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NEWS RELEASE

Interim Results for the six months ended 30 June 2017

29 September 2017: Ncondezi Energy Limited ("Ncondezi", the “Company” or the “Group”) (AIM: NCCL) announces its interim results for the six months ended 30 June 2017.

Highlights:

- On 11 May 2017, the Company agreed an amendment to extend the Shareholder Loan repayment date to 2 September 2017. The Shareholder Loan includes the existing Shareholder Loan and Tranche A provided by African Finance Corporation (“AFC”)

- On 26 May 2017, exclusive negotiations with Shanghai Electric Power Co., Ltd (“SEP”) were suspended regarding the Joint Development Agreement (“JDA”) and the Company launched a new partner search process.

- On 26 May 2017, Christiaan Schutte resigned as Chief Operating Officer but remains as a non-executive director.

- On 23 June 2017, the Company announced that it had obtained funding of an additional US$350,000 under the amended Shareholder Loan (“New Loan”). The New Loan provided the Company with sufficient funding to progress the new partner search and cover working capital costs until the beginning of September 2017. In addition, the senior management team agreed to convert their deferred salaries of US$232,000 into the existing Shareholder Loan (“Employee Shareholder Loan”).

Post period end

- The Company agreed a further amendment to extend the Shareholder Loan repayment date to 2 September 2018. The Shareholder Loan includes the Shareholder Loan, Tranche A provided by AFC, the New Loan and Employee Shareholder Loan.

- Negotiations to enter into exclusive arrangements with a preferred new partner are at an advanced stage with exclusivity expected to be granted in in early October 2017.

- Cash balance of US$0.09 million as at 25 September 2017 which is sufficient to cover the Company’s working capital costs until mid-October 2017.

- Proposals under review to raise additional equity capital to finalise new partner process and cover overheads for up to 12 months.

Financial highlights:

	6 months to 30 June 2017 US$’000	6 months to 30 June 2016 US$’000
Loss for the period	**(671)**	**(1,105)**
Loss per share – cents	**(0.3)**	**(0.4)**
Cash at bank (including restricted cash)	**158**	**251**

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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.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation. Upon the publication of this announcement via Regulatory Information Service, 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 +27 (0) 71 362 3566.

Chairman's Statement

Dear Shareholder,

The Company has continued to make progress steering the power and mine projects back onto their desired development paths following a difficult first 6 months of 2017, which ultimately culminated in the Board's decision to suspend exclusive negotiations with SEP in May 2017.

The Ncondezi Project is one of the most advanced development stage coal fired power projects in the region and the Company believed that a new partner search process was warranted given the project's strong fundamentals.

In June 2017, the Company successfully raised an additional US$0.35 million through existing Shareholder Loan holders to fund a new partner search process, which included world class power plant developers and operators. The process has been through a number of phases to narrow down the list of potential partners, and is close to selecting a preferred partner to enter into exclusive negotiations and finalise binding agreements. This follows receipt of a non-binding offer which includes an investment structure not too dissimilar from previously disclosed proposals that is now being finalised between the parties. The Company is targeting finalisation of this part of the process by early October 2017.

During this period, Shareholder Loan holders, which include the Board, management and certain long term shareholders such as the AFC, have continued to support the project through extensions of the Shareholder Loan maturity date on two separate occasions, the latest being until 2 September 2018. This was done largely to provide the Company with sufficient time to progress the new partner search process and further develop its refinancing options.

The Company currently has adequate cash resources until mid-October 2017, and the Directors are actively exploring a number of funding and working capital solutions beyond this period. A number of financing proposals have been received and are currently under review. The Company is working towards finalising a funding solution during the early part of October 2017 alongside further progress on the new partner process. The financial statements have been prepared on a going concern basis in anticipation of a positive outcome, but it is important to highlight that the new partner search is in its early stages and that there are no binding agreements in place with no certainty that additional funding will be raised.

