

3 March 2016

# EDENVILLE ENERGY PLC

("Edenville" or the "Company")

## Formal Grant of Mining Licence

Edenville Energy plc (AIM:EDL) the company developing a coal-to-power project in south west Tanzania is pleased to report that the Mining Licence (ML 562/2016), granted to Edenville International (Tanzania) Limited ("EITL" or "the Licensee") has been formally released by the Tanzanian Ministry of Energy and Mines ("MEM") and was received by Edenville Energy plc on 2 March, 2016.

Edenville International (Tanzania) Limited ('EITL') is incorporated in Tanzania and is a 99.5% owned subsidiary of its ultimate parent company, Edenville Energy plc.

As announced on 24 February 2016, the Mining Licence was signed and granted on 23 February 2016, with release subject to minor administrative issues. The team at Edenville has addressed all matters outstanding to the satisfaction of the MEM and the Licence has been formally released to the Company.

The Mining Licence covers the Company's Measured and Indicated, JORC compliant coal resource at Mkomolo, which hosts the majority of Edenville's coal resource within the Rukwa Coal Deposit, and gives the exclusive right to 'search for, mine, dig, mill, process, refine, transport, use and or market coal, in and vertically under the Mining Licence Area and execute such other works as are necessary for that purpose'. The Licence, which covers an area of approximately 8.49 square kilometres, shall remain in force for an initial period of ten years from the date of grant.

The Mining Licence states that the Licensee will commence development work within three months from date of grant, or such further period as may be agreed by the Minister, on the basis of plans, general design for the mine and related facilities consistent with the approved Mining Plan.

The Licensee shall commence regular production from the Mining Licence area within a period of eighteen months from the date of grant or within such further period as may be agreed by the Minister.

As a next step the Company expects to announce the signing of a Framework Agreement setting out the milestones for a Power Purchase Agreement ("PPA") with Tanzania Electric Supply Company Ltd ("Tanesco"). Further updates will be provided as appropriate.

**Commenting, Rufus Short, CEO of Edenville, said:** "We are delighted that the Mining Licence for our Rukwa coal deposit has been formally released to the Company. We would again like to thank Professor Muhongo, Minister for Energy and Minerals, and his Tanzanian government colleagues for the help and support they have provided. They have expressed the strong desire to see Edenville commence preparatory groundworks within the next three months, followed by a formal opening ceremony to 'break ground' in Q3 2016 and commercial production within 18 months. In the meantime, Edenville continues to work closely with the MEM and Tanesco to enable signing of the Framework Agreement which

allows negotiations for the Power Purchase Agreement and Transmission Line Agreement to formally commence. We are delighted to share news of our progress with shareholders and appreciate the long term support we have received through difficult times. We look forward to working closely with the Tanzanian authorities, the local and regional community and commercial entities to bring Edenville's Rukwa Coal to Power Project to fruition."

## **Contact**

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