Communique to Shareholders

Shumba Energy enters into 3 year coal supply contract

Shumba Energy Ltd (“Shumba Energy” of the “Company”) (BSE:SHUMBA), a Botswana-based coal mining and energy development company, is pleased to announce that its trading division has entered into a 3 year coal supply contract with a regional consumer which shall see the Company supply over 20,000 tonnes of washed coal.

As recently reported, Shumba Energy established its coal trading division, Shumba Coal Trading Ltd (“SCT”), in 2015 as a result of the demand from future off-takers of the Company’s export coal products. SCT was founded to manage trade of coal from projects owned by the Company as well as other Botswana coal producers in order to develop and grow the market for low-cost, high-quality Botswana coal with regional customers.

Mashale Phumaphi, Managing Director of Shumba Energy, comments, “The execution of the medium term coal supply contract is in line with the Company’s strategy of having a high proportion of contracted customers in addition to spot market customers. This approach will enable the Company to generate predictable and sustainable revenues whilst not prohibiting its exposure to the upside of rising market prices for thermal coal.”

Shumba Energy was established in 2011 to provide the SADC region with low-cost coal and energy. The Company is reaching its development objectives and now controls a significant portion of advanced energy projects in Botswana, including over 4.5 billion tonnes of coal for thermal energy.

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About Shumba Energy

Shumba Energy is a coal mining and energy development company based in Botswana and listed on the Botswana Stock Exchange (BSE:SHUMBA). 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. 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 “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 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.

By order of the Board

International Financial Services Limited
Company Secretary

21 November 2017

This Announcement is issued pursuant to the Botswana Stock Exchange listing requirements and Section 87 of the Securities Act 2005.

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