Further details of the Placing Agreement are described in paragraph 5 of Part 4 of this document.

The Placing Shares and the Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the Admission of the Placing Shares and the Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 23 December 2013 at which time it is also expected that the Placing Shares and the Offer Shares will be enabled for settlement in CREST.

1.5 INTENTIONS OF CERTAIN DIRECTORS

Michael Haworth, as a Firm Placee, has irrevocably undertaken to subscribe for 3,395,196 New Ordinary Shares representing 5.6 per cent. of the Offer Shares.

Michael Haworth, as a Conditional Placee, has irrevocably undertaken to subscribe for 4,067,737 New Ordinary Shares, subject to clawback, representing 6.7 per cent. of the Offer Shares.

Graham Mascal, as a Placee, has irrevocably undertaken to subscribe for 1,600,000 New Ordinary Shares, some of which are subject to clawback, representing 2.6 per cent. of the Offer Shares.

1.6 RELATED PARTY TRANSACTION

Michael Haworth, a Director of the Company has agreed to subscribe for an aggregate of 7,462,933 new Ordinary Shares in the placing, some of which are subject to clawback. This subscription is considered a related party transaction under the AIM Rules. The directors of Ncondezi, other than Michael Haworth, having consulted with the nominated adviser, Liberum Capital Limited, consider that the terms of this transaction are fair and reasonable insofar as the Shareholders are concerned.

1.7 USE OF PROCEEDS

The funds raised from the Open Offer and Placing will be used to:

- fund the development costs relating to achieving FF PPA;
- complete the co-development selection process; and
- fund the Company's further general working capital requirements.

1.8 OVERSEAS SHAREHOLDERS

The attention of Shareholders and Depositary Interest Holders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares or Depositary Interests for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part 3 of this document.

In particular, Shareholders and/or Depositary Interest Holders who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom (including without limitation the

United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

1.9 RISK FACTORS AND ADDITIONAL INFORMATION

The attention of Shareholders and Depositary Interest Holders is drawn to the risk factors set out in Part 2 and the information contained in Parts 3 and 4 of this document, which provide additional information on the Open Offer, the Placing and the Group.

1.10 ACTION TO BE TAKEN

In respect of the Open Offer

Application has been made for the Depositary Interests in respect of New Ordinary Shares to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 3 December 2013. Admission and commencement of dealings in New Ordinary Shares on AIM and the crediting of CREST members' accounts for Depositary Interests is expected to be enabled for settlement in CREST at 8.00 a.m. on 23 December 2013. Applications through the CREST system may only be made by the Qualifying Participant originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Depositary Interest Holders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Participant originally entitled or by a person entitled by virtue of a *bona fide* market claim. Qualifying non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

Qualifying non-CREST Shareholders wishing to apply for Offer Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3.1 of Part 3 of this document and on the accompanying Application Form and return it with the appropriate payment to Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH, so as to arrive no later than 11.00 a.m. on 17 December 2013.

Qualifying Participants who do not wish to apply for any Offer Shares under the Open Offer, should not complete or return the Application Form.

If you are a Qualifying Depositary Interest Holder, no Application Form will be sent to you. Qualifying Depositary Interest Holders will have Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3.2 of Part 3 "Terms and Conditions of the Open Offer" of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part 3 "Terms and Conditions of the Open Offer" of this document by no later than 11.00 a.m. on 17 December 2013.

Qualifying Depositary Interest Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

1.11 TAXATION

If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your own independent tax adviser without delay.

1.12 INTERESTS OF THE COMPANY

The Directors believe that the Open Offer and Placing are in the best interests of the Company and Shareholders, taken as a whole.

Michael Haworth

Non-Executive Chairman

PART 2

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the contents of this document or the action you should take, you are strongly recommended to consult a professional adviser authorized under FSMA who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors in the Company. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in the UK, BVI and Mozambique and elsewhere as well as overall global financial conditions.

There is a high risk that investors may lose a substantial portion or even all of the money they invest in the Company. An investment in the Company is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment.

Investors should also take their own tax advice as to the consequences of owning shares in the Company as well as receiving returns from it. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any shares in the Company and none of the Company, the Directors, Liberum or finnCap will be responsible for any tax consequences for any such investors.

A. SPECIFIC RISK FACTORS

1. Use of CFB Technology

Circulating Fluidised Bed ("CFB") technology has not been used in Mozambique as there are currently no coal fired power plants. Although CFB is proven technology, its application in Mozambique is new. Consequences may include not meeting guaranteed numbers in terms of plant output, efficiency and emission limits.

Operator & maintenance issues may arise if the Group is not familiar with this technology or is unable to find qualified personnel to operate this technology. This may have an impact on plant reliability and availability.

2. Off-taker risk

In the event that the Group is unable to agree acceptable terms on the FF PPA with EdM, the Group will need to secure a potential credible power off-taker(s) prior to initiating proceedings to raise finance for the Group's proposed power project. There is no guarantee that, in such circumstances, the Group will be able to secure a credit worthy off-taker for the full output with the plant operating at load factors in excess of 80 per cent..

3. Financial closure

The Group will need to secure project financing and a failure to do so may lead to failure of the project or a delay.

