

Placing to Raise £750,000

18 October 2017: Ncondezi Energy Limited ("Ncondezi" or the "Company") (AIM: NCCL) is pleased to announce that it has conditionally raised a total of £750,000 before expenses through an oversubscribed placing ("Placing") of 15,000,000 ordinary shares in the Company ("Ordinary Shares") at a price of 5 pence per Ordinary Share (the "Placing Price"). The Company will use the funds raised by the Placing to cover non project corporate costs until the end of August 2018, before the maturity of the Shareholder Loan, and to secure the Company's position as it finalises the exclusivity arrangement with its proposed partner.

Application will be made for the admission of the new Ordinary Shares to trading on AIM ("Admission"), with Admission expected to take place on or around 23 October 2017. Completion of the Placing is conditional upon, inter alia, Admission taking place. The Ordinary Shares will rank pari passu in all respects with the existing ordinary shares of the Company. Completion of the placing is subject to usual conditions, including Admission taking place.

Ncondezi Non-Executive Chairman, Michael Haworth, commented: "*Funds raised from the placing safeguards the Company's immediate financing needs to complete the new partner process and enter into binding negotiations, and ensures that the company is adequately capitalised until the end of August 2018.*"

Total Voting Rights

Following Admission, the Company's issued share capital will comprise 265,299,844 Ordinary Shares, each with voting rights. The above figure of 265,299,844 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the Disclosure and Transparency Rules.

In connection with the Placing, the Company has also agreed to issue 1,500,000 warrants over Ordinary Shares to a nominee of Novum Securities Ltd ("Novum") ("Warrants"). Each Warrant entitles the holder to subscribe for one Ordinary Share at an exercise price of 5 pence per Ordinary Share and will be exercisable at any time for a period of two years from the date of Admission.

Following Admission, Novum will become joint broker of the Company. Liberum Capital Limited will remain NOMAD and joint broker.

New Partner Process

On 29 September, the Company announced that negotiations to enter into exclusive arrangements with a preferred new development partner were at an advanced stage with exclusivity expected to be granted in early October.

These discussions are ongoing, with a non-binding offer awaiting internal sign off from the new partner, which the parties have targeted for finalisation during October although there can be no assurance that it will be concluded in this time or at all.

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 +27 (0) 71 362 3566.

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.