The Directors of Shumba Coal are pleased to report that the Company has concluded a scoping study into transmission solutions describing options available to export power from a proposed power station called the Sechaba Energy Project ("SEP"), to be sited on Shumba Coal’s Sechaba thermal coal resource, to South Africa, Zimbabwe and Namibia.

The SEP will be a 300 MW (gross capacity) power station with the full power output (approximately 270 MW after deduction of power plant and mine auxiliary loads) injected into BPC’s 400kV high-voltage transmission grid at the nearby Morupule B 400kV sub-station. The study also contemplates changes to the base case by scaling up the export volume by doubling the capacity of the SEP and thus increasing exports to 540 MW. The Botswana power transmission grid is interconnected via Phokoje substation to South Africa (at Matimba) and Zimbabwe (at Insukamini) at 400kV.
The following 400kV Export Options were identified for the SEP:

**Option 1:** SEP – Morupule B – Phokoje – Matimba (South Africa)
**Option 2:** SEP – Morupule B – Phokoje – Insukamini (Zimbabwe)
**Option 3:** SEP – Morupule B – Phokoje – Matimba (South Africa) – then wheeled through the Eskom network to Namibia.

**Key Conclusions**

- The SEP can use existing high voltage transmission infrastructure to export power cheaply to South Africa, Zimbabwe and Namibia.
- Transmission costs of SEP export are lowest for export to South Africa and Zimbabwe and higher for export to Namibia.
- There are no expected system constraints to address on the interconnections to South Africa and Zimbabwe that require investments or other interventions.
- In terms of the transmission options analyzed for supply to Namibia, wheeling through South Africa would be the lowest cost option.

The Power Transmission Scoping Study was conducted by Norconsult which is an interdisciplinary engineering and design consultancy, providing services to clients in public and private sectors worldwide.

The Directors believe that this is an excellent outcome as it provides further support for the development of the Sechaba Energy Project as a low cost producer of power for consumption in the region.

Yours Sincerely,

MASHALE PHUMAPHI - Managing Director

Shumba Coal Ltd
Plot 2780
Manong Close, Extension 9
P.O.Box 70311
Gaborone, Botswana

**ABOUT SHUMBA**

Shumba Coal is a Botswana Stock Exchange listed local exploration company whose focus is the acquisition and development of highly prospective energy exploration licenses in Botswana. Currently its flagship asset is the Sechaba Project which has approximately 1 billion tonnes of JORC compliant thermal coal resources. Due to its proximity to the A1 highway, railway line and the existence of large resources of ground water and two river basins, the project is potentially well situated for the development of a mine and a power station.
Forward Looking Statements

This document referred to in it contain forward-looking statements. These statements relate to the future prospects developments and business strategies of the Company and its subsidiaries (the “Group”). Forward-looking statements are identified by the use of such terms as “believe”, “could”, “envisage”, “estimate”, “potential”, “intend”, “may”, “plan”, “will” or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements contained in this Presentation are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of this Presentation.

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