4. Competition from other power stations in Mozambique

The Group's proposed power project is currently the only dedicated integrated power plant and mine project in Mozambique. However, other power stations are being developed in the Tete region and competing for similar resources such as water and transmission line servitudes.

5. Performance risk

As the power plant project progresses, performance warranties and guarantees will be required from the EPC (Engineering, Procurement and Construction) contractor as part of the EPC contract, including liquidated damages for non performance.

Whilst the minimum functional specification will define the operating characteristics, including the net capacity and operational criteria such as start up response times, dynamic response, and minimum load etc, the power plant may be unable to perform as per the EPC proposal which may lead to delay or the need to raise further capital.

6. River water resource risk

Whilst detailed water investigations are being performed to ascertain the quantity of water available to the Ncondezi Project (power plant and mine) and the required extraction rates, the Revúbuè and Ncondezi Rivers are seasonal and should there be insufficient water at the confluence (water extraction point), the power plant operation will fail.

7. Project development risks

There can be no assurance that the Group will be able to manage effectively the expansion of its operations or that the Group's current personnel, systems, procedures and controls will be adequate to support the Group's operations. This includes, *inter alia*, the Group managing the acquisition of required land tenure, infrastructure development and other related issues affecting local and indigenous populations, their cultures and religions. Any failure of the Board to manage effectively the Group's growth and development could have a material adverse effect on the Group's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Group's current strategy will develop as anticipated and that the Group will be profitable.

8. Coal risk

Further coal quality analysis will need to be conducted and supplied to the boiler supplier for finalisation of boiler design. Coal specification developed at the pre feasibility study and verified during the feasibility stage may not be representative of coal to be used in the plant. Not properly characterised coal resources may lead to incorrect boiler design and plant underperformance.

9. Power plant location geotechnical risks

An initial geotechnical study was completed late in H2 2012 on the proposed power plant site. Whilst no fatal flaws were identified, further work will need to be completed to reaffirm the geotechnical study results ahead of any major construction. However, improper geotech investigations may lead to increase in construction costs.

10. Utilities availability and transportation

The cost of the infrastructure related to plant resources may increase if a proper assessment by way of utilities studies and surveys of the area and location is not completed to determine the logistics associated with the supply of utilities.

11. Landmines

A comprehensive demining exercise has cleared the project site of any landmine risks. However, additional work will be required around the areas of the power evacuation route once this route has been confirmed.

Existence of landmines in the Tete region and specifically in the project area may lead to safety issues such as fatalities and injury.

12. Exploration and mining

The business of exploration for and identification of coal deposits, is speculative and involves a high degree of risk. The coal deposits of any projects owned or acquired by the Group may not contain economically recoverable volumes of coal of sufficient quality or quantity. Even if there are economically recoverable deposits, delays in the construction and commissioning of mining projects or other technical difficulties may make the deposits difficult to exploit.

The exploration and development of any project may be disrupted, damaged or delayed by a variety of risks and hazards which are beyond the control of the Group. These include (without limitation) geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays.

Exploration is also subject to general industrial operating risks, such as environmental hazards, explosions, fires, equipment failure and industrial accidents, which may result in potential delays or liabilities, loss of life, injury, environmental damage, damage to or destruction of property and regulatory investigations. Although the Group intends, itself or through operators, to maintain insurance in accordance with industry practice, no assurance can be given that the Group or the operator of an exploration project will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. The Group may elect not to become insured because of high premium costs or may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

13. Estimating mineral reserve and resource

The estimation of mineral reserves and mineral resources is a subjective process and the accuracy of reserve and resource estimates is a function of the quantity and quality of available data and the assumptions used and judgements made in interpreting engineering and geological information. There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Group's estimates. The exploration of mineral rights is speculative in nature and is frequently unsuccessful. The Group may therefore be unable to successfully discover and/or exploit reserves.

14. Lack of dividends for the foreseeable future

For the foreseeable future, the Group intends to retain any future earnings for the business and therefore the Company does not anticipate paying dividends in the short to medium term.

15. Financing risk

The development of the Group's properties will depend upon the Group's ability to obtain financing primarily through the raising of new equity capital, but also by means of joint venture of projects, debt financing, farm outs or other means. There is no assurance that the Group will be successful in obtaining the required financing. If the Group is unable to obtain additional financing as needed some interests may be relinquished and/or the scope of the operations reduced.

16. Substantial Shareholder will be able to exert significant influence over the Company

Strata is a substantial shareholder of the Company. As a result of its substantial shareholding, Strata, subject to the Company's articles of association and applicable laws and regulations, will be able to exercise significant influence over all matters requiring Shareholders' approval, including the composition of the Board, the timing and amount of dividend payments and the approval of general corporate transactions.

Strata has entered into a relationship agreement with the Company which regulates the relationship between it and the Company. The terms of the relationship agreement are summarised in the Company's AIM Admission Document dated 8 June 2010.

17. Dilution of Shareholders' interests

The Company will need to raise additional funds in the future to finance its investments and the power plant project. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro-rata basis to existing Shareholders, the percentage ownership of the Shareholders may be reduced, Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

The Directors propose that the Company should be able to issue new Ordinary Shares to raise additional working capital for the Company as required. Insofar as such new Ordinary Shares are not offered first to existing Shareholders, then their interests in the Company will be diluted.

