

11 June 2014

EDENVILLE ENERGY PLC

("Edenville" or the "Company")

Expression of Interest signed

Edenville Energy plc (AIM:EDL), the African coal exploration and development company, is pleased to announce that after extensive due diligence and discussions relating to the development of its Rukwa Coal-to-Power Project in Tanzania, a non-binding Expression of Interest ('EOI') has been received from the Engineering, Procurement and Construction division of a multi-national conglomerate company, a prominent engineering and technology group headquartered in East Asia (the 'Interested Party').

The EOI outlines the Interested Party's intention to partner with Edenville in the development of an integrated mining and clean coal power station at the Company's Rukwa Coal Project, western Tanzania, subject to certain conditions and milestones being met.

The Interested Party has a well-established capability and track record in the design and construction of major engineering projects globally, including Africa. Particularly relevant to Edenville is the delivery of turnkey operations in the mining, power generation and transport / logistics sectors.

Due diligence and review work has included, *inter alia*, desk studies, documentation reviews, technical review, commercial assessment, external data verification and site visits. A third-party, specialist consultancy has produced a comprehensive report which includes a suggested development framework to progress the project through the next stages.

The potential project size is significant and in line with Edenville's stated strategy of delivering a power facility of >100MW. Of particular note is the potential clean coal status, in addition to utilising a portion of locally-generated biomass in support of carbon credit trading. The suggested equipment for the power station incorporates latest clean coal technology to treat the fuel and waste products, including the Circulating Fluidised Bed process in conjunction with Flue Gas Cleaning to meet international emissions standards. The option of utilising excess heat to help support the production of construction materials adds potential for expanded local industry in the area.

The EOI contains several conditions and project milestones with the objective of entering into an exclusive development agreement. Edenville Energy and the Interested Party are working towards the completion of these milestones.

Discussions with the Interested Party and other parties are at a relatively early stage and there can be no certainty that an agreement will be entered into, or as to the terms in which any agreement might be made. Several sources of funding and investment are being considered and dialogue will continue as the technical work progresses. The Company will update the market when appropriate.

Sally Schofield, Chairman of Edenville, said:

“Today’s announcement is the latest step in the Board’s ongoing evaluation of the strategic options available to the Company. As part of this process we have been in meaningful dialogue with a number of parties interested, like ourselves, in best utilising the declared resource of the Rukwa Coal to Power Project.

“In this instance we are delighted to have reached a milestone in negotiations; we are focussed on progressing the development plan for Rukwa with a highly qualified and truly global player whose involvement would enable execution of a successful turnkey project and deliver the additional investment required for this Project.

“We are mindful that we are still in the early days of a complex and potentially lengthy process and the Company shall maintain dialogue with other interested parties until such time as an agreement that represents best shareholder value is agreed upon and a period of exclusivity entered into. Nevertheless it is a pleasing vindication of both the ongoing efforts of the Company and the longer-term potential for the Project overall. I am confident that we continue on the right track.”

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