

# Edenville Energy plc

('Edenville' or 'the Company')

## Edenville Strategy Update

26 November 2013

Edenville Energy plc, the African coal exploration and development company, today announces its intention to progress its Rukwa coal project towards development with the aim of supporting a power station capable of producing at least 100MW of electricity, supplying energy directly into Tanzania's proposed new power grid. This development follows recent indications by the Government of Tanzania of its commitment to begin construction of the country's main power grid during 2014.

### Developing the Edenville Project

Tanzanian governmental organisations have indicated the construction of the 'Western Power Line' between Mbeya and Sumbawanga, forming part of the new grid system, will commence in 2014. Construction of this section of the grid is expected to be completed during 2016, which is earlier than previously anticipated. Edenville's Rukwa coal deposit has the potential to support the build of a 100MW plus coal-fired power plant, with its size, quality of coal and location, to supply electricity to the Sumbawanga-Mbeya power line.

The previously announced Scoping Study completed in September 2013, by Sound Mining Solutions of South Africa, indicated it was commercially attractive for Edenville to build a small power generation facility which would operate independently of the main grid and utilise only a small proportion of the Company's much larger overall coal resource. However, the accelerated progress of the 'Western Power Line' gives Edenville the opportunity to move towards development of a larger power station, utilising Edenville's entire coal resource, which would feed directly into the new grid infrastructure.

### Edenville Strategy

The management team is currently in early stage discussions with potential partners from Asia with relevant experience and expertise to develop the project. These potential partners are highly experienced in the feasibility, construction and funding of projects similar in scale to Rukwa, and using a similar quality of coal to that defined in Edenville's Rukwa deposit in the March 2013 JORC compliant resource estimate.

Discussions are underway with qualified engineering and power consultants who will guide the development process alongside Edenville and its future partners in the project. This will include some early stage technical work, comprising large scale bulk sampling and metallurgical test work for wash plant and power plant design alongside completion of the Environmental Impact Assessment ('EIA') for a starter pit.

Sally Schofield, Chairman of Edenville, said:

"The accelerated progress of the Western Power Line is a tremendous advancement not only for Tanzania but also for Edenville. We have taken the decision to expand and accelerate our plans following the Government's confirmation of the timeframes for building the new grid infrastructure. With a 100MW plus power plant we believe we will have a sustainable, long-term project that can contribute significantly to Tanzania's future power requirements. "

## Enquiries

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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.