18. Public acceptance of coal

As a result of the unique political, technological and environmental factors that affect the coal industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for coal power and increase the regulation of the coal power industry. Transnational governmental agreements regarding the Group's products, the environment or reduced acceptance of coal as a clean source of energy may lead to reduced demand for the Company's products and adversely affect the performance of the Group.

19. Reputational risk

In order to develop and construct its mines and the power plant project, the Group will be required to relocate a number of local residents and may be required to pay such residents compensation in respect of the relocation. The relocation as well as the level of compensation may adversely affect the Group's reputation and potentially the performance of the Group.

B. LEGAL, TAX AND REGULATORY RISKS

1. Litigation risks

Legal proceedings may arise from time to time in the course of the Group's activities. There have been a number of cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Directors cannot preclude that such litigation may be brought against the Company or a member of the Group in the future from time to time.

2. City Code

The City Code does not apply to the Company. As a result, a takeover offer for the Company will not be regulated by the UK takeover authorities. However, the Company's articles of association contain certain takeover protections, although these provisions will not provide the full protection afforded by the City Code.

These provisions, like others contained in the articles of association of the Company, will be enforceable by the Company (acting through its directors) against Shareholders. However, the Company would need to take any action to enforce such provisions in the courts of the BVI without any guarantee that any such action would be successful or any certainty as to the amount of the costs that the Company might incur in connection with any said action.

3. Economic, political, judicial, administrative, taxation or other regulatory factors

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in Mozambique (which is where the Group will operate and hold its major assets), in the UK or elsewhere. These risks and uncertainties include, but are not limited to: hyperinflation; labour unrest; risk of war or civil unrest; expropriation and nationalisation; renegotiations or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; terrorist activities; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Please see below for further detailed risks relating to Mozambique.

4. Inherent uncertainties in interpreting tax legislation

The Group is subject to uncertainties relating to the determination of its tax liabilities. The tax system and tax legislation in Mozambique have been in force for only a relatively short time and may be subject to frequent changes and varying interpretations. The Directors believe that the Group is in substantial compliance with tax legislation and any contractual terms entered into that relate to tax which affect its operations and that, consequently, no additional tax liabilities will arise in excess of those recognised in the financial statements.

However, the risk remains that the relevant Government authorities may take a differing position with regard to the interpretation of contractual provisions or tax legislation. The resulting effect of this matter is that significant additional tax liabilities may arise. Due to the range of uncertainties in assessing any potential additional tax liabilities, it is not practicable for the Directors to estimate the financial effect in terms of the amount of additional tax liabilities, if any, together with any associated penalties and charges for which the Group may be liable.

The Directors' interpretation of the tax system and tax legislation in Mozambique and the application to business transactions of the Group may be challenged by the relevant tax authorities and, as a result, the Group may be assessed on additional tax payments including fines, penalties and interest charges, which could have a material adverse effect on the Group's financial position and results of operations.

5. Surface tax in Mozambique

The Group is currently required to pay an annual surface tax on the land comprised in its existing prospecting and exploration licences. All surface tax has been paid by the previous owners of the licences although some surface tax was paid later than required. This was rectified and accepted by the Ministry, although any future late payments of surface tax may lead to the revocation of the licences or a fine being levied on the Group.

C. RISKS RELATING TO MOZAMBIQUE

1. Political risk

The Group's operations are based in Mozambique. As a result, there are political and economic risks relating to Mozambique which could adversely affect an investment in the Company. Although politically and economically Mozambique has been relatively stable in the past fifteen years with a democratically elected government and strong growth rates there can be no guarantee that this stability will remain.

The Group may be adversely affected by changes in judicial, administrative, taxation or other regulatory factors in Mozambique, the UK or elsewhere.

2. Mozambique legal system and Mozambique legislation risks

The legal system in Mozambique may not be as fully developed as in the Western world and therefore has inherent uncertainties that could limit the legal protections available to the Group. The following risks relating to the Mozambique legal system create uncertainties, many of which do not exist in countries with more developed market economies:

- inconsistencies among (a) laws; (b) decrees, orders and regulations issued by the Government and ministries; and (c) regional and local laws, rules and regulations;
- limited judicial and administrative guidance on interpreting Mozambique legislation;
- substantial gaps in the regulatory structure due to delay or absence of implementing regulations;
- some lack of expertise and experience of the legal operators and State agencies;
- the relative inexperience of judges and courts in interpreting new principles of Mozambique legislation, particularly those relating to business, corporate and securities laws;
- some lack of judicial independence from political, social and commercial forces;
- a high degree of discretion on the part of governmental authorities; and
- bankruptcy procedures that are not well developed and are subject to abuse.

Although the judicial system can be described as independent, judges may have little experience in dealing with complex commercial law issues, which leads to a degree of uncertainty as to the outcome of any litigation. Further, it may be difficult to obtain swift and equitable enforcement, or to obtain enforcement of a judgment by a court of another jurisdiction. Another risk is that the introduction of new Mozambique laws and regulations and the interpretation of existing ones may be subject to policy changes reflecting domestic political or social changes. As the Mozambique legal system develops, there can be no assurance that changes in such legislation or interpretation thereof will not have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Expropriation or nationalisation of any of the Group's assets, or portions thereof, potentially without adequate compensation, would have a material adverse effect on the Group.

