

### Project Update

16 December 2016: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to provide shareholders with an update in relation to its 300MW power plant project ("Ncondezi Project" or the "Project"), located near Tete in northern Mozambique.

Good progress continues to be made in the negotiations to finalise the Joint Development Agreement ("JDA") with Shanghai Electric Power Co., Ltd ("SEP"). It is expected that the workstreams to agree the transaction documents will be completed in Q1 2017 with SPIC and Chinese government approvals to follow.

The Company is monitoring cash requirements and taking steps to preserve cash. Existing cash and facilities are expected to cover costs until the end of Q1 2017.

The Company will continue to provide further updates to shareholders as appropriate.

### Enquiries

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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.