

# Edenville Energy plc

("Edenville" or "the Company")

## Rukwa Coal Project Scoping Study Results

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Edenville Energy plc (AIM:EDL), the coal focused African energy exploration and development company, is pleased to announce highlights of the results of the Scoping Study it commissioned into the viability of its Rukwa Coal Project located in south-western Tanzania.

The Scoping Study which was commissioned by Edenville in April 2013, was carried out by Sound Mining Solution (Pty) Ltd ("Sound Mining"). The objective of the study was to explore the viability of a small open pit mining operation as per the press release dated 11<sup>th</sup> April 2013. Sound Mining has completed a number of different financial scenarios for the Rukwa Coal Project. A small scale mine and power plant ('coal-to-power') scenario to provide electricity to local markets has been identified by the Company as possessing the best balance of [shareholder](#) return, deliverability and achievable capital requirements.

### Highlights

- Small power producer scenario offers the fastest and most viable commercial opportunity to move forward towards production
- Estimated Capex to deliver a combined mine and power plant is between USD35m - USD50m, realistic and achievable for a junior resources company
- Optimal coal-to-power scenario based on 10MW power plant supplying local market
- Just 35% of current coal resource has been assessed and provides sufficient fuel to support 50 year power plant and project lifespan
- Straightforward open pit mine with small footprint
- Strong and consistent free operational cashflow, after costs, from electricity generation estimated to be upwards of US\$10 million per annum, providing an annuity over the life of the project
- Upside potential to expand and add other Edenville or third party power facilities (coal or renewable) in the region thereby increasing revenue
- Low commodity price risk; not dependent on world coal markets for sale of product
- Edenville could have first mover advantage as the only operating coal power station in Tanzania
- Well placed to expand the project on future developments of Tanzania's North - South electrification programme

- Additional potential to supply other local markets with Edenville coal
- The project would generate tangible benefits for both Edenville shareholders and the regional population

**Sally Schofield, Chairman of Edenville Energy**, commented: "Edenville's Board of Directors is delighted with the findings from this Scoping Study. We were hoping that it would demonstrate a viable commercial opportunity for Edenville in south-western Tanzania and it has done just that, outlining the potential for a strong, cash generative business model with the option of additional revenue streams. It indicates that the Rukwa Coal Project is both economically sound and with the relatively low capital expenditure cost estimate and half a century project life of a small mine and power plant, it should present both shareholders and the local end-users with very positive outcomes. The results of the Study are highly encouraging as it encompasses only part of the known coal resource with additional upside remaining at Muze for additional coal resources once fully drilled. Edenville's next steps will be to identify potential partners, preferably power specialists, with a view to securing funding and expertise to develop the project. We will also engage in discussions with TANESCO and other parties regarding a long term power off take agreement. In addition we will be undertaking bulk sampling of the coal and working towards submission of a pre-feasibility study which reflects the coal-to power scenario. We look forward to updating shareholders as to progress."

*The technical economic evaluations presented in the study should be considered preliminary in nature. There is no certainty that the economic forecast will be realised. Capital and operating costs are preliminary in nature and power purchase price is based on current tariffs; these may all vary once further work is undertaken and quotations from suppliers and partners are received. There are no current plans for the whole scoping study to be released due to its potential commercial sensitivity.*

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