3. Compliance with employment requirements

In Mozambique there are restrictions on the employment of the expatriate workforce, with a quota system being in place. Under this system, a company employing less than 10 employees is entitled to have 10 per cent. of its workforce being foreigners; companies employing between 10 and 100 employees may have eight per cent. of its workforce being foreigners; and companies employing more than 100 employees can only have five per cent. of its workforce being foreigners. These quota requirements affect employees and consultants. Hiring expatriates outside these limits is possible on special application to the Ministry of Labour, but it is not at all certain that an application would be successful.

This may adversely impact the business of the Group as this may lead to higher employment costs or the Group not being able to employ those persons with the most appropriate skills.

4. Compliance with environmental requirements

Mining licence holders in Mozambique are required by law to comply with environmental protection plans agreed with the government in respect of each licence. The environmental protection plan obliges the holders of licences in Mozambique to ensure that the level of environmental pollution does not exceed accepted limits and for reclamation of licence areas by means of backfilling, levelling and cultivations to allow for future public use. The licence holder must deposit a bond in the form of a cash deposit, bank guarantee or insurance policy to secure compliance with its environmental obligations. If the licence holder fails to implement part of the EM Plan the mining authorities can use the funds to implement those measures. The value of the bond is reviewed by the MIREM every two years and as a matter of policy the MIREM is currently requiring a 50 per cent. bond although this is not prescribed under any publicly available legal diploma.

Although not currently considered to be a risk by the Directors, the Group's ability to explore and exploit its assets may be adversely affected by this requirement if the bond becomes too high which may adversely affect the Group's operations.

D. GENERAL RISK FACTORS – RISKS RELATING TO THE ORDINARY SHARES

1. Investment in AIM securities

Investment in shares traded on AIM is perceived to involve a higher degree of risk and to be less liquid than investment in companies whose shares are listed on the Official List and traded on the London Stock Exchange's Main Market for listed securities. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

2. Potentially volatile share price and liquidity

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise for their holding of Ordinary Shares may be influenced by a significant number of factors, some specific to the Company, the Group and their operations and some which affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

3. Market perception

Market perception of mining and exploration companies may change which could impact on the value of investors' holdings and impact on the ability of the Group to raise further funds by issue of further shares in the Company.

It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to above crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Ordinary Shares could decline and investors may lose all or part of their investment.

PART 3

TERMS AND CONDITIONS OF THE OPEN OFFER

Introduction

As explained in the letter from the Chairman set out in Part 1 of this document, the Company has conditionally raised approximately £3 million before expenses by way of an Open Offer on a 1 for 2 basis and Placing of approximately 60,557,840 New Ordinary Shares at 5 pence per New Ordinary Share.

The purpose of this Part 3 is to set out the terms and conditions of the Open Offer. Up to 60,557,840 New Ordinary Shares may be issued through the Open Offer. Qualifying Participants are being offered the right to subscribe for Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying Depository Interest Holders and Qualifying non-CREST Shareholders is 5.00 p.m. on 29 November 2013. Open Offer Entitlements are expected to be credited to stock accounts of Qualifying Depository Interest Holders in CREST by 3 December 2013.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 17 December 2013 with Admission and commencement of dealings in Offer Shares expected to take place at 8.00 a.m. on 23 December 2013.

This document and, for Qualifying non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part 3 "Terms and Conditions of the Open Offer" which gives details of the procedure for application and payment for the Offer Shares.

The Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Participants to apply for up to 60,557,840 Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings of Existing Ordinary Shares at the Offer Price in accordance with the terms of the Open Offer.

Any Qualifying Participant who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

If your Existing Ordinary Shares which were sold or transferred were held in uncertificated form and were sold or transferred before that date, a claim transaction will automatically be generated by Euroclear which, where the purchaser or transferee is a Qualifying Depository Interest Holder, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee.

1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying non-CREST Shareholders, in the Application Form), Qualifying Participants are being given the opportunity under the Open Offer to subscribe for Offer Shares at the Offer Price *pro rata* to their holdings, payable in full on application. The Offer Price represents a discount of 47.4 per cent. to the Closing Price of 9.5 pence per Existing Ordinary Share and of 49.4 per cent. to the 30 day volume weighted average price of 9.88 pence per Ordinary Share as at close of business on, in each case, 29 November 2013 (being the last practicable date before the publication of this document).

Qualifying Participants have basic entitlements of:

1 Offer Share for every 2 Existing Ordinary Shares

and so in proportion for any number of, or entitlement to, Existing Ordinary Shares held on the Record Date. Entitlements of Qualifying Participants will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Participants but will be made available at the Board's discretion. Certain Overseas Shareholders will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box A) and your Open Offer Entitlements (in Box B). No application in excess of a Qualifying Participant's maximum entitlement will be met and any Qualifying Participant so applying will be deemed to have applied for his maximum entitlement. Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant's risk) without interest within 14 days by way of cheque or CREST payment, as appropriate.

