

12 August 2016

EDENVILLE ENERGY PLC

("Edenville" or the "Company")

Share Capital Reorganisation

Edenville Energy plc (AIM:EDL), the Company is in the process of developing a coal-to-power project in south west Tanzania announces a proposed capital reorganisation of its share capital (the "Capital Reorganisation").

The board of directors of the Company (the "Directors" or the "Board") believes that significant progress has been made over recent months on several areas of the power plant development process. The Board believes that in order to continue this progression and to deliver shareholder value over the coming years it now needs to take appropriate steps to restructure the Company's share capital.

A Circular and Notice of General Meeting is being sent to shareholders today to convene a General Meeting of the Company on 30 August 2016, at which resolutions will be proposed to shareholders to sub-divide and consolidate the issued share capital of the Company in connection with the proposed Capital Reorganisation.

Background to and reasons for the Capital Reorganisation

The existing ordinary shares of £0.0002 in the capital of the Company (the "Existing Ordinary Shares") have in recent months frequently been trading on AIM at a price close to their nominal value of £0.0002 per share. The issue of new shares by a company incorporated in England and Wales at a price below their nominal value is prohibited by the Companies Act 2006 and so in order to continue the mine and power plant development process by way of the issue of further equity, a capital reorganisation is recommended.

In addition, the share price volumes at which the Existing Ordinary Shares are currently trading mean that a small value transaction can significantly affect the Company's market capitalisation. One or two relatively small trades in a day can result in increased share price volatility that does not reflect the Company's underlying performance. The Directors also note that, at 12,427,060,094, the number of Existing Ordinary Shares currently in issue is an excessive number for a company of the size of Edenville.

The proposed Capital Reorganisation comprises three subdivisions, the first being a subdivision of the 64,179,632 existing deferred shares of £0.0008 each in the capital of the Company (the "Existing Deferred Shares") into 5,134,370,560 deferred shares of £0.00001 each in the capital of the Company (the "Subdivided Existing Deferred Shares") (the "First Subdivision"). Second, the 12,427,060,094 Existing Ordinary Shares will be subdivided into two share classes: (i) 12,427,060,094 ordinary shares of £0.00001 each in the capital of the Company (the "Subdivided Ordinary Shares"); and (ii) 12,427,060,094 deferred shares of £0.00019 each in the capital of the Company (the "New Deferred Shares") (the "Second Subdivision"). The 12,427,060,094 New Deferred Shares will then be subdivided into 236,114,141,786 deferred shares of £0.00001 each in the capital of the Company (the Subdivided New Deferred Shares) (the "Third Subdivision"). Further, the Subdivided Ordinary Shares will be consolidated into 621,353,005 ordinary shares of £0.0002 each in the capital of the Company (the "Consolidated Shares") (the "Consolidation"), such Consolidated Shares having the same rights and being subject to the same restrictions as the Existing Ordinary Shares as currently set out in the Company's articles of association. If the Company determines to cancel or buy back

the Subdivided New Deferred Shares, it will advise, and if required seek further shareholder approval from, shareholders accordingly at the relevant time. The effect of the proposed Capital Reorganisation would be to reduce the number of issued ordinary shares in the capital of the Company by a multiple of approximately 20.

Neither the Subdivided New Deferred Shares nor the Subdivided Existing Deferred Shares shall be quoted and no share certificates will be issued in respect of the same. The effect of the creation of the Subdivided New Deferred Shares would be that the aggregate par value of the ordinary shares in the capital of the Company, once subdivided and consolidated, remains at £0.0002.

Where as a result of the Consolidation any Shareholders would become entitled to any fractions of the Consolidated Shares, any such fractions will, so far as is possible, be aggregated and sold for the benefit of the Shareholders.

For the avoidance of doubt, the Capital Reorganisation will not lead to the holders of Existing Ordinary Shares having their current respective holdings diluted.

Notice of General Meeting

The Directors believe that the Capital Reorganisation is in the best interests of the Company and its shareholders as a whole and recommend a vote in favour of the resolutions to be proposed at a General Meeting to be held on 30 August 2016 at 10:00am at Acre House, 11-15 William Road, London NW1 3ER.

Application will be made to the London Stock Exchange for the Consolidated Shares to be admitted to trading on AIM conditional on, inter alia, the passing of the resolutions, it is expected that Admission will become effective and that dealings in the Consolidated Shares on AIM will commence on 31 August 2016.

The Circular and Notice of General Meeting is available on the Company's website:

<http://www.edenville-energy.com/>

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