

Edenville Energy PLC

Completion of £1 million Placing

17 January 2014

Edenville Energy plc, the African coal exploration and development company, today announces it has successfully completed a placing of 1,428,571,428 new ordinary shares (the "Placing Shares") at a price of 0.07p raising gross proceeds of GBP 1 million (the "Placing"). The Placing enables the Company to accelerate development and strategic partnership plans for the proposed 100MW plus power station.

Application will be made for the Placing Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective on or around 23 January 2014. Following this issue of equity, the issued share capital of the Company will be 6,270,254,540. The Placing Shares will rank *pari passu* with the existing ordinary shares.

In accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, the Company hereby announces that it has 6,270,254,540 ordinary shares of 0.02p each in issue, each share carrying the right to one vote. The Company does not hold any ordinary shares in treasury.

The above figure of 6,270,254,540 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

Use of Funds

In addition to developing opportunities with potential strategic partners, the funds raised from the Placing will be utilised to develop the Rukwa coal-to-power project. This will include technical work, comprising large scale bulk sampling and metallurgical test work for wash plant and power plant design, along with a detailed airborne topographical survey, all of which will feed in to the pre-feasibility study. The ongoing Environmental Impact Assessment ('EIA') for a starter pit will also be completed, with a subsequent EIA to cover the large pit and 100MW plus power station scenario.

Discussions are underway with qualified engineering and power consultants to guide the process alongside Edenville and its potential partners in the project.

Sally Schofield, Chairman of Edenville, said:

"We are delighted with the successful completion of a share placing for £1 million; this demonstrates our ability to raise funds in difficult markets and shows significant confidence and support for the Company at this critical point in its development. The funds raised will enable us to accelerate development plans for our Rukwa coal project and, of course, we are pleased to be entering into negotiations with a stronger balance sheet. "

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Notes to Editors

With a significant lack of domestic power supply in Tanzania, the Government is moving forward with the proposed 'Western Power Line'. The main power transmission line will pass by Sumbawanga, located close to Edenville's coal deposit, ultimately linking the existing and future power generation sources in the south and southwest of Tanzania to the load centres in the Mwanza and Arusha regions in the North.

A 66kV interconnector is already established in Sumbawaga, linking the town to Zambia, with the potential to use this facility to export power back to Zambia. For future interconnections with neighbouring countries, such as, Kenya, DRC, Zambia and Malawi, the grid is a key component for regional economic cooperation and development. The Government's intention is to increase installed generation capacity from 1,438 MW to 2,780MW by 2015, providing access to electricity to an additional 4 million people, an extra 9% of the population.

The Rukwa Coalfields are ideally located and strategically well placed to tie into the national electrification plan. Edenville's project lies in close proximity to the proposed route for the Mbeya-Sumbawanga 400 kV line, which will provide power to the north and south. There is also the potential to export power directly into Zambia using the existing 66kV interconnector located at Sumbawanga.