If you are a Qualifying Depositary Interest Holder, application will be made for your Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements are expected to be credited to CREST accounts on 3 December 2013. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

The Open Offer is not a rights issue. Qualifying non-CREST Shareholders should note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying Depositary Interest Holders should note that, although the Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Participant originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Offer Shares which are not applied for by Qualifying Participants under the Open Offer will not be issued by the Company other than to the Placing Participants. The Open Offer is not underwritten.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3.

The Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2. Conditions and further terms of the Open Offer

The Open Offer is conditional on:

- (a) the Company allotting, subject only to Admission, the Offer Shares;
- (b) Admission occurring not later than 8.00 a.m. on 23 December 2013 (or such later time and/or date as the Company, Liberum and finnCap may agree being no later than 8.00 a.m. on 31 December 2013); and
- (c) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms prior to Admission.

Further details of the Placing Agreement are set out in paragraph 5 of Part 4 of this Document.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Participants will be rejected. In such circumstances,

application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of Offer Shares held in uncertificated form.

Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying Participants who have validly elected to hold their Offer Shares in certificated form by 31 December 2013.

In respect of those Qualifying Participants who have validly elected to hold their Offer Shares in uncertificated form, entitlements representing Offer Shares are expected to be credited to their stock accounts maintained in CREST by 23 December 2013.

Applications will be made for the Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 23 December 2013, when dealings in the Offer Shares are expected to begin.

All monies received by Computershare in respect of Offer Shares will be credited to a non-interest bearing account by the Registrars.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

3. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement is credited to your CREST stock account.

Qualifying Participants who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held on the Record Date. It will also show Qualifying Participants their Open Offer Entitlement that can be allotted in certificated form. Qualifying Participants who hold all their Existing Ordinary Shares or entitlements thereto in CREST will be allotted Offer Shares or entitlements thereto in CREST.

Qualifying Participants who hold part of their Existing Ordinary Shares or entitlement thereto in uncertificated form will be allotted Offer Shares or entitlements thereto in uncertificated form to the extent that their entitlement to Offer Shares arises as a result of holding Existing Ordinary Shares or entitlement thereto in uncertificated form. However, it will be possible for Qualifying Participants to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(e) of this Part 3 "Terms and Conditions of the Open Offer".

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST manual for further information on the CREST procedures referred to below.

Qualifying Participants who do not want to apply for the Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

3.1 If you have an Application Form in respect of your Open Offer Entitlement under the Open Offer:

(a) **General**

Subject to paragraph 6 of this Part 3 "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box A. It also shows the Open Offer Entitlement allocated to them set out in Box B. Entitlements to Offer Shares are rounded down to the nearest whole number and any

fractional entitlements to Offer Shares will be aggregated and may be allocated by the Board. Box C shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying non-CREST Shareholders.

(b) ***bona fide market claims***

Applications to acquire Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 13 December 2013. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States of America, any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 below.

(c) ***Application procedures***

Qualifying non-CREST Shareholders wishing to apply to acquire Offer Shares (whether in respect of all or part of their Open Offer Entitlement) should complete the Application Form in accordance with the instructions printed on it.

Completed Application Forms should be posted to Computershare, Corporate Actions Projects, Bristol BS99 6AH, or returned by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by Computershare by no later than 11.00 a.m. on 17 December 2013. Qualifying non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying non-CREST Shareholders are recommended to allow at least four Business Days for delivery.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 17 December 2013; or

- (ii) applications in respect of which remittances are received before 11.00 a.m. on 17 December 2013 from authorised persons (as defined in FSMA) specifying the Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) **Payments**

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Computershare RE: Ncondezi and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying non-CREST Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by Computershare. If the Open Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

If Offer Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, Computershare shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying non-CREST Shareholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Computershare, Liberum, finnCap or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

(e) **Incorrect Sums**

If an Application Form encloses a payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying non-CREST Shareholder in question; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying non-CREST

Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or

- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form up to that Qualifying non-CREST Shareholder's entitlement, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Computershare in respect of Offer Shares will be held in a separate account by Computershare.

(f) **Effect of application**

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference). Nothing in this paragraph shall exclude the liability of any person for fraud;
- (iv) acknowledges that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the "Exchange Information"), and that he/she is able to obtain or access the Exchange Information without undue difficulty. None of the Company, Liberum and finnCap nor any person acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;
- (v) represents and warrants to the Company that he is the Qualifying non-CREST Shareholder originally entitled to the Open Offer Entitlement;
- (vi) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the Offer Shares, to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the articles of association of the Company from time to time;
- (viii) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation,

partnership or other entity created or organised in or under any laws, of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prohibited or restricted by law or regulation and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prohibited or restricted by law or regulation (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Open Offer;

- (ix) the purchase by him/her of New Ordinary Shares does not trigger in the jurisdiction in which he is resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action;
- (x) represents and warrants to the Company that he/she is not, and nor is he/she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (xi) confirms that in making the application he/she is not relying and has not relied on the Company, Liberum or finnCap or any person affiliated with the Company, Liberum or finnCap in connection with any investigation of the accuracy of any information contained in this document or his/her investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Corporate Actions Projects, Bristol BS99 6AH, or you can contact Computershare on 0870 707 4040 or +44 870 707 4040 if calling from outside of the United Kingdom. Calls to the helpline number cost approximately eight pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note Computershare cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or give any financial, legal or tax advice.

