

NEWS RELEASE

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NCONDEZI ENERGY LIMITED

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

2 December 2013: Ncondezi Energy ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce that it has conditionally raised approximately £3 million, before expenses, by way an Open Offer and Placing with existing and new investors.

The Open Offer will be conducted on the basis of 1 New Ordinary Share for every 2 Existing Ordinary Shares, all of which will either be taken up by existing Shareholders who have signed irrevocable commitments to take up their open offer entitlements, or conditionally placed by Liberum and finnCap with existing shareholders and certain new institutional and other investors ("**Placees**") at 5 pence per New Ordinary Share, subject to clawback in order to satisfy valid applications under the Open Offer. An Open Offer circular is today being posted to Qualifying Shareholders.

As part of the Placing, and conditional upon the amount of take up under the Open Offer, the Company may conduct a Further Placing (under its existing directors' allotment authorities) to raise up to a further £0.4 million to satisfy certain minimum allocations to certain Placees.

Highlights

- Approximately £3 million conditionally raised by way of an Open Offer and Placing at an Offer Price of 5 pence per share
- Open Offer (on the basis of 1 Open Offer Share for every 2 Existing Ordinary Shares) to provide Qualifying non-CREST Shareholders and Qualifying Depository Interest Holders with an opportunity to participate in the Fundraising at the Offer Price
- The Company has received irrevocable undertakings or placing commitments from certain key direct and indirect shareholders to take up or subscribe for 33,745,567 of the Offer Shares, which shall not be subject to clawback, representing 55.7 per cent. of the Open Offer and raising approximately £1.69 million before expenses
- The remaining 26,812,273 Open Offer Shares have been conditionally placed to both new and existing shareholders, some of which will be subject to clawback, raising approximately £1.34 million before expenses
- Funds from the Open Offer and Placing are to be used principally to:
 - fund the development costs relating to completing the Final Form Power Purchase Agreement to be entered into between the Company with Electricidade de Mozambique;
 - complete the co-development selection process; and
 - fund the Company's further general working capital requirements.

- The Offer Price represents a discount of 47.4 per cent. to the Closing Price of 9.50 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 announcement)

Commenting on the Open Offer and Placing, Michael Haworth, Non-Executive Chairman of Ncondezi Energy, said:

"I am pleased to announce Ncondezi has successfully raised funds by way of a proposed Open Offer and conditional Placing, which has been strongly supported by existing and new investors. Since signing the Power Framework Agreement with the Government of Mozambique in April 2013, the Ncondezi Power Project has gained significant momentum over the past seven months, culminating in the signing of the Power Purchase and Transmission Heads of Terms and the agreed timetable for finalising the Power Purchase Agreement in Q1 2014.

The next 6 to 12 months will be equally important as we finalise the key commercial agreements for the Ncondezi Power Project, seek to partner with a co-developer and achieve project financial close by the end of 2014. As a result of this Fundraising, we can now approach this important period from a position of greater financial security, underpinned by the support of our shareholders."

Fundraising statistics

Number of Existing Ordinary Shares	121,115,683
Number of Offer Shares	60,557,840
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%
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%

These highlights should be read in conjunction with the full text of this announcement. A Circular in connection with the Fundraising will be sent to Shareholders and will also be made available on the Company's website www.ncondezienergy.com once it has been posted.

Readers are referred to the important notice that applies to this announcement. Unless otherwise stated, references to time contained in this announcement are to UK time.

Enquiries:

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Important Information

Neither the content of the Company's website (or any other website) nor any website accessible by hyperlinks on the Company's website (or any other website) is incorporated in, or forms part of, this announcement.

Any person receiving this announcement is advised to exercise caution in relation to the Placing and the Open Offer. If in any doubt about any of the contents of this announcement or the action that you should take, independent professional advice should be obtained.

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 announcement 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 announcement. Liberum Capital Limited has not authorised the contents of, or any part of, this announcement 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 announcement 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 announcement. 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.

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This announcement 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 announcement 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 Open Offer that is the subject of this announcement 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 that is the subject of this announcement 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 announcement may not be reproduced or used for any other purpose.

Note regarding forward-looking statements

This announcement 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 announcement, 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 announcement 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 announcement are based upon information available to the Directors at the date of this announcement. The forward-looking statements in this announcement are based on the relevant Directors' beliefs and assumptions and information only as of the date of this announcement, and the forward-looking events discussed in this announcement 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.

Investors are advised to read this announcement and, once available, the Circular and the information incorporated by reference therein, in their entirety for a further discussion of the factors that could affect the Company's or the Group's future performance and the industries in which they operate. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

This summary should be read in conjunction with the full text of the announcement which follows.

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1. INTRODUCTION

The Company is pleased to announce 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 Depository 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 announcement).

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 below.

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 the Open Offer Circular.

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 (theFirm Placees);
2. 18,676,800 New Ordinary Shares to certain new investors (the 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) - theConditional 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.

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.

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 announcement).

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,

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.

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 Depositary 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 Depositary 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.

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 the Circular and, for Qualifying non-CREST Shareholders, 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.

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 Open Offer, 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.

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.

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.

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.

8. DIRECTORS AND THEIR INTERESTS IN THE ORDINARY SHARES

As at 29 November 2013 (being the latest practicable date prior to the publication of this announcement) 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 Shares</i>	<i>Ordinary Shares that will be Ordinary held as Admission¹</i>	<i>% of the Company's issued shares as Admission¹</i>	<i>Ordinary Shares that will be Admission²</i>	<i>% of the Company's issued shares as 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 9 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.

9. SUBSTANTIAL SHAREHOLDINGS

As at 29 November 2013 (being the latest practicable date prior to the publication of this announcement) 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 8 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.

10. TIMETABLE

Record Date for the Open Offer	5.00 p.m. on 29 November 2013
Announcement of the Open Offer and Placing, publication of the Open Offer Circular 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 announcement 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.

DEFINITIONS

The following definitions apply throughout this announcement, 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 announcement
“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
“Circular”	the circular to be issued by the Company to existing Shareholders in connection with the Fundraising
“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)
“Depositary Interest”	a depositary interest issued by the depositary representing an entitlement to an Existing Ordinary Share which may be traded through CREST in dematerialised form
“Depositary Interest Holders”	holders of any Depositary 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 announcement
“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 announcement
“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 the Circular 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 the Circular
“Placing Participants”	the Firm Placees, the Placees and the Conditional Placees
“Placing Shares”	the new Ordinary Shares issued to any Placing Participant
“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” “Depository” 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 Investments SA, 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% 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