

Project and Funding Update

10 May 2017: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) announces an update in relation to the Shareholder Loan, discussions with Shanghai Electric Power Co. Ltd and the Company's financial position.

Shareholder Loan

In accordance with its terms, the Shareholder Loan has become repayable and has increased from 1.5x to 2.0x the loan amount outstanding. A total of US\$2,192,546 has been drawn down under the Shareholder Loan and the repayment amount is now US\$4,385,092.

The Company is in advanced negotiations with loan holders regarding an extension of the repayment date. Whilst discussions are at an advanced stage, there can be no certainty that an extension to the repayment date will be agreed.

A further announcement will be made as appropriate.

Update on Discussions with Shanghai Electric Power

Discussions with Shanghai Electric Power Co., Ltd ("SEP") are continuing with respect to the US\$3 million Development Agreement which would fund ongoing project development work on the power project and finalise SEP's investment through the Joint Development Agreement. The Company expects to update shareholders on this process by the end of May 2017.

Whilst discussions with SEP are at an advanced stage, there can be no certainty that they will be finalised.

Financial position

Subject to the extension of the Shareholder Loan repayment date, the Company has sufficient funding until the end of May 2017 following which the Company will need to raise additional funds.

The Company is working on finalising a funding solution although it must be noted that there is no certainty that additional funding will be raised. More information will be provided to shareholders as appropriate.

Enquiries

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

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Note:

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain. 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 +44 (0) 20 7183 5402.

Ncondezi Energy 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.