The Board of Directors of Shumba Energy Ltd (“Shumba Energy” or the “Company”) is pleased to announce the execution of a binding Memorandum of Understanding (the "MoU") between Shumba Energy and Basil Read Mining (“BRM’’). Basil Read Mining is part of the Johannesburg Stock Exchange listed Basil Read Holdings Limited Group (“BRH”), a leading construction and surface mining company in Southern Africa. BRH is an integrated service provider with a proven track-record and advanced expertise in construction, roads, developments and contract mining.

Shumba Energy has partnered on technical mining operations specifically with Basil Read Mining to provide contract mining solutions for Shumba Energy’s coal projects in Botswana. BRM specialises in surface contract open pit and opencast mining, which includes drill, blast, load, haul and dump, material handling, in-pit water management, mobile plant maintenance and management services to the mining, quarrying and construction industries. In addition, BRM will assist Shumba Energy by providing inputs for mine design, scheduling and mine planning, infrastructure development, operations and project management, surveying and optimization services across Sub-Saharan Africa.

Alan Clegg, Chairman of Shumba Energy, commented, “It has been our clear stated intent to select a few strategic operational partners to support our operational business model of using specialised outsourced services to execute our projects. I am very pleased with the foundational nature of this MoU which is the first building block of what we hope will be a long-term relationship with the Basil Read Group. This MoU is significant as it demonstrates the promised tactical execution of our plans presented to shareholders and entry by Shumba Energy into a new phase of preparation for execution and ultimately start-up of its formal mining operations for thermal coal production and market entry. This is designed to ensure earliest possible revenue streaming from our developed thermal coal assets in Botswana to cover the company’s baseline overhead operating costs without further significant capital raising just for this purpose and to move actively towards having the ability to fund required equity for further development of its projects.”

ABOUT SHUMBA ENERGY

Shumba Energy is an energy development company based in Botswana and listed on the Botswana Stock Exchange (BSE:SHUMBA) and the Stock Exchange of Mauritius (SEM:SHCL). Shumba Energy has over the last couple years progressed from an exploration company to a development company and sits on over 4.5 billion tonnes of thermal coal in-situ. As a major industry player, Shumba Energy’s mission is to satisfy the growing energy demand in the SADC region as a result of chronic power shortages. For Shumba Energy “Powering the Future” means addressing chronic power shortages head-on and supplying energy to affected southern African countries in a sustainable and cost-effective
manner. Established in 2011, Shumba Energy now owns a significant portion of advanced energy projects in Botswana and is uniquely positioned with its strategy to develop energy projects that are unaffected by the volatility of global commodity prices.

Enquiries: Gabriella von Ille  gabiella@lifacommunications.com
+27(0)71 112 1907

Boipelo Mogamisi  boipelo@lifacommunications.com
+27(0)71 799 9507

By order of the Board

International Financial Services Limited
Company Secretary

15 June 2017

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.