

01 December 2015

Edenville Energy plc ("Edenville" or the "Company")

Collaboration Agreement with Power Plant EPC Contractor

Edenville Energy plc (AIM: EDL) is pleased to announce the signing of a binding Collaboration Agreement with Runh Power Corporation Ltd ("Runh"), who will work together to progress the Company's Rukwa Coal to Power Project in south west Tanzania (the "Project").

The achievement of project milestones including the definition of a sizable coal resource, the award of the Environmental Impact Assessment Certificate and generation of a positive Power Plant Feasibility Study has enabled the Company to engage in negotiations with a number of Engineering, Procurement and Construction ("EPC") companies.

Runh recently listed on the Chinese over-the-counter market (Stock Code: 834280) and has considerable experience in the development of power projects of a similar size to the Project, across Asia, Africa, Europe and the Americas.

Runh is already on the registered list of EPC Contractors in Tanzania and is currently completing two thermal power projects in Africa, one in Rwanda and another in Ethiopia. Runh's experience in power station construction in Africa, along with their independence from any one plant manufacturer, gives Edenville the flexibility to utilise the most appropriate and cost effective combination of construction management and power plant provider taking into account the particular conditions that apply to the Project.

The Collaboration Agreement is the first stage in the progression towards a full EPC contract.

Rufus Short, CEO of Edenville commented, *"I am extremely pleased to welcome Runh Power Corporation to the Project. Over the course of 2015 we have had detailed discussions with several groups, all of which demonstrated expert capability to provide the EPC component for the Project.*

Our selection of Runh allows the Project to source the most appropriate and cost effective plant whilst retaining the services of an EPC contractor with current and ongoing experience in East Africa. Their experience of projects of a similar size and working with coals of similar quality to those at the Rukwa deposit brings valuable knowledge to Edenville. Runh is a Chinese based group with an international approach, which I believe maximises the potential for a smooth progression through the project development. Additionally, I am convinced that Runh's experience of working alongside funding institutions can add value to the funding and development process. I am confident Runh will be able to deliver a successful EPC outcome for the Project and Edenville.

Importantly we have retained all of our existing 90% interest of the project at this time of potentially major value accretive events.

We are now entering an exciting phase in the development timeline both at a project level and on the movement forward with the Tanzanian power generation policy. Over the coming months I hope to update shareholders with progress."

The key obligations of the Collaboration Agreement are:

- Edenville will develop the coal mining component of the Project to work towards meeting the technical, financial and regulatory requirements necessary to allow the funding and development of the coal mine to supply the power plant. Edenville will also provide information on the estimated timeframe to complete specific requirements and tasks within Tanzania relating to the coal-mining component of the Project;
- Runh will, in their role as EPC contractor, provide engineering, procurement and construction services to develop the power plant component of the Project to a stage where funding can be sought for procurement and construction;
- Edenville shall have no responsibility or liability whatsoever for any costs incurred by Runh unless and to the extent it has not specifically consented to such costs in writing prior to such costs having been incurred;
- Runh will assist Edenville to progress the development of the Project through the Tanzanian regulatory system including the advancement to a Power Purchase Agreement ("PPA");
- Runh will assist Edenville to source and secure appropriate funding for the Project. This may include advice on and introductions to suitable financial institutions within the People's Republic of China;
- Runh will provide Edenville with an EPC contract cost estimate to develop the Project. The EPC cost estimate may be independently verified by Edenville's representatives and will be subject to acceptance by the board of directors of Edenville and representatives of Runh; and

The Company anticipates that once the EPC contract cost estimate has been presented, Runh would be considered the preferred and exclusive EPC contractor for the Project subject to the following conditions:

1) The commercial, technical and regulatory conditions for the project can be met; and

2) The EPC contract cost estimate can be negotiated on a comparable basis with other projects and be verifiable by Edenville's nominated independent consultants.

Throughout this process, Edenville retains all of its existing 90% interest and control of the Rukwa Coal Deposit.

The Collaboration Agreement will run for an initial period of one year with an option to extend. At the end of a six month period the progress on the principal development goals, as outlined above, will be reviewed. At this point, or at any other mutually agreed date, the Collaboration Agreement can be modified, replaced by an "EPC Development Agreement", considered for the purposes of the Collaboration Agreement to be to progress the Project through the stages of engineering, procurement, construction and commissioning, or an alternative structure put in place, if agreed by both parties. If there are considered material reasons by either Party to do so the Collaboration Agreement may be terminated or by either party giving 30 days notice.

More information on Runh Power Corporation can be found at www.runh.com/index.php

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