3.2 If you have an Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer:

(a) **General**

Subject to paragraph 6 of Part 3 "Terms and Conditions of the Open Offer" in relation to certain Overseas Shareholders, each Qualifying Depository Interest Holder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Offer Shares or entitlements thereto for which he is entitled to apply under the Open Offer. Entitlements to Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Offer Shares arising will be aggregated and made available by the Board, at its discretion.

The CREST stock account to be credited will be an account under the Participant ID and member account ID that apply to the Existing Ordinary Shares, or entitlement thereto, held on the Record Date by the Qualifying Depository Interest Holder in respect of which the Open Offer Entitlements have been allocated.

If for any reason Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying Depository Interest Holders cannot be credited by, 5.00 p.m. on 3 December 2013,

or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying Depository Interest Holder in substitution for the Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying Depository Interest Holders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Offer Shares should refer to the CREST manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare on 0870 707 4040 or +44 870 707 4040 if calling from outside of the United Kingdom. Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) **Market claims**

Each of the Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Depository Interest Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) **Unmatched Stock Event (“USE”) instructions**

Qualifying Depository Interest Holders who are CREST members and who want to apply for Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Computershare under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Offer Shares or entitlement thereto applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Computershare in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Offer Shares or entitlement thereto referred to in paragraph 3.2 (c)(i) above.

(d) **Content of USE instruction in respect of Open Offer Entitlements**

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Computershare);
- (ii) the ISIN of the Open Offer Entitlement. This is VGG640631112;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare in its capacity as a CREST receiving agent. This is 8RA08;
- (vi) the member account ID of Computershare in its capacity as a CREST receiving agent. This is NCONOPEN;

- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 17 December 2013; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 17 December 2013. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 17 December 2013 in order to be valid is 11.00 a.m. on that day. In the event that the Open Offer and Placing do not become unconditional by 8.00 a.m. on 23 December 2013 (or such later time and date as the Company, Liberum and finnCap determine being no later than 8.00 a.m. on 31 December 2013), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying Depository Interest Holder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(e) ***Deposit of Open Offer Entitlements into, and withdrawal from, CREST***

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his/her Application Form may be deposited into CREST (either into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 17 December 2013.

In particular, having regard to normal processing times in CREST and on the part of Computershare, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 12 December 2013 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 11 December 2013 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 17 December 2013.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the

Company and Computershare by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and Computershare from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(f) **Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 17 December 2013 will constitute a valid application under the Open Offer.

(g) **CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 17 December 2013. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(h) **Incorrect or incomplete applications**

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through Computershare, reserves the right: (i) to reject the application in full and refund the payment to the CREST member in question (without interest); (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question (without interest); and (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE instruction up to the CREST member's entitlement, refunding any unutilised sum to the CREST member in question (without interest).

(i) **Effect of valid application**

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to the Offer Shares in accordance with the above procedures thereby:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Computershare's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto shall be governed by, and construed in accordance with, the laws of England;

- (iv) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference). Nothing in this paragraph shall exclude the liability of any person for fraud;
- (v) acknowledges that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the "Exchange Information"), and that he is able to obtain or access the Exchange Information without undue difficulty. None of the Company, Liberum and finnCap nor any person acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;
- (vi) represents and warrants that he is the Qualifying Participant originally entitled to the Open Offer Entitlements;
- (vii) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (viii) requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the articles of association of the Company from time to time;
- (ix) represents and warrants to the Company that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares or entitlement thereto is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Offer Shares or entitlement thereto which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares or entitlement thereto is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares or entitlement thereto under the Open Offer;
- (x) the purchase by him/her of New Ordinary Shares does not trigger in the jurisdiction in which he/she is resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action;
- (xi) represents and warrants that he/she is not, and nor is he/she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (xii) confirms that in making the application he/she is not relying and has not relied on the Company, Liberum or finnCap or any person affiliated with the Company or Liberum and

finnCap in connection with any investigation of the accuracy of any information contained in this document or his/her investment decision.

(j) **Company's discretion as to the rejection and validity of applications**

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3 "Terms and Conditions of the Open Offer";
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Computershare has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

(k) **Lapse of the Open Offer**

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 23 December 2013 or such later time and date as the Company, Liberum and finnCap may agree (being no later than 8.00 a.m. on 31 December 2013), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by a Qualifying Depository Interest Holder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

4. Money Laundering Regulations

4.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, Computershare may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Computershare. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the "**acceptor**"), including any person who appears to Computershare to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Offer Shares as is referred to therein (for the purposes of this paragraph 4 the "**relevant Offer Shares**") shall thereby be deemed to agree to provide Computershare with such information and other evidence as Computershare may require to satisfy the verification of identity requirements.

