

05 November 2014

EDENVILLE ENERGY PLC ("Edenville" or the "Company") (AIM:EDL)

Commission of Power Plant Feasibility Study at Rukwa Coal Project, Tanzania and successful completion of £200,000 working capital Placing

After extensive work and significant investment developing its Rukwa Coal Project in Western Tanzania, the past 2 years have seen Edenville Energy ('the Company'), achieve the following project milestones:

- Reported a JORC-compliant, Measured and Indicated Resource of 170 million tonnes of in-situ coal at its Rukwa Coal Project of a quality suitable, after washing, for a Clean Coal Thermal Power Plant
- Defined the scope for a mine-mouth, Clean Coal Thermal Power Plant of 100MW+ over a project life of 30 years
- Received expressions of interest from several potential project partners
- Secured environmental permitting for coal mining operations via the award of the EIA certificate, required for the grant of a full mining license

The Company is now pleased to report a number of positive developments relating to the energy sector in Tanzania, which have today led the Company to commission a Power Plant Feasibility Study for a 100MW+ Clean Coal Thermal Power Plant at its Rukwa Coal Project in South Western Tanzania.

- The Government of Tanzania's Power Reform Strategy and Roadmap, published in June 2014, demonstrates commitment to expand power generation capacity and transmission infrastructure over the next decade. A significant part of this reform relates to the construction of a new power grid in the west of Tanzania, which will transmit power from a variety of sources, including Thermal Power Plants. This confirms Edenville's strong position to participate in the country's power development process via its Rukwa Coal Project.
- Preparation work for the northern portion of the Grid network is ongoing. This new grid infrastructure will run from Geita through to Nyakanazi in Tanzania, extending towards Rwanda and Burundi as part of the Eastern Africa Power Pool development strategy.
- Edenville's Power Plant Feasibility Study ('PPFS') will utilise data from Tanesco's existing feasibility work on the planned Western Transmission Line; this study was initially based on a 220kV grid system, with a revised upgraded study for a 400kV grid proposed. The Western Transmission Line represents the section of new grid infrastructure which runs from Nyakanazi south to Mbeya, and is scheduled to pass within 12km of Edenville's Rukwa Coal Project.

After a competitive tender process, Edenville is pleased to announce that the Rukwa PPFS will be completed by Lahmeyer India, a division of Lahmeyer International GmbH Germany. Lahmeyer's experience in 165 countries, including several in Africa, includes work for Project Developers, EPC Contractors, Equity Investors and Financial Institutions.

Lahmeyer India has extensive experience in thermal power plant design, construction, transmission and distribution along with a strong background in the regulatory environment of various jurisdictions.

The PPFS will include but not be limited to:

- Selection of optimum capacity of power plant considering the quality and quantity of coal available
- The evacuation capacity of suitable grid infrastructure
- Selection of suitable technology for the project
- Preparation of preliminary balance diagrams, for Heat and Mass and Water
- Development of preliminary flow diagram & schemes, layout and site positioning
- Analysis of major features of the power plant including facilities for interconnection with the state grid
- Plant Mechanical System, Electrical System, Civil, Structural & Architectural Design
- Environmental aspects including suitable measures for ash utilisation
- Financial Analysis including computation of the cost of power generation along with metrics for fuel supply

The study is expected to be completed within Q1, 2015. The PPFS is key to Edenville progressing its Rukwa Coal Project on an independent basis, enabling the Company to advance discussions relating to project dynamics and the investment opportunity, whilst maintaining control of the asset.

In addition, Edenville is pleased to announce a demand led placing of 500,000,000 new ordinary shares of 0.02p each at the market price of 0.04 pence on 3 November 2014, providing the Company with £200,000 of additional working capital. The funds have been raised from a small group of long-term, existing shareholders to sustain working capital, advance additional test work on the coal and to fund any additional work that may be required as we progress through the feasibility process.

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 10 November 2014. Following this issue of equity, the issued share capital of the Company will be 7,186,921,206. 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 7,186,921,206 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 7,186,921,206 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.

Rufus Short CEO of Edenville Energy comments:

"After considerable and positive feedback from power consultants, potential partners and the Tanzanian authorities we are confident that the time is right for Edenville to commission the Power Plant Feasibility Study ("PPFS") and continue its investment into the Rukwa Coal Project. The clarity and insight that this will give to all parties either involved, or wishing to be involved, in the project should allow the Company to navigate the route towards power purchase agreements, involvement of partners in the project and negotiations on funding. We look forward to working closely with Lahmeyer India to complete this study and to move the project forward to its next stage.

We are delighted that our long term shareholders recognise the value in Edenville's Rukwa coal project and are supportive of the Board and the progress made in recent months. This modest, demand led raise brings sufficient new money into the company to progress us closer to the partner ready stage whilst maintaining a reasonable cash balance. We are confident that the coming months will be positive in terms of advancing Edenville's Rukwa Coal Project and look forward to providing the market with updates in due course."

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