CAUTIONARY ANNOUNCEMENT

TRADING STATEMENT – 12 MONTHS TO 30 JUNE 2019

The shareholders of Shumba Energy Ltd ("Shumba" or the “Group”) are advised that the Group expects to release audited results for the 12 months ended 30 June 2019 which will be significantly divergent to those reported for the corresponding period ended 30 June 2018. The profit before tax for 12 months to 30 June 2018 of USD5.4m declined by around 137-140% (USD 7.4m – USD 7.6m) from last year to a loss of around USD2.0m-USD2.2m in the current year. The main reason is that in the prior year the group recognized an exceptional item, being profit from disposal of assets of USD7.95m which was a once-off item that did not re-occur in the current year. Excluding the once-off exceptional items, the group had a loss before tax of USD 2.5m in the 12 months to June 2018 compared to a loss of around USD2.2m - USD2.0m in the current year, a reduction in the loss before tax of around 12%-20% in the current year.

Further, during the year the value of the financial assets received on the Mabesekwa transaction, being 134 000 940 (2018: 153 710 030) shares of Kibo Energy PLC, an AIM listed entity, has been materially affected by a fall in the share price and the weakening of the Pound Sterling against the US Dollar. The Board still views Kibo Energy PLC as a solid company with strong fundamentals and a supportive financial, technical and commercial partner.

Shumba Energy, which is at development stage, continues to pursue its plans as highlighted in the past Annual report and maintains strong commitment in delivering growth and achieving recognition of this through demand for its equity and the expected resultant improvement in its share price.

The information in this trading statement has not been reviewed by Shumba’s independent auditors.

By order of the Board

18 September 2019

This Announcement is issued in compliance with the Botswana Stock Exchange equity listing requirements and pursuant to Section 87 of the Securities Act 2005, Rule 5 of the Securities (Disclosure Obligation of Reporting Issuers) Rules 2007.

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