

NEWS RELEASE

Ncondezi Signs Non-Binding Offer with General Electric and China Machinery Engineering Corporation

9 November 2017: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce that it has signed a Non-Binding Offer ("NBO") with China Machinery Engineering Corporation ("CMEC") and General Electric South Africa (PTY) Limited ("GE") at a formal signing ceremony in Beijing, China.

Signing of the NBO follows the previous announcement on 20 October 2017 that the parties had agreed in principle the terms of the NBO. As previously announced, the NBO provides for the entry into exclusive negotiations to develop, construct and operate the integrated Ncondezi 300MW coal fired power project (the "Power Project") and open pit coal mine in Tete, Mozambique (the "Mine Project") (together the "Integrated Project").

CMEC and GE were selected as preferred partners to develop the Integrated Project due to their leading experience in the energy sector and specific experience developing projects in Mozambique.

Under the NBO, NEL has now granted exclusivity to CMEC and GE until 30 April 2018 to conclude a binding Joint Development Agreement ("JDA") and tender on the EPC and O&M contracts for the Integrated Project, subject to the NBO not being terminated by CMEC and GE following their due diligence or by NEL if CMEC and GE fail to submit binding offers for EPC and O&M in accordance with agreed timelines.

The key terms of the NBO remain unchanged from the previous announcement.

As previously announced, the NBO is subject to a number of conditions, which remain unchanged. They include CMEC and GE successfully completing their due diligence and agreeing the JDA.

During the visit to Beijing, the parties also updated the work program and timetable to complete the project due diligence and if successful to conclude the JDA, and the appropriate responsibility and resource allocations were agreed to with a view to ensuring key deliverables will be met within the target timeframes.

The Company will make a further update on the JDA to shareholders as appropriate.

There is no certainty that the transactions contemplated by this announcement will occur.

Enquiries

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

Ncondezi Energy:	Hanno Pengilly	+27 (0) 71 362 3566
Liberum Capital Limited: NOMAD & Joint Broker	Neil Elliot / Richard Crawley	+44 (0) 20 3100 2000
Novum Securities Limited Joint Broker	Colin Rowbury	+44 (0) 20 7399 9427

Ncondezi 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.