Michael Haworth
Non-Executive Chairman

Suspension of Exclusive Discussions with SEP

On 26 May 2017, the Company announced that it had suspended exclusive discussions with SEP. Exclusivity arrangements with SEP had lapsed and Ncondezi had engaged with additional strategic partners who had made unsolicited approaches to the Company regarding developing the project alongside Ncondezi.

New Partner Search

The Power Project is at an advanced stage and is supported by attractive economics. Key highlights of the project remain:

- Advanced form Power Purchase Agreement ("PPA") and Power Concession Agreement ("PCA") with "in principle" agreement with Electricidade de Moçambique ("EDM") on the electricity tariff
- Technical work substantially complete, including feasibility studies for the mine and power plant
- Environmental and Social Impact Assessment studies complete for the mine and power plant
- Mine Concession awarded and large thermal coal resource of 4 billion tonnes
- Access to power grid approved

The new partner search was officially launched in June 2017, with a focus on identifying a partner capable of providing a leadership role in the financing, construction and operation of the power plant, with a credible track record in both the global and African power sectors.

During July 2017, Ncondezi received Letters of Interest from several potential strategic partners. These partners were then narrowed down to a smaller select group for the second phase which focused on the receipt of non-binding offers. This phase involved the opening up of a detailed data room, management presentations and Q&A sessions with the interested parties.

Currently, the Company is in the final stages of agreeing an exclusive arrangement with a preferred partner, which is currently targeted for completion in early October 2017.

Whilst discussions are at an advanced stage for the partner search process, there can be no certainty that it will be finalised.

Further announcements will be made as appropriate.

Shareholder Loan

On 11 May 2016, the Company announced that it had secured a US$1.32 million loan facility ("Shareholder Loan") with certain of Ncondezi's Directors, Management and long term shareholders (together the "Lenders"). On 31 August 2016, AFC agreed to accede the existing Shareholder Loan and it terms, advancing Ncondezi an initial tranche of US$1.0 million ("Tranche A").

The Shareholder Loan was intended to provide the Company with bridging funding for its corporate overheads while it completed the SEP Investment Conditions to make the JDA effective.

Repayment of the Shareholder Loan (comprising the existing Shareholder Loan and initial US$1.0 million Tranche A from AFC) was initially payable by no later than 10 May 2017, however on 11 May 2017, the Company agreed an amendment to the repayment terms, with repayment extended to 2 September 2017.

Under the terms of the Shareholder Loan the cost of the loan was 1.5x (comprising 1.0x principal and 0.5x return) if repayment was made by 10 May 2017. The cost of the Shareholder Loan is now 2.0x the drawn down amount (comprising 1.0x principal and 1.0x return).

On 23 June 2017 the Company entered into an amendment ("New Loan") to the original Shareholder Loan with an additional funding of US$350,000. The financing has been committed by the Chairman Michael Haworth (US$200,000) and other existing long term shareholders (US$150,000). The New Loan will receive a 1.25x return at its maturity.

As part of this same amendment the senior management team of the Company have agreed to convert their deferred 50% salary between November 2016 and January 2017, and 100% of their salary since February 2017 into the existing Shareholder Loan ("Employee Shareholder Loan"). The total amount is US$232,000, but this sum will not attract any interest.

On September 2017, the Company announced an amendment to the repayment terms of the Shareholder Loan (comprising the Shareholder Loan, Tranche A provided by AFC, the New Loan and Employee Shareholder Loan), with repayment now due on 2 September 2018. This provides the Company with time to conclude the new partner search process, better develop loan repayment options and raise additional working capital in October 2017.

As at 27 June 2017, a total of US$2,392,545 has been drawn down under the total Shareholder Loan and the repayment amount will be US$5,054,591 on 2 September 2018.

The Company is actively exploring options to restructure or refinance all or part of the Shareholder Loan and will provide further updates as appropriate.

Development Program to Financial Close

Following the suspension of exclusive discussions with SEP and the launch of the new partner process, all key development work streams have been put on hold pending the identification of a new strategic partner.

