

# **EDENVILLE ENERGY PLC ("Edenville" or the "Company")**

## **Coal Project Acquisition, Tanzania**

**24 March 2011**

Edenville Energy plc (AIM:EDL), the coal focused African solid energy exploration and development company, today announces that it has signed a Letter of Intent to acquire an interest in a coalfield project in southern Tanzania.

Edenville has signed a Letter of Intent to enter into an agreement with a private Tanzanian registered company, whereby Edenville intends to acquire a 50.1% interest, with a proposed increase to 70%, in a project which covers an area of approximately 33km<sup>2</sup>, and contains known proven reserves of 49 million tonnes of coal (data provided by vendor). Edenville would increase its interest to 70% by committing to an exploration spend on the project of \$750,000. The consideration cost will be a cash payment of \$2.2 million, based on an entry payment of \$1 million with four additional quarterly payments of \$300,000, and a payment of \$3 million in new ordinary shares in the company. The acquisition is conditional upon Edenville being satisfied with its due diligence into the asset. A legally binding agreement is expected to be signed within an agreed 30 day exclusivity period, with completion immediately thereafter.

Simon Rollason, Chairman of Edenville, commented that "This project provides an exciting opportunity for Edenville, being an advanced exploration project hosting identified reserves with strong potential to rapidly grow in size. As with all our coal projects in southern Tanzania, the project sits within the Tanzania Government's Mtwara Development Corridor project that seeks to develop the coalfields and construct thermal power stations in the region. I look forward to announcing completion of the acquisition in the coming weeks."

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