ANOUNCEMENT TO SHAREHOLDERS

Following a significant period of reflection and analysis, the Board of Directors of Shumba Energy Ltd (the “Company”) herewith confirms to its shareholders and the public in general that a decision has been taken at its Board meeting held on 12 May 2017 to execute all necessary procedures in terms of Section 37 of the listing rules to effect a de-listing from the Stock Exchange of Mauritius (“SEM”).

A core fiduciary responsibility of the Board is to ensure the recognition of the value created through deployment of shareholder funds creating return on investment. However, despite the Company has been actively investing its shareholder funds and growing its net asset value substantially over the last three years since listing on the SEM in April 2014, less than 1% of shares traded have gone through the SEM.

In contrast, over 99% of trades has occurred in shares quoted on the Botswana Stock Exchange (“BSE”). In short there has been no recognition on the market in Mauritius of the Company’s significant achievement and progress in growing its NAV.

The net impact of the arbitrage, i.e. the drag of effective ‘no-trade’ on SEM versus BSE has resulted in little increase in the stock value over the period of the dual listing, thus having a negative impact on shareholder value. Accordingly, the Board has made the decision as reported hereabove. Regardless of the decision taken, the Board would like to state clearly that this is not an exit from Mauritius completely.

By order of the Board

International Financial Services Limited
Company Secretary

12 May 2017

This announcement 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 announcement.