The Power Project and Mine are however at an advanced level of development and can be rapidly advanced once a decision to proceed is made. The Company expects Financial Close to take at least 12 months from entry into of binding subscription agreement with the new partner.

Financial overview

Results from operations

The Group made a loss after tax for the period of US$0.7m compared to a loss of US$1.1m for the previous interim period. The basic loss per share for the interim period was 0.3 cents (2016 H1: 0.4 cents).

Administrative expenses totalled US$0.3m (2016 H1: US$1.1m). Financing costs were US$0.3m (2016 H1: US$0.05m).

Cash Flows

The net cash outflow from operating activities for the interim period was US$0.3m (2016 H1: US$0.9m).

The resulting period end cash held totalled US$0.2m (2016 H1: US$0.3m).

Outlook

The Directors have reviewed future cash forecasts, with particular reference to minimum expenditure requirements on the licences and the intended work programme for the Power Project and Ncondezi Coal Mine for 2017, which is focused on concluding a binding exclusivity agreement with a new strategic partner. Based upon projections the current cash reserves together with the undrawn loan facility will fund overhead expenditure up to mid October 2017. The Shareholder Loan has been extended to 2 September 2018 when it matures totalling $5.1m and becomes repayable.

The Directors continue to explore options in respect of raising further funds to continue with the power plant and mine development programmes. At present the Company is in advanced discussions with various parties regarding raising additional capital to cover overheads for up to an additional 12 months, however there are no binding agreements in place and there can be no certainty as to the Group's ability to raise additional funding.

The Group will need to extend, refinance or settle the Shareholder Loan in equity by their maturity date, of which US$0.96m of the principal was lent by Directors. In addition, further funding will be required to meet liabilities as they fall due after the middle of October 2017. This will to a large extent depend on positive progress being made with concluding binding exclusivity agreements with a new strategic partner ahead of this date. The financial statements have been prepared on a going concern basis in anticipation of a positive outcome but it is important to highlight that the negotiations are still at an early stage and that there are no binding agreements in place with no certainty that the Shareholder Loan will be restructured and that additional funding will be raised.

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Consolidated statement of profit or loss
for the six months ended 30 June 2017

	Note	**6 months ended 30 June 2017 Unaudited US$'000**	6 months ended 30 June 2016 Unaudited US$'000	Year ended 31 December 2016 Audited US$'000
Other administrative expenses		**(324)**	(1,054)	(2,356)
Total administrative expenses and loss from operations		**(324)**	(1,054)	(2,356)
Finance income		**-**	-	-
Finance expense		**(347)**	(51)	(648)
Loss for the period before taxation		**(671)**	(1,105)	(3,004)
Taxation		**-**	-	58
Loss for the period attributable to equity shareholders of the parent company		**(671)**	(1,105)	(2,946)
Loss per share expressed in cents				
Basic and diluted	2	**(0.3)**	(0.4)	(1.2)

Consolidated statement of other comprehensive income
for the six months ended 30 June 2017

	6 months ended 30 June 2017 Unaudited US$'000	6 months ended 30 June 2016 Unaudited US$'000	Year ended 31 December 2016 Audited US$'000
Loss after taxation	**(671)**	(1,105)	(2,946)
Other comprehensive (expense)/income:			
Exchange differences on translating foreign operations*	**7**	(9)	(10)
Total comprehensive loss for the period	**(664)**	(1,114)	(2,956)

*items that may be reclassified to profit or loss.