If Computershare determines that the verification of identity requirements apply to any acceptor or application, the relevant Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Computershare is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Computershare nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn. The interest earned on such monies will be retained for the benefit of the Company.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Computershare, Liberum and finnCap from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (c) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (d) if the aggregate subscription price for the Offer Shares is less than €15,000 (approximately £12,500).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (e) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Computershare RE: Ncondezi" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form; or
- (f) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Computershare. If the agent is not such an organisation, it should contact Computershare at Computershare Corporate Actions Projects, Bristol BS99 6AH.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Computershare on 0870 707 4040 or +44 870 707 4040 if calling from outside of the United Kingdom. Calls to the helpline number cost approximately eight pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Please note Computershare cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement.

If the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of €15,000 (approximately £12,500) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 17 December 2013, Computershare has not received evidence satisfactory to it as aforesaid, Computershare may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 Open Offer Entitlements in CREST

If you hold your Open Offer Entitlement in CREST and apply for Offer Shares or entitlement thereto in respect of some or all of your Open Offer Entitlement and as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Computershare is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Computershare before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Computershare such information as may be specified by Computershare as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare as to identity, Computershare may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Offer Shares or entitlement thereto concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Offer Shares or entitlement thereto represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 18 December 2013. Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. Subject to the Open Offer and Placing becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Offer Shares, fully paid, will commence at 8.00 a.m. on 23 December 2013.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 17 December 2013 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 23 December 2013, Computershare will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Offer Shares or entitlement thereto with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and

CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying Depository Interest Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

No temporary documents of title will be issued and transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Offer Shares under the Open Offer.

No action has been or will be taken by the Company, Liberum and finnCap, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, Overseas Shareholders or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other

formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Liberum, finnCap, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Offer Shares in respect of the Open Offer unless the Company, Liberum and finnCap determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Offer Shares or in the case of a credit of Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company, Liberum and finnCap reserve the right to permit any person to apply for Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying Depositary Interest Holder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Participants in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

6.2 **United States**

The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares or entitlement thereto in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares or entitlements thereto will be credited to a stock account in CREST of, any Qualifying Participants with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares or entitlement thereto and wishing to hold such New Ordinary Shares or entitlement thereto in registered form must provide an address for registration of the New Ordinary Shares or entitlement thereto issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company, Liberum and finnCap reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

6.3 **Restricted Jurisdictions**

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. The Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

6.4 **Other Overseas Territories**

Application Forms will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, Overseas Shareholders or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Offer Shares in respect of the Open Offer.

6.5 **Representations and warranties relating to Overseas Shareholders**

(a) *Qualifying non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Offer Shares comprised therein represents and warrants to the Company, Liberum, finnCap and Computershare that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Offer Shares into any of the above territories. The Company and/or Computershare may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying Depositary Interest Holders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 3 "Terms and Conditions of the Open Offer" represents and warrants to the Company, Liberum and finnCap that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer Shares into any of the above territories.

(c) *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or Depositary Interest Holders or on a general basis by the Company, and Liberum in their absolute discretion.

Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders or Depositary Interest Holders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Times and Dates

The Company shall, in agreement with Liberum and finnCap and after consultation with its financial and legal advisers, be entitled to amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Qualifying Participants may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. Taxation

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

9. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying non-CREST Shareholders and other Qualifying Participants to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Offer Shares, by way of their Open Offer Entitlement, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Participants irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 4

ADDITIONAL INFORMATION

1. The Company

The Company was incorporated and registered on 30 March 2006 in the British Virgin Islands as a private company limited by shares with registered number 1019077. The Company's legal and commercial name is Ncondezi Energy Limited. The principal legislation under which the Company operates is the BVI Business Companies Act 2004.

2. Shares in the Company

2.1 The number of authorised and issued shares of the Company as at 29 November 2013 (being the latest practicable date prior to the publication of this document), and as it is expected to be immediately following Admission is set out below:

	<i>Authorised</i>	<i>Issued and fully paid</i>
As at 29 November 2013 (being the latest practicable date prior to the publication of this document)	Unlimited	121,115,683
On Admission, in the absence of the Further Placing	Unlimited	181,673,523
On Admission, maximum if the Further Placing is implemented	Unlimited	189,951,664

2.2 At a meeting of the Company every member present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder. Holders of Ordinary Shares are entitled to receive dividends.

2.3 On a winding-up or other return of capital, holders are entitled to share in any surplus assets *pro rata* to the amount paid up on their Ordinary Shares. The Ordinary Shares are not redeemable at the option of either the Company or the holder. There are no restrictions on the transfer of Ordinary Shares.

