

Placing to Raise £950,000

4 May 2018: Ncondezi Energy Limited ("**Ncondezi**" or the "**Company**") (AIM: NCCL) is pleased to announce that it has raised a total of £950,000 before expenses through a conditional placing ("**Placing**") of 15,200,000 ordinary shares in the Company ("**Ordinary Shares**") at a price of 6.25 pence per Ordinary Share (the "**Placing Price**"). The Company will use the funds to strengthen its balance sheet as it moves towards the conclusion of the Joint Development Agreement (JDA).

The Placing was arranged by Novum Securities Limited, and the Placing Price represents a discount of approximately 16% to the closing price of 7.45 pence on 3 May 2018 (being the latest practicable date prior to the publication of this announcement).

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 18 May 2018. 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.

The net funds raised by the Placing together with its existing cash resources of \$280,000 (as at 1 May 2018) will cover non project corporate costs until the end of June 2019, subject to the Shareholder Loan being extended or restructured. The Shareholder Loan matures on 2 September 2018, and the Company is currently evaluating options to extend or restructure the loan.

Ncondezi Non-Executive Chairman, Michael Haworth, commented: "*Funds raised from the placing put the Company in a position of strength to finalise JDA discussions with its potential partners.*"

Total Voting Rights

Following Admission, the Company's issued share capital will comprise 280,499,844 Ordinary Shares, each with voting rights. The above figure of 280,499,844 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 1,520,000 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 6.25 pence per Ordinary Share and will be exercisable at any time for a period of two years from the date of Admission.

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.