

16 December 2014

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

Mkomolo Test Pit Results

Edenville Energy is pleased to announce positive coal quality results from the near-surface seam at Mkomolo, part of the Rukwa Coal Project, near Sumbawanga in Western Tanzania.

Following on from the results reported at Namwele (24 November 2014), which returned significantly better coal quality than previously attributed to the deposit, the Company is delighted to report similarly positive results from test pits excavated at Mkomolo.

Highlights

- Test Pit coal quality surpasses internal expectations
- Raw coal energy values approximately 100% higher than previously modelled
 - Likely to have a material impact on project economics for both the coal mine and Power Station components of Edenville business model
- Lahmeyer India's site visit, incorporating a detailed review of infrastructure, logistics and the development timeframe, completed
- Publication of the full Power Plant Feasibility Study in Q1, 2015 remains on schedule
- *"The improved coal quality will reduce the projected production costs for coal and, as a consequence, improve the economic and technical parameters of our coal to power project by reducing the cost of fuel input."* – Rufus Short

The coal quality at Mkomolo has surpassed internal expectations, returning an average raw energy value of 15.11MJ/kg. A simple wash process (to a relative density of 1.7) increases the energy value to 24.4 MJ/kg, with a yield of approximately 45%. Sulphur washes down to an average of 3% and ash content to 19.37%, levels which sit within a manageable range for use in a coal fired Power Plant. Technical detail is reported at the end of this news release.

Significantly, the raw coal energy values from Namwele and Mkomolo are approximately 100% higher than previously modelled; this will have a material impact on project economics for both the coal mine and Power Station components of Edenville's business model.

Operational Update

Topographic Survey

A detailed topographic site survey of the prime mining areas at Namwele and Mkomolo along with potential sites for the location of a coal processing plant and the coal-fired Power Plant, is now complete. The survey data will be integrated into the Power Plant Feasibility Study and used to develop engineering designs for siteworks, mine plans and the accurate calculation of overburden quantities for the mining operations.

Power Plant Feasibility Study, Lahmeyer

The site visit by Lahmeyer India, which incorporated a detailed review of infrastructure, logistics and the development timeframe of the transmission system in Western Tanzania, is now complete.

The new coal quality data from Namwele and Mkomolo will be incorporated into the Power Plant Feasibility Study, with the economic model reflecting lower production costs from the coal mine and reduced fuel supply costs to the Power Station.

We remain on schedule for publication of the full Power Plant Feasibility Study in Q1, 2015.

Rufus Short, CEO of Edenville Energy commented: *“We are delighted by the results returned from our Mkomolo test pits. The confirmation of consistent high quality coal very close to surface at both Namwele and Mkomolo is outstanding news and potentially transformative for the Company and its shareholders. The improved coal quality will reduce the projected production costs for coal and, as a consequence, improve the economic and technical parameters of our coal to power project by reducing the cost of fuel input. It is worth emphasising that Edenville’s Rukwa Coal Project is well advanced in terms of the costly, time-consuming technical elements needed to take a deposit into production. We have a JORC-compliant, Measured and Indicated resource of 170 million tonnes of total coal in-situ. Under the JORC code, only Resources classified as Measured or Indicated can be converted into Bankable Mine Reserves, an important consideration influencing the time and cost of project development. Both the Mkomolo and Namwele deposits also have an EIA Certificate in place, which derisks the project significantly and brings Edenville closer to the point where a Mining Licence can be issued.”*

“Our very encouraging test pit results will feed into the Power Plant Feasibility Study and the assessment of production options, and we look forward to updating shareholders with news of our progress in due course.”

Technical detail:

Test pits are the optimum way to sample coal that lies close to surface, allowing a specific seam to be exposed, examined and sampled. Four test pits were excavated at Mkomolo targeting the top seam along a strike length of 2.4kms, to expose the near-surface coal. The excavation and sampling work was carried out by Edenville personnel with full quality control processes and procedures in place.

This near-surface coal seam has an average thickness of 1.60m and was sampled to a maximum depth from surface of 4.96 m, with an average depth from surface of 2.53m.

The samples from the four test pits at Mkomolo have been analysed at Alfred H Knight’s (‘AHK’) laboratory in Scotland, UK. The first test results from Mkomolo are presented below, with the sampling analysis from Muze expected to be announced in January 2015. The results shown in Table 1 below show the combined raw coal analysis and the washed results at a Relative Density (‘RD’) of 1.7 for the Mkomolo test pits.

Table 1 – Raw Coal Analysis (Air Dried Basis)

Sample	Inherent Moisture (%)	Ash (%)	Volatile Matter (%)	Sulphur (%)	Gross Calorific Value(Mj/Kg)
5526	3.30	50.10	17.90	1.96	13.28
5527	7.70	40.40	22.70	5.19	15.66
5528	8.00	35.00	24.30	3.87	17.53
5531	4.50	46.80	19.10	4.19	13.96
Average	5.88	43.08	21.00	3.80	15.11

Table 2 - Floats Basis Float and Sink Coal Analysis (Air Dried), 'Washed Coal'

Sample	Mass (g)	Yield (%)	R.D.	Inherent Moisture (%)	Ash (%)	Volatile Matter (%)	Sulphur (%)	Gross Calorific Value (Mj/Kg)
5526	3922.5	29.75	F1.70	2.89	25.00	27.63	2.28	23.04
5527	7304.0	52.76	F1.70	5.59	17.34	35.75	4.25	25.14
5528	8995.7	65.80	F1.70	7.21	15.52	32.66	2.84	25.33
5531	3811.8	31.49	F1.70	2.73	26.53	26.77	2.60	22.45
Average	6008.5	44.95	F1.70	5.30	19.37	31.85	3.14	24.44

Note that the improved coal quality applies to the near surface seam which was exposed across its width and sampled. The original quality data, reported in the SMS Resource Report (March 2013) applies to the entire coal measures sequence that comprises 'bar code coal' that can include barren shales and sandstone between the coal sequences.

Mkomolo Block FB5, from which the samples were taken, lies at the southern end of the Mkomolo deposit and sampling was conducted over a 2.4km strike. The entire Mkomolo deposit is over 8.5km in length. Whilst localised variations in quality may exist over the 8.5km, previous test work that coal quality suggests the coal is reasonably consistent in the Mkomolo deposit. We therefore expect coal to the north of the test pits to demonstrate similar quality characteristics to the test pit results.

Qualified Person Review

Mark J. Pryor, Pr.Sc.Nat. has reviewed and approved the technical information contained within this announcement in his capacity as a Qualified Person, as defined by the AIM Rules and National Instrument 43-101 Standards of Disclosure for Mineral Projects.

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