

US\$582,000 Loan Facility Agreed

23 June 2017: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce that it has raised an additional US\$582,000 from existing lenders and senior management to be used to fund the new partner search and to provide working capital for the group.

Key Highlights:

- US\$ 350,000 loan committed from existing shareholder loan holders, repayable at a multiple of 1.25x ("**New Loan**")
- US\$ 232,000 loan committed by Ncondezi senior management, repayable at a multiple of 1.0x ("**Employee Shareholder Loan**")
- Both loans will accede to the terms and conditions of the existing Shareholder Loan
- The new loans provide funding to progress the new partner search and repay outstanding invoices and salaries
- New partner search progressing as planned with update expected in July 2017.

New Loan

On 16 May 2017, the Company announced that it had received indications of interest for an additional US\$350,000 shareholder loan which has now been finalised. The financing has been committed by the Chairman Michael Haworth (US\$200,000) and other existing long term shareholders (\$150,000) and forms part of the existing Shareholder Loan. The New Loan will receive a 1.25x return at its maturity on 2 September 2017.

The New Loan provides the Company with sufficient funding to progress the new partner search and cover working capital costs until the beginning of September 2017.

Employee Shareholder Loan

As previously announced, the Company's senior management deferred 50% of their salary between November 2016 and January 2017, and 100% of their salary since February 2017. The senior management team have agreed to convert their deferred salaries into the existing Shareholder Loan. The total amount to be converted into the Shareholder Loan is \$232,000, but will not attract any interest and matures on 2 September 2017.

Project Update

The new partner search formally commenced in early June 2017 and the Company is encouraged by the quality of the participants to date, which represent a broad set of well-known international names as well as proven regional players.

Whilst the initial results are encouraging, there can be no certainty that the partner search process

will be successful. The process remains on track to provide an update to shareholders in July 2017.

Full Year Results

The Company intends to release its Full Year Results for the year ended 31 December 2016 on 30 June 2017, subject to Board approval.

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.