Consolidated statement of financial position
at 30 June 2017

	Note	**30 June 2017 Unaudited US$'000**	30 June 2016 Unaudited US$'000	31 December 2016 Audited US$'000
Assets				
Non-current assets				
Property, plant and equipment	3	**18,341**	9,043	8,995
Total non-current assets		**18,341**	9,043	8,995
Current assets				
Inventory		**-**	5	2
Trade and other receivables		**170**	81	88
Cash and cash equivalents		**158**	251	152
Total current assets		**328**	337	242
Non-current assets classified as held for sale (diluted interest in relation to the SEP transaction)	4	**-**	9,282	9,389
Total assets		**18,669**	18,662	18,626
Liabilities				
Current liabilities				
Current tax payable		**2**	-	-
Trade and other payables		**1,466**	681	1,205
Short term loan	5	**2,613**	887	2,169
Total current liabilities		**4,081**	1,568	3,374
Total liabilities		**4,081**	1,568	3,374
Capital and reserves attributable to shareholders				
Share capital	6	**86,557**	86,557	86,557
Foreign currency translation reserve		**1**	(5)	(6)
Retained earnings		**(71,970)**	(69,458)	(71,299)
Total capital and reserves		**14,588**	17,094	15,252
Total equity and liabilities		**18,669**	18,662	18,626

Approved on behalf of the Board on 28 September 2017.

Michael Haworth
Non-Executive Chairman

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Consolidated statement of changes in equity
for the six months ended 30 June 2017

	Share capital US$'000	Foreign Currency Translation reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2017	**86,557**	**(6)**	**(71,299)**	**15,252**
Loss for the period	**-**	**-**	**(671)**	**(671)**
Other comprehensive income for the period	**-**	**7**	**-**	**7**
Total comprehensive income for the period	**-**	**7**	**(671)**	**(664)**
At 30 June 2017 (Unaudited)	**86,557**	**1**	**(71,970)**	**14,558**

	Share capital US$'000	Foreign Currency Translation reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2016	86,557	4	(68,353)	18,208
Loss for the period	-	-	(1,105)	(1,105)
Other comprehensive loss for the period	-	(9)	-	(9)
Total comprehensive loss for the period	-	(9)	(1,105)	(1,114)
At 30 June 2016 (Unaudited)	86,557	(5)	(69,458)	17,094

	Share capital US$'000	Foreign Currency Translation reserve US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2016	86,557	4	(68,353)	18,208
Loss for the year	-	-	(2,946)	(2,946)
Other comprehensive loss for the year	-	(10)	-	(10)
Total comprehensive loss for the year	-	(10)	(2,946)	(2,956)
At 31 December 2016	86,557	(6)	(71,299)	15,252

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Consolidated statement of cash flows

for the six months ended 30 June 2017

	6 months to 30 June 2017 Unaudited US$'000	6 months to 30 June 2016 Unaudited US$'000	Year ended 31 December 2016 Audited US$'000
Cash flow from operating activities			
Loss before taxation	**(671)**	(1,105)	(3,004)
Adjustments for:			
Finance expense	**347**	51	648
Unrealised foreign exchange movements	**(68)**	(4)	(34)
Depreciation and amortization	**43**	73	126
(Gain)/loss on disposal of fixed assets	**(64)**	-	1
Deferred payroll costs capitalised to Shareholder Loan	**158**	-	231
Net cash flow from operating activities before changes in working capital	**(255)**	(985)	(2,032)
Decrease/(increase) in inventory	**2**	3	6
Increase/(decrease) in payables	**81**	75	16
(Increase)/decrease in receivables	**(82)**	23	16
Net cash flow from operating activities before tax	**(254)**	(884)	(1,994)
Income taxes paid	**-**	-	58
Net cash flow from operating activities after tax	**(254)**	(884)	(1,936)
Investing activities			
Sales of property plant and equipment	**97**	-	-
Power development costs capitalized	**(31)**	(142)	(249)
Mine exploration and evaluation costs capitalised	**(2)**	(7)	(13)
Net cash flow from investing activities	**64**	(149)	(262)
Financing activities			
Bank charges	**(4)**	(5)	(13)
Short term loan	**200**	887	1,961
Net cash flow from financing activities	**196**	882	1,948
Net increase/(decrease) in cash and cash equivalents in the period	**6**	(151)	(250)
Cash and cash equivalents at the beginning of the period	**152**	402	402
Cash and cash equivalents at the end of the period	**158**	251	152

Notes to the consolidated financial information

1. Basis of preparation

The consolidated interim financial statements have been prepared using policies based on International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. The consolidated interim financial statements have been prepared using the accounting policies which will be applied in the Group's financial statements for the year ended 31 December 2017.

