COMPANY ANNOUNCEMENT

SOURCE: ARTISTS IMPRESSION FROM NORCONSULT

Shumba Coal is in the process of developing a 300MW coal fired power plant (SEP). The power plant will be strategically located in relatively close proximity to the A1 national road and other important infrastructure, such as a railway line and 400kV substation for possible integration. The Company engaged global energy infrastructure engineering leaders, Parsons Brinckerhoff (Power), to provide conceptual studies for the proposed coal fired power plant development addressing site, boiler technology and plant configuration assessment, limestone consumption assessment and conceptual design and description of the power plant based on the preferred boiler technology and configuration.

Based on the study, the power plant is envisaged to be configured as a 2 x 150MW CFB coal fired power plant. The configuration was chosen as the preferred configuration primarily due to suitability of unit size to the Botswana grid and redundancy offered by the configuration. Furthermore, the power plant is expected to consist of a subcritical non-reheat steam turbine with dry air cooled condenser technology. SOx control will be achieved by in-situ SOx capture by limestone dosing in the boiler furnace. Particulate matter control will be achieved with Electrostatic Precipitators (ESPs). NOx control is achieved inherently in CFB boilers by virtue of their low operating furnace temperatures.
Key SEP Attributes:

- The Sechaba coal resource and good qualities are well suited for power generation.
- The low sulphur Sechaba coal would reduce non-fuel power plant OPEX by 30-40% compared to other alternatives.
- The SEP project economics indicate a competitive and robust project, capable of a low electricity sale tariff.
- The SEP has an Excellent location, adjacent to:
  - High-voltage power grid and grid substation
  - Developed road infrastructure
  - Railway lines
  - Communications infrastructure
  - Water sources
  - Town of Palapye, with large local workforce
- The SEP is capable of supplying power domestically and regionally using existing power transmission infrastructure.

In addition to Parsons Brinckerhoff, CRESCO Project Finance conducted the power station financial modelