21 September 2016

EDENVILLE ENERGY PLC

("Edenville" or the "Company")

Updated Financial Model

Edenville Enegy plc, the Company developing an integrated coal to power project in western Tanzania, would like to provide an update on the status of the financial modelling work for the project.

A newly constructed financial model (the "Financial Model") for the Company's Rukwa Coal to Power Project has been completed by Diamond Energy Ltd, an independent power modelling consultant, commissioned by the Company. Diamond Energy Ltd, specialise in building and reviewing valuation models for energy assets, and assisting clients with negotiation of commercial contracts supporting independent electricity projects.

Key Points

- Newly developed independent 2016 Financial Model constructed by Diamond Energy Ltd

- 2015 Power Plant Feasibility Study financial model independently validated with new model results

- Improved NPV (using a nominal pre tax discount rate of 10%) of US$252 million for a 120MW power plant with a 30 year life

- Pre Tax Project nominal IRR 23.4%

Rufus Short CEO of Edenville Energy plc said: "I am extremely pleased with the completion of the new independent financial model for our Rukwa Coal to Power Project. We now have both an additional level of assurance to what has been done previously, and going forward, will be able to use a fully independently constructed model, structured for international project finance and so preferable for funding negotiations. In addition, we are currently in the process of completing significant work flow including an updated mining assessment; bulk sampling of the deposit and detailed coal wash plant requirements. These will feed into the overall financial analysis of the project over the coming weeks and months."

This new Financial Model further builds upon and validates the results and integrity of the financial model constructed from the results of the 2015 Power Plant Feasibility Study carried out by Lahmeyer India.

Positive and comparable results were obtained in the new Financial Model compared to the 2015 model with an increase of approximately 14% in pre-tax NPV, reflective of improved time granularity of cashflow modelling, pass through indexation and revised capital cost phasing.

For clarity, the 2015 model returned a pre-tax NPV(10%) of US$220 million with an IRR of 23.1% over a 30 year project life for an integrated 120MW coal to power project at the Company's Rukwa site. The newly constructed Financial Model using essentially the same cost inputs returns an improved pre-tax NPV(10%) of US$252 million demonstrating an IRR of 23.4% over the same time period of 30 years. The size of power plant in both models was set at 120MW with a plant utilisation of 80%.

Modelling Comparisons

	2015 model	2016 Financial Model
Plant size	120 MW	120 MW
Utilisation	80%	80%
NPV (10%)	US$220 million	US$252 million
Project IRR	23.1%	23.4%
Period	30 years	30 years

Additionally, the work currently being completed by independent mining consultants, SMS, on evaluation of the mineable resource, will allow the potential for a larger power plant to be more fully assessed.

The Financial Model gives the Company an additional level of confidence on both the integrity of the work originally carried out in 2015 and the underlying modelling methodology.

We are extremely pleased that the original 2015 model has been independently verified through this latest work. Running essentially the same inputs though the new Financial Model indicates the structure of our original modelling was conservative. The new Financial Model has been independently constructed from first principles and provides a basis to engage in detailed discussions with relevant institutions for project financing and development.

The Company along with its consultants is progressively updating various inputs and parameters for the project as feasibility work and other required tasks continue to be progressed and completed. We will continue to update the model and as appropriate will inform our shareholders accordingly of material changes.

Note: The Financial Model, which will be further developed as inputs and parameters are optimised, has been constructed and reviewed independently and undergone in-house review as part of the feasibility process.

The Financial Model is indicative and based on the best available data and estimates at the time. As technical and commercial work progresses the Financial Model will be further assessed and refined, both by the Company and by external consultants. Accordingly the valuation metrics set out in this announcement should not be taken as a financial forecast or definitively relied upon for economic assessment purposes.

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

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