The consolidated interim financial statements for the period 1 January 2017 to 30 June 2017 are unaudited and incorporate unaudited comparative figures for the interim period 1 January 2016 to 30 June 2016 and extracts from the audited financial statements for the year to 31 December 2016. It does not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2016 Annual Report. The comparative financial information for the year ended 31 December 2016 in this interim report does not constitute statutory accounts for that year. The auditors' report on those accounts was unqualified and included an emphasis of matter drawing attention to the importance of disclosures made in the annual report regarding going concern.

The same accounting policies, presentation and methods of computation are followed in the consolidated financial statements as were applied in the Group's latest annual audited financial statements except that in the current financial year, the Group has adopted a number of revised Standards and Interpretations. However, none of these has had a material impact on the Group's reporting.

In addition, the IASB has issued a number of IFRS and IFRIC amendments or interpretations since the last annual report was published. It is not expected that any of these will have a material impact on the Group.

Going concern

As at 20 September 2017 the Group had cash reserves of approximately US$0.09m. Based upon projections the current cash reserves plus the available loan facility will fund cash flow requirements until the middle of October 2017.

The Company has been able to agree an amendment to the repayment terms of the Shareholder Loan, with repayment now due on 2 September 2018. This provides the Company with time to conclude the new partner search process, better develop loan repayment options and raise additional working capital in October 2017. In addition, further funding will be required to meet liabilities as they fall due after middle of October 2017. The Directors are exploring a number of funding and working capital solutions beyond the 2 September 2018 maturity of the Shareholder Loan. This will to a large extent depend on positive progress being made with the partner search process ahead of this date. The financial statements have been prepared on a going concern basis in anticipation of a positive outcome but it is important to highlight that the new partner search is in its early stages and that there are no binding agreements in place with no certainty that the Shareholder Loan will be restructured and that additional funding will be raised.

Should the Group be unable to restructure the current loans and raise the necessary finance within the required time, it may not be able to realise the value of its assets and discharge its liabilities in the ordinary course of business.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern. Such adjustments would principally be the write down of the Group's non-current assets.

2. Loss per share

Basic loss per share is calculated by dividing the loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Share incentives were outstanding at the end of the period that could potentially dilute basic earnings per share in the future. However, due to losses incurred during the current period, the impact of these incentives would not be dilutive.

	Unaudited 30 June 2017			Unaudited 30 June 2016			Audited 31 December 2016		
	Loss US$'000	**Weighted average number of shares (thousands)**	**Per share amount (cents)**	Loss US$'000	Weighted average number of shares (thousands)	Per share amount (cents)	Loss US$'000	Weighted average number of shares (thousands)	Per share amount (cents)
Basic and diluted EPS	**(671)**	**250,299**	**(0.3)**	(1,105)	249,849	(0.4)	(2,946)	250,075	(1.2)

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3. Property, plant and equipment

	Power assets US$'000	Mining assets US$'000	Buildings US$'000	Plant and Equipment US$'000	Other US$'000	Total US$'000
Cost						
At 1 January 2017	**-**	**7,651**	**1,736**	**446**	**718**	**10,551**
Additions	**31**	**2**	**-**	**-**	**-**	**33**
Disposals	**-**	**-**	**(152)**	**(419)**	**-**	**(571)**
Reclassified from non-current assets held for sale (note 4)	**9,389**	**-**	**-**	**-**	**-**	**9,389**
At 30 June 2017	**9,420**	**7,653**	**1,584**	**27**	**718**	**19,402**
Cost						
At 1 January 2016	9,140	7,638	1,736	447	718	19,679
Additions	142	7	-	-	-	149
Transfer to held for sale	(9,282)	-	-	-	-	(9,282)
At 30 June 2016	-	7,645	1,736	447	718	10,546
Cost						
At 1 January 2016	9,140	7,638	1,736	447	718	19,679
Additions	249	13	-	-	-	262
Transfer to held for sale	(9,389)	-	-	(1)		(9,390)
At 31 December 2016	-	7,651	1,736	446	718	10,551
Depreciation						
At 1 January 2017	**-**	**-**	**432**	**406**	**718**	**1,556**
Depreciation charge	**-**	**-**	**35**	**8**	**-**	**43**
Disposals	**-**	**-**	**(134)**	**(404)**	**-**	**(538)**
At 30 June 2017	**-**	**-**	**333**	**10**	**718**	**1,061**
At 1 January 2016	-	-	359	353	718	1,430
Depreciation charge	-	-	37	36	-	73
At 30 June 2016	-	-	396	389	718	1,503
At 1 January 2016	-	-	359	353	718	1,430
Depreciation charge	-	-	73	53	-	126
At 31 December 2016	-	-	432	406	718	1,556
Net Book value 30 June 2017	**9,420**	**7,653**	**1,251**	**17**	**-**	**18,341**
Net Book value 30 June 2016	-	7,645	1,340	58	-	9,043
Net Book value 31 December 2016	-	7,651	1,304	40	-	8,995

