

NEWS RELEASE

Contracts with Synergy Consulting

15 February 2019: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) provides details of historical contracts it has entered into with Synergy Consulting Infrastructure and Financial Advisory Services Inc ("Synergy").

Synergy is a global independent consultancy specialising in infrastructure advisory and project finance, and has experience in achieving financial closure for deals worth approx. US\$25bn and M&A advisory for deals worth US\$5bn. Aman Sachdeva, a director of the Company is also a director, founder and majority shareholder of Synergy. Accordingly, Synergy is a related party of Ncondezi. Since May 2016, Synergy has been providing advice to the Company in connection with the Ncondezi 300MW coal fired power plant (the "Project"), and other potential opportunities in the African power sector through the following contracts (collectively the "Contracts"):

Contract 1 – On 30 May 2016, the Company engaged Synergy to provide financial and transaction advisory services relating to the Project and a potential transaction with a strategic partner. Pursuant to this agreement Synergy was paid a monthly fee and is entitled to a success fee of \$500,000 on the financial close of the Project. At the time of signing, this contract did not have a cap on the amount payable although the Company could suspend work at any time. For the period to 30 May 2017, when work under the contract was suspended, Synergy had invoiced a total of \$180,000. The success fee has not yet become due.

Contract 2 – On 22 June 2017, the Company and Synergy entered into an addendum to Contract 1 to provide transaction advisory services to identify a new strategic partner. Pursuant to this addendum agreement, Synergy was paid \$120,000 for a fixed six month term. Following this initial term, an aggregate of an additional \$167,500 was paid to Synergy following ad hoc extensions to the contract between November 2017 and November 2018.

Contract 3 – On 30 November 2018, the Company and Synergy entered into an agreement for due diligence and transaction advisory services relating to the evaluation of potential opportunities in the African power sector. A total of \$45,000 has been incurred in connection with due diligence and advice under this contract. Further monthly fees may be incurred if due diligence continues and success fees of between \$50,000 and \$100,000 may become payable if opportunities are pursued and debt financing is achieved but no opportunities have progressed to this stage yet.

All amounts due or paid under the Contracts have been appropriately recorded in the preparation of the Company's audited financial statements for relevant periods issued to date. The Contracts have been identified as related party transactions under Rule 13 of the AIM Rules for Companies but were not identified as such at the time (i) Contracts 1 and 3 were entered into or (ii) when Contract 2 was extended, or disclosed as such in the Company's audited financial statements. The independent directors have evaluated the relevant transactions and, having consulted with its nominated adviser, consider the transactions to have been fair and reasonable insofar as the Company's shareholders are concerned. The Company has undertaken to conduct a review of its internal procedures and to review any agreement to incur any further costs under any of the Contracts, as a separate transaction subject to the provisions of the AIM Rules.

Enquiries

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

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Note:

If you have any queries on this, then please contact Hanno Pengilly, Chief Development Officer of the Company (responsible for arranging release of this announcement) on +27 (0) 71 362 3566.

Ncondezi owns 100% of the Ncondezi Project which is strategically located in the power generating hub of the country, the Tete Province in northern Mozambique. The Company is developing an integrated thermal coal mine and power plant in phases of 300MW up to 1,800MW. The first 300MW phase is targeting domestic consumption in Mozambique using reinforced existing transmission capacity to meet current demand.