3. Directors and their interests in the Ordinary Shares

As at 29 November 2013 (being the latest practicable date prior to the publication of this document) and, as at Admission, the interests of the Directors in the issued shares of the Company were and are expected to be as follows:

<i>Director</i>	<i>Ordinary Shares held as at 29 November 2013</i>	<i>% of the Existing Ordinary Shares</i>	<i>Ordinary Shares that will be held as at Admission¹</i>	<i>% of the Company's issued shares as at Admission¹</i>	<i>Ordinary Shares that will be held as at Admission²</i>	<i>% of the Company's issued shares as at Admission²</i>
Michael Haworth ^{3 4} Non-Executive Chairman	421,678	0.35	4,027,713	2.12	8,095,450	4.46
Paul Venter Chief Executive Officer	–	–	–	–	–	–
Graham Mascal ³ Non-Executive Director	386,130	0.32	1,939,195	1.02	2,179,195	1.20
Estevão Pale Non-Executive Director	–	–	–	–	–	–
Nigel Sutherland ³ Non-Executive Director	32,785	0.03	49,177	0.02	49,177	0.03
Mark Trevan Non-Executive Director	–	–	–	–	–	–
Peter O'Connor Non-Executive Director	–	–	–	–	–	–
Christiaan Schutte Non-Executive Director	–	–	–	–	–	–
Jacek Glowacki Non-Executive Director	–	–	–	–	–	–

1. Assuming the maximum amount of New Ordinary Shares are issued under the Further Placing.
2. Assuming that the Further Placing does not take place and assuming the full placing to Conditional Placees.
3. Assuming that Open Offer Entitlements are taken up in full.
4. In addition, under the AIM Rules for Companies Michael Haworth is deemed to be interested in all of the shares held by Strata as set out in paragraph 4 below by virtue of his interest as a potential beneficiary in two discretionary trusts.

The above shareholdings are in addition to the interests of the Directors under any Employee Share Scheme, which have been previously announced.

4. Substantial Shareholdings

As at 29 November 2013 (being the latest practicable date prior to the publication of this document) and, as at Admission, the interests of substantial existing Shareholders issued shares of the Company were and are expected to be as follows:

<i>Shareholder</i>	<i>Ordinary Shares held as at 29 November 2013</i>	<i>% of the Existing Ordinary Shares</i>	<i>Ordinary Shares that will be held as at Admission¹</i>	<i>% of the Company's shares as at Admission¹</i>	<i>Ordinary Shares that will be held as at Admission²</i>	<i>% of the Company's shares as at Admission²</i>
Strata Limited ⁵	54,289,641	44.82	54,289,641	28.58	54,289,641	29.88
Brooks Macdonald Asset Mgmt ⁴	17,676,730	14.59	26,515,095	13.96	28,548,963	15.71
Kulczyk Investments SA ^{3, 4}	11,056,656	9.13	20,763,762	10.93	20,763,762	11.43
Investec Asset Management ⁴	8,830,545	7.29	13,245,817	6.97	13,245,817	7.29
Ncondezi Trust No. 1 Ogier Employee Benefit Trustee Limited ⁴	6,700,000	5.53	10,050,000	5.29	10,050,000	5.53
Evergreen Resources Holding (HK) Limited ⁴	5,940,000	4.90	8,910,000	4.69	8,910,000	4.90

1. Assuming the maximum amount of New Ordinary Shares are issued under the Further Placing in full.
2. Assuming that the Further Placing does not take place and assuming the full placing to Conditional Placees.
3. And associated companies.
4. Assuming that Open Offer Entitlements are taken up in full.
5. In addition to his holding stated in paragraph 3 above, under the AIM Rules for Companies Michael Haworth is deemed to be interested in all of the shares held by Strata by virtue of his interest as a potential beneficiary in two discretionary trusts.

5. Placing Agreement

- 5.1 On 2 December 2013, the Company, Liberum and finnCap entered into the Placing Agreement, pursuant to which Liberum and finnCap have agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the Placing Shares (other than those of the Placing Shares to be placed with Conditional Placees and Firm Placees) at the Offer Price in consideration for payment of a corporate finance fee and a commission.
- 5.2 In addition to the corporate finance fee and commission, the Company shall pay all costs and expenses of, and in connection with, the Placing Agreement, the Fundraising, the allotment, issue, registration and delivery of the New Ordinary Shares (including without limitation such part of any such costs or expenses as relates to the VAT chargeable on any supply or supplies for which such costs or expenses are all or any part of the consideration).
- 5.3 The obligations of Liberum and finnCap under the Placing Agreement are subject to certain conditions including, amongst others (i) the fulfillment by the Company of certain of its obligations under the Placing Agreement, including the delivery of certain documents to Liberum and finnCap, by the times and dates specified in the Placing Agreement; and (ii) Admission of the New Ordinary Shares, occurring not later than 8.00 a.m. on 23 December 2013 (or at such later time and date as the Company, Liberum and finnCap may agree, being not later than 31 December 2013).
- 5.4 Prior to Admission, Liberum and/or finnCap, may terminate the Placing Agreement in certain circumstances, including any material breach of warranty, any material error in or omission from this document, and in the event of breach of the agreement by the Company. The Company has given certain customary warranties and indemnities to Liberum and finnCap.

6. Irrevocable Undertakings

In connection with the Open Offer, the Company has received Irrevocable Undertakings from:

- (a) Strata not to take up any part of the Strata Entitlement; and

- (b) the Subscribing Shareholders to take up at least a portion of their pro-rata entitlements under the Open Offer, being 14,197,886 of the Offer Shares (representing 23.4 per cent. of the Open Offer).

7. Expenses

The total costs and expenses of or incidental to the Open Offer and Placing are estimated to amount to approximately £180,000 (excluding VAT) (assuming that the Open Offer Entitlements are not taken up other than by Subscribing Shareholders).

Dated: 2 December 2013