4. Asset classified as held for sale

Subsequent to suspension of exclusivity discussion with SEP on the 26 May 2017 the Group has reclassified the 'Non-current asset held for sale' to Property, plant and equipment as the transaction with SEP is no longer considered to meet the criteria of IFRS 5.

The assets reclassified total US$9.4m from PPE held at net book value which is below fair value less cost to sell.

5. Short term loan

	30 June 2017 Unaudited US$'000	30 June 2016 Unaudited US$'000	31 December 2016 Audited US$'000
Short term loan (unsecured)	**2,625**	887	2,193
Unamortised related costs	**(12)**	-	(24)
Total Short term loan	**2,613**	887	2,169

On 11 May 2016, the Group entered into a US$1.32 million loan facility ("Shareholder Loan") with certain of Ncondezi's Directors, Management and long term shareholders. On 31 August 2016, AFC acceded to the existing loan facility agreement, providing a facility of US$3.0 million, with an initial tranche of US$1.0 million ("Tranche A") and a further tranche of US$2.0 million ("Tranche B") which was conditional amongst other things upon the fulfilment of certain conditions precedent, the completion of the JDA and Ncondezi providing an appropriate security package.

The repayment terms of the 'Tranche A' facility were as follows:

- if the JDA becomes effective before December 2016 the full drawn down amount was repayable on 10 May 2017 and a 0.5 times return on the drawn down amount was repayable 6 months from 10 May 2017
- if the JDA becomes effective after December 2016 the full drawn down amount and the 0.5 times return was repayable on 10 May 2017
- if the repayment occurs after 10 May 2017, then an additional return of 0.5 times the total drawings is repayable in addition to the 1.5 times of the full drawn down amount

The repayment terms of the 'Tranche B' facility are as follows:

- repayment is due within 24 months of first drawdown.
- the total amount drawn down should be repaid at a 2.5x multiple (comprising 1.0x principal and 1.5x return).
- if repayment occurs after 24 months of first drawdown, the repayment multiple increases to 3.0x.
- a commitment fee of 0.35% per annum, or US$7,000 per annum, will be charged on the undrawn amount of Tranche B.

The shareholder loan was initially recorded at fair value, being the proceeds received, and subsequently at amortised cost. The estimated repayment premium of 0.5x capital is recognised over the period of the loan through the effective interest rate and required judgement. Accrued interest is recorded in other payables.

Repayment of the Shareholder Loan (comprising the existing Shareholder Loan and initial US$1.0 million Tranche A from AFC) was initially payable by no later than 10 May 2017, however on 11 May 2017, the Company agreed an amendment to the repayment terms, with repayment on 2 September 2017. Subsequently on the 2 September 2017 the Company has been able to agree an amendment to the repayment terms of the Shareholder Loan, with repayment now due on 2 September 2018.

Under the terms of the Shareholder Loan the cost of the loan was 1.5x (comprising 1.0x principal and 0.5x return) if repayment was made by 10 May 2017. The cost of the Shareholder Loan is now 2.0x the drawn down amount (comprising 1.0x principal and 1.0x return).

