

Edenville Energy PLC

Positive Drill Results from Muze Deposit, Rukwa Coal Project, Tanzania

Evaluation of small scale mining potential at Namwele

10th January 2013

Edenville Energy plc (AIM:EDL), the coal focused African energy exploration and development company, today announces receipt of the diamond drill core float and sink assay results from drillholes MZ12-01, -02, -03 and -04 and -05; collared and drilled at the Muze Deposit on the Rukwa Coalfield project in south western Tanzania in the latter part of the 2012 drill season. Muze is located 10km northeast of Mkomolo.

Highlights:

- The Company's maiden drilling programme at Muze confirms coal with similar characteristics to that defined in the Mkomolo JORC compliant resource of 39 million tonnes sub-bituminous thermal coal
- Coal measures intersected outside of the identified JORC resource block; these will add to the overall project resource
- Preliminary draft of Environmental Impact Assessment ("EIA") for Namwele/Mkomolo pending comments from Tanzania's National Environment Management Council
- Evaluation of small scale mining potential at Namwele to be undertaken with external consultants with a view to generating near-term revenues

Float and sink analysis results have been received for all the Muze drillholes completed during the first phase drill programme at the end of 2012 (MZ12-01, MZ12-02, MZ12-03, MZ12-04 and MZ12-05). All drill holes are located within the known outline of the Muze deposit with holes covering a strike length of 1,100m. Muze lies outside of the area defining the April 2012 resource statement.

These results have confirmed both thermal coal grades and the continuity of coal measures within the area. Coal measures intersected vary from 10 to 36m in thickness, with strong upside potential for the Muze resource to increase significantly, as future step-out drilling into the deeper interpreted portion of the basin is completed.

In terms of corporate strategy, the Company is also in the process of evaluating the small scale mining potential at Namwele, located 4km to the south east of Mkomolo. This will potentially provide near-term cash flow generation and a greater level of technical information on the deposit. Initial discussions held in Tanzania have indicated a local market exists for Edenville's thermal coal. Small scale mining has taken place at Namwele previously, with the coal being sold as lump-coal to end

users in Mbeya, an industrial centre located some 330km by road. The major arterial roads in this part of Tanzania are in the process of being tarred (financed through the Millennium Fund) which is expected to have a positive impact on Edenville's costs.

An update on the EIA has been received from our consultants in Tanzania. The preliminary draft of the EIA Report for the Mkomolo/Namwele Project portion of the Rukwa Coalfield was submitted to the National Environment Management Council (NEMC) on 29th September 2012. The comments from NEMC are pending. Once this has been received and any comments addressed, the process will continue with the Environmental Certificate being included into the Feasibility Study being conducted by the consultants.

Simon Rollason, Chairman of Edenville, commented today: "I am pleased to announce these very encouraging initial results from Muze. The results will have a positive impact on the resource statement when it is updated and emphasise the highly prospective nature of the project. Our intention in 2013, alongside the continued drilling at Muze, is to evaluate the feasibility of initiating small scale mining of the Namwele deposit; this has the potential of generating near-term revenues.

Additionally, discussions continue with a number of parties who have shown interest in partnering with Edenville to build a mine-mouth power station on the project, utilising the Mkomolo and Muze coal via an off-take agreement. Our previously stated objective of increasing the confidence in the quantity and quality of Edenville's existing resource at the Rukwa coal project remains firmly in place."

Coal Quality and Resource Testing

Float & sink analysis from holes MZ12-01, MZ12-02, MZ12-03, MZ12-04 and MZ12 cored during the 2012 drill programme has now been received from the Alfred H Knight Laboratory, Scotland, an internationally accredited coal analysis laboratory. This analysis indicates the amount (% yield) and quality of coal that could be obtained from the deposit by mining and processing.

The coal bearing strata, defined here as the Coal Measures, intersected by the drillholes comprises an interlaminated/interbedded sequence of coals and mudstones, which includes coal-rich horizons comprising a high proportion of coal.

All drillholes were drilled vertically.

Extracts from the results are summarised below:

Hole ID	From (m)	To (m)	Interval (m)	Wash R.D.	Moisture %	Ash %	Volatile %	F.C. %	Sulphur %	Gross C.V. MJ/kg	Yield %
MZ12-01	25.07	25.63	0.56	F1.70	3.8	30.1	28.2	37.9	3.63	19.490	61.1
	33.42	35.08	1.66	F1.80	3.9	30.8	30.3	35.1	2.85	19.430	72.8
	35.08	38.78	3.70	F1.80	4.0	28.1	30.5	37.4	2.07	20.326	69.2
	38.78	40.88	2.10	F1.80	3.9	26.5	29.6	40.0	3.00	20.966	79.0
	55.87	56.48	0.61	F1.70	3.4	31.7	28.5	36.4	3.51	19.033	75.7
	56.48	57.39	0.91	F1.80	4.5	33.7	22.4	39.4	3.14	18.149	89.8
MK12-02	145.10	146.73	1.63	F1.70	5.8	31.5	30.1	32.6	3.61	18.452	62.8
	148.75	149.40	0.65	F2.00	4.2	26.2	30.5	39.0	2.55	20.917	92.9
	150.30	151.22	0.92	F1.80	4.7	31.7	27.6	36.0	2.30	18.844	44.2

	149.40	150.30	0.90	F1.80	5.5	29.9	26.9	37.8	1.96	19.699	42.8
	151.22	152.35	1.13	F1.90	5.1	27.8	28.2	39.0	2.54	20.025	86.7
	153.65	155.80	2.15	F1.80	5.7	22.4	30.2	41.7	3.39	21.912	76.5
	154.33	155.80	1.47	F1.80	5.0	30.2	26.4	38.4	2.64	19.254	51.5
MK12-03	107.60	108.38	0.78	F1.90	4.2	31.3	27.4	37.1	2.09	18.612	82.5
	110.60	111.50	0.90	F1.80	4.6	30.2	27.5	37.6	1.97	19.635	71.5
	111.50	113.65	2.15	F1.80	5.0	29.0	29.3	36.7	2.00	19.878	68.8
	114.07	115.74	1.67	F1.90	5.2	28.1	28.4	38.4	2.56	20.241	73.6
	116.60	117.28	0.68	F1.80	5.5	26.5	29.4	38.6	2.95	20.895	47.2
	125.79	126.62	0.83	F1.90	4.7	29.4	26.8	39.1	2.04	19.809	83.0
MZ12-04	172.03	173.40	1.37	F1.90	3.8	29.8	28.5	37.9	2.37	19.738	61.3
MZ12-05	59.40	60.05	0.65	F1.80	5.1	30.4	29.2	35.3	2.20	19.007	53.4
	57.25	59.40	2.15	F1.90	6.8	28.4	30.8	34.1	2.15	19.628	69.3
	60.05	60.85	0.80	F1.90	6.7	22.2	32.5	38.6	3.98	21.867	90.6
	60.85	62.80	1.95	F1.80	6.2	26.7	30.6	36.5	2.81	20.243	80.5
	82.77	84.25	1.48	F1.90	5.7	27.0	22.8	44.5	2.66	20.502	94.6
	84.25	85.00	0.75	F1.70	4.8	35.7	22.8	36.7	2.78	17.316	48.3

Cumulative Results from Fractional analysis (Results are reported on an air-dry basis)

F.C. - Fixed Carbon, C.V. - Calorific Value

In accordance with the AIM Rules, the information in this announcement has been reviewed by Mark J. Pryor, Chief Executive Officer of Edenville Energy plc, a qualified geologist with over 25 years' experience.

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