

20 January 2011

**NCONDEZI COAL COMPANY LIMITED**  
**("Ncondezi" or the "Company")**

**Buy-back of Shares**

Ncondezi (AIM: NCCL), a coal exploration and development company with coal assets in the Tete Province in Mozambique, is pleased to announce that following the successful placing of 12 million ordinary shares in the Company on 13 January 2011 (the "**Placing Shares**"), it yesterday bought back and cancelled the 12,189,474 ordinary shares held by the Dos Santos family, as proposed in its announcement on 13 January 2011 (the "**Buy-back**").

The Dos Santos family was a substantial shareholder of the Company and a related party for the purposes of the AIM Rules for Companies. As a result, the Buy-back will be classed as a related party transaction under AIM Rule 13. Accordingly, the Directors, having consulted the Company's Nominated Adviser, Liberum Capital Limited, consider the terms of the Buy-back to be fair and reasonable insofar as shareholders of the Company are concerned.

Following the Buy-back and the admission to trading yesterday of those Placing Shares settled in uncertificated form, the Company's issued share capital consists of 113,727,861 ordinary shares of no par value each. None of these ordinary shares are held in Treasury.

Therefore, the total number of voting rights in the Company is 113,727,861. This figure may be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify their interests in, or a change to their interest in, the Company under the FSA's Disclosure and Transparency Rules.

The Company expects the remaining Placing Shares to be settled in certificated form on or around 28 January 2011. Following admission of these shares, the Company's issued share capital will consist of 119,667,861 ordinary shares of no par value each.

**Contacts**

**Ncondezi Services (UK) Limited** +44 (0)20 7183 5402  
Graham Mascal/Manish Kotecha

**Nominated Adviser and Broker** +44 (0)20 3100 2222  
Liberum Capital Limited  
Chris Bowman/Christopher Kololian

**Pelham Bell Pottinger** +44 (0)20 7861 3232  
Charles Vivian/Philippe Polman

**About Ncondezi Coal Company Limited:**

Ncondezi Coal Company Ltd is an exploration and development company with four coal exploration and prospecting licences in the Tete Province of Mozambique. The Company holds prospecting and exploration licences over more than 73,160 ha in the Zambezi Basin, a geological environment considered to be one of the last undeveloped coal basins in the world.

Exploration work is most advanced on the Ncondezi Project, which comprises licence areas 804L & 805L, and is located approximately 40km northeast of the provincial capital Tete and 10km from the Sena railway. The Ncondezi Project covers an area of approximately 38,700ha and has a JORC coal resource of 1.8 billion tonnes. A scoping study completed in early 2010 confirmed the economic potential for an open pitable 10 million tonne per annum export thermal coal operation with coking coal potential. It is the Company's objective to complete a definitive feasibility study on the Ncondezi Project in the second half of 2012 and move to initial production in the second half of 2014.

Further details about Ncondezi Coal Company Ltd can be found on the company's website: [www.ncondezicoal.com](http://www.ncondezicoal.com).