Tranche B has lapsed and is not available for drawn down as it was subject to certain conditions precedent including the finalisation of the JDA with SEP.

On 23 of June 2017 the Company entered into an amendment ("New Loan") to the original Shareholders Loan with an additional funding of US$350,000. The financing has been committed by the Chairman Michael Haworth (US$200,000) and other existing long term shareholders (US$150,000). The New Loan will receive a 1.25x return at its maturity on 2 September 2018.

As part of this same amendment the senior management team of the Company have agreed to convert their deferred 50% salary between November 2016 and January 2017, and 100% of their salary since February 2017 into the existing Shareholder Loan. The total amount is US$232,000, but this sum will not attract any interest and matures on 2 September 2018.

As at 30 June 2017, a total of US$ 2,392,545 has been drawn down under the total Shareholder Loan and the repayment amount will be US$5,054,591 on 2 September 2018.

6. Share capital

Number of shares	**6 months to 30 June 2017 Unaudited**	6 months to 30 June 2016 Unaudited	Year ended 31 December 2016 Audited
Allotted, called up and fully paid			
Ordinary shares of no par value	**250,299,844**	249,849,844	250,299,844

Unaudited	**Shares issued Number**	**Share Capital US$'000**
At 1 January 2017	**250,299,844**	**86,557**
At 30 June 2017	**250,299,844**	**86,557**

Unaudited	Shares issued Number	Share Capital US$'000
At 1 January 2016	249,849,844	86,557
At 30 June 2016	249,849,844	86,557

Audited	Shares issued Number	Share Capital US$'000
At 1 January 2016	249,848,844	86,557
Issue of shares	450,000	-
Issue costs	-	-
At 31 December 2016	250,299,844	86,557

7. Related party transactions

Parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

In relation to the Shareholders Loan as at 30 June 2017 US$671,591 (2016: US$331,439) was drawn by a Trust of which Non-Executive Chairman, Michael Haworth, is a potential beneficiary. US$185,864 (2016: US$101,864) was drawn by Director, Chris Schutte and US$55,011 (2016: US$33,011) from Director, Estevão Pale.

Christiaan Schutte
During the year US$5,000 (2016: US$60,000) were paid to CPS Consulting in respect of services provided by Christiaan Schutte. There was no outstanding balance at 30 June 2017 (2016: Nil).

There is no ultimate controlling party.

8. Events after the reporting period

On 2 September 2017, the Company has been able to agree an amendment to the repayment terms of the Shareholder Loan, with repayment now due on 2 September 2018.

All other terms of the Shareholder Loan remain unchanged, including the loan return multiples, which remain fixed and generate no additional cost to the Company. The Shareholder Loan includes the Shareholder Loan referred to in the announcement of 11 May 2017 and the New Loan and Employee Shareholder Loan announced on 23 June 2017.

On 5 July 2017, US$150,000 from ‘New Loan’ was drawn down.

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Company details

Directors	Michael Haworth (Non-Executive Chairman) Christiaan Schutte (Non- Executive Director) Estevão Pale (Non-Executive Director) Jacek Glowacki (Non-Executive Director) Aman Sachdeva (Non-Executive Director)
Company Secretary	Elysium Fund Management Limited PO Box 650, 1st Floor, Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 3JX
Registered Office	Ground Floor, Coastal Building Wickhams Cay II, Road Town P.O. Box 2136, Carrot Bay VG1130 Tortola British Virgin Islands
Company number	1019077
Nominated Advisor	Liberum Capital Limited Ropemaker Place Level 12 25 Ropemaker Street London EC2Y 9AR
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Registrar	Computershare Investor Services (BVI) Limited Woodbourne Hall PO Box 3162 Road Town Tortola British Virgin Islands
Legal advisor to the Company as to BVI law	Ogier LLP 41 Lothbury London EC2R 7HF
Legal advisor to the Company as to English law	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA