SHUMBA ENERGY SECURES MABESEKWA IPP ESIA APPROVAL FROM THE MINISTRY OF ENVIRONMENT, WILDLIFE AND TOURISM OF BOTSWANA

The Board of Directors of Shumba Energy Ltd (the “Company”) is pleased to inform its shareholders and the public in general that approval for the following has been received from the Ministry of Environment, Wildlife and Tourism (the “Ministry”) of the Republic of Botswana:

- The Company had submitted the Environmental and Social Impact Assessment ("ESIA") documentation for a proposed coal mine and associated 600MW mine mouth power station at Mabesekwa last year. The Ministry has given its formal approval to the ESIA for the Mabesekwa Independent Power Project ("MEIPP") subject to the compliance with laws and regulations of authorities in Botswana on 28 June 2016; and

- The Company had also submitted a Scoping Report and has received approval on the terms of reference for the Sechaba Coal IPP project station and associated 400 KV transmission line.

"We are delighted to have received ESIA approval for the MEIPP, which is a major milestone in the project. The ESIA together with the existing Water Rights, Surface Rights and completed feasibility studies bring us much closer to bringing the MEIPP into production."

By order of the Board

International Financial Services Limited
Company Secretary

7 July 2016

*This Communiqué is issued pursuant to Section 87 of the Securities Act 2005, Rule 5 of the Securities (Disclosure Obligation of Reporting Issuers) Rules 2007 and DEM Rule 21.*

*The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this Communiqué.*