

14 December 2016

EDENVILLE ENERGY PLC

("Edenville" or the "Company")

Rukwa Coal to Power Project Update

Edenville Energy plc (AIM:EDL), the Company developing an integrated coal to power project in western Tanzania, is pleased to provide an update on the current status of EPC (Engineering, Procurement and Construction) work at the Rukwa Coal to Power Project.

Key Points:

- Proposals for 120-135 MW power plant construction obtained from several EPC Groups, including an option for lower cost, near term construction;
- At this stage, the Company has not tied itself to a particular group in order to draw on the knowledge and experience of different groups before finalising the most appropriate deal for Edenville;
- Independently produced financial model supports previous estimates and demonstrates a robust project;
- The Company continues to pursue opportunities for early small-scale mining and is in discussions with several potential off-take buyers of Rukwa coal; and
- The Project was visited by the Tanzanian Deputy Commissioner of Mines in early December to discuss enlargement of the Mkomolo Mining Licence.

Power Plant

Edenville has recently received several technical and financial proposals for EPC work to construct a power plant of between 120MW and 135MW at the Rukwa Coal to Power Project site. Whilst the Company's Rukwa coal resource could support a larger power plant it is currently envisaged that a plant in this range will be the best option to establish power generation in the shortest possible timescale.

Much of the work has centred on using standard well tested "off the shelf" technology and where possible these are based on previous contracts to build similar sized plants in other parts of the world and in East Africa.

The proposals received include contributions from Runh Power, with whom we have had a collaboration agreement through 2016. Another major international EPC group, who wish to be unnamed for now, but who are already active in East Africa, has also completed a comprehensive independent financial review as part of their project proposal. Their financial review supports the projects viability, adds to the previous work carried out by Lahmeyer India in 2015 and provides a framework to move forward with development options.

Throughout this process, the Company has remained autonomous and has not been contractually tied to one particular EPC group. This has enabled Edenville to draw on the knowledge and experience from different parties and has resulted in several options being put forward and assessed, something that would be difficult to achieve should we have been in an exclusive agreement at this stage of the project.

The differences in EPC costs between various proposals have been significant. Considerable cost savings have been identified which could potentially be applied to the construction and operation of the power plant and particularly, options for plant acquisition could result in a material reduction of overall project costs. These proposals mean that the Company will be able to select the most financially viable route to construct the power plant project whilst also meeting the requirements of the Tanzanian Government.

Although our Collaboration Agreement with Runh Power officially came to an end on 1 December 2016, the Company continues to work alongside Runh to further progress suggested suitable options for construction and funding. We are also continuing to work in a similar manner alongside the EPC group that developed the independent financial model to look at the most appropriate next steps forward for the project.

In parallel with the work completed by the EPC groups and the continuing work the Company is undertaking to explore financing options, the project has recently gone through extensive review by the Tanzanian authorities. We are now awaiting further directives from senior government representatives on how they wish to proceed with the power development and will update our shareholders on further developments as they occur.

Opportunities for Early Mining

As part of its strategy the Company is also looking at opportunities to start small scale mining to satisfy growing domestic coal demand related to the banning of imported coal into Tanzania.

The Company is currently talking to several potential off-take buyers and is selecting suitable areas and coal seams for extraction. As previously announced it remains the Company's intention to establish mining operations in 2017.

The Company will update its shareholders again when these discussions reach a conclusion.

Visit to Site by Commissioner of Mines

In early December a visit was conducted to our Rukwa site by Eng. Ngowi, Tanzanian Deputy Commissioner of Mines. Mr Ngowi met with Edenville staff and discussed the pending enlargement of the mining licence at Mkomolo.

The Company is pleased to report that the discussion was positive and the Tanzanian Ministry of Energy and Minerals ("MEM") continue in their support for the project.

Rufus Short, CEO of Edenville, commented: "We are delighted by the support we are receiving from various EPC groups. The extensive work that they have undertaken in conjunction with Edenville staff has validated the potential for our coal to power project. We are now investigating detailed proposals to advance the project alongside the Tanzanian government. These ongoing discussions, coupled with the work we are doing to secure early stage mining at Rukwa mean these are very busy and exciting times for Edenville."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

For further information please contact:

Edenville Energy Plc
Jeff Malaihollo - Chairman
Rufus Short - CEO

+44 (0) 20 7652 9788

Northland Capital Partners Limited

(Nominated Adviser)

Gerry Beaney

David Hignell

+44 (0) 20 3861 6625

Optiva Securities Limited

(Broker)

Jeremy King

Graeme Dickson

+44 (0) 20 3137 1902

IFC Advisory

(Financial PR and IR)

Tim Metcalfe

Graham Herring

Heather Armstrong

Miles Nolan

+44 (0) 20 3053 8671