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

## **Coal Exploration Programme, Tanzania**

Edenville Energy plc (AIM:EDL), the African coal exploration and development company, today announces an update on exploration activities in Southern Tanzania. The objective of the work programme being implemented will be to evaluate the potential for a large tonnage, open pittable resource with the intention of establishing a maiden resource estimate for the Namwele project in 2011.

## **Highlights**

- Field work underway at Namwele coal deposit in Southern Tanzania
- Geological mapping and drill target delineation around previously mined areas in process
- Mapping of known coal hosting sediment blocks at around 9km in length
- Initial delineation drilling expected to be undertaken Q4 2010
- Surveying and prospecting continues at the Matiri licences

Edenville has commenced field work on the Namwele, Mkomolo and Muze deposits of the Rukwa Coalfield. Coal seems are visible to surface at all the deposits with limited open cast mining previously being undertaken at Namwele. It is reported that at Namwele, Upendo Group Ltd produced 30,000 tonnes of coal over a 3 year period for the Mbeya Cement Company. The geology of the Namwele-Mkomolo deposits comprises a series of coal hosting Karroo aged sedimentary blocks, which are shallow dipping with a strike length totalling some 9km (trending in a NW direction) and an average 1.5km in width. The average thickness of the seams exposed on surface ranges from 30 to 50cms in width.

The Edenville field programme is gathering data to ascertain priority targets for drilling near the various visible occurrences of coal. The Company expects to return results from the programme during the quarter in order to determine both the quality characteristics of coal samples and commence scout drilling to delineate the extent of mineralisation at Namwele by the end of the year.

At the Company's existing coal assets in southern Tanzania geological prospecting is well underway and will continue with surveys being carried out at the Matiri licences in Southern Tanzania.

Simon Rollason, Chairman of Edenville, commented that "Field work has begun at the Rukwa coalfield projects and our intention is to have a maiden resource estimate for an

open pit coal mine during 2011. The Rukwa Coalfields are ideally positioned in southern Tanzania, falling within the Tanzania Government's Mtwara Development Corridor project, which seeks to develop the coalfields and construct thermal power stations in the region. Our strategy remains to efficiently prove up resource projects that can easily be put into production and provide rapid value to our shareholders. We have acquired a number of highly prospective, shallow, coal assets that Edenville will look to rapidly add value to through exploration and development. I look forward to announcing results from the Edenville coal portfolio in the near future."

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### Further information

Project photographs are posted on the company website - www.edenville-energy.com

#### The Rukwa Coalfield

Edenville recently entered into an Acquisition and Option Agreement for the (refer to press release dated 20th August 2010); whereby it acquired an interest in 2 Prospecting Licences (PL), 66 Primary Mining Licences (PML) and 1 Prospecting Licence - Reconnaissance (PLR).

The geology of the Namwele-Mkomolo deposits comprises a series of tilted (20 SW) Karoo System sediment blocks, which host the coal seams, down-faulted into the Pre-Cambrian basement gneisses. These blocks have a strike length totalling some 9km (trending in a NW direction) and average 1.5km in width, although if you add all the strikes of the 5 individual blocks there is a total strike length of 15kms.

The average thickness of the seams exposed on surface ranges from 30 to 50cms in width, within a package of alternating carbonaceous marl and mudstones over 3 to 5m in thickness. The local stratigraphy, as defined by the Tanzanian Geological Survey (1947), gives the thickness of the Karoo System sediments lying on the Pre-Cambrian basement as comprising:

- i) Basal Sandstone 10 to 12m
- ii) Coal Measures 25 to 30m of which the coal zone is approx. 7m in thickness
- iii) Calcareous Sediments Marls and flagstones 70m

### iv) Upper Sandstones

The coalfields of Tanzania have been known since the beginning of the last century, but it is only over the past few years that modern exploration methods have been applied to a number of the known coalfields. The Namwele deposit was discovered in 1914 and to date there are no known JORC compliant resources estimated for the deposits of the Rukwa Coalfield; a resource of 7M tonnes at Namwele and 10M tonnes at Muze was outlined by the Tanganika Geological Survey in 1947. Small-scale open cast mining occurred in 2004 at the Namwele deposit, where the Upendo Group Ltd reportedly produced 30,000 tonnes of coal over a 3 year period for the Mbeya Cement Company. The coal quality is reported as moderate to low sulphur with a high ash content and thermal characteristics of sub bituminous to bituminous coals, but more work is required to determine the metallurgical characteristics of the coal. Exploration at Namwele and Mkomolo in the 1920s and 1930s included shaft sinking and drilling of three boreholes, with additional exploration pitting and 1,000m of underground exploration development being completed in the 1940s.

### Mtwara Development Corridor

The Mtwara Development Corridor (MDC) is a Spatial Development Initiative (SDI) which will see the development of the Mtwara port as a second major port facility, after Dar Es Salaam, with rail links planned to cross Southern Tanzania. This will create an economic growth zone of trans-border trade and investment linking Tanzania, Malawi, Mozambique and Zambia through a transport corridor to be served by the seaport of Mtwara on the Indian Ocean and provide a gateway for international trade. The National Development Corporation of Tanzania recently signed a Memorandum of Understanding with the Henan No.1 Thermal Power Construction Company (HPPC) of China relating to the construction of a 400Mw power station close the Ngaka Coal Project in Ruvuma Region of south-western Tanzania. The market for any coal and coal based products, identified by Edenville lies within Tanzania and also in both the export market to neighbouring African nations as well as overseas export. The potential exists that greater demand for power in Tanzania and from its neighbours will create the need for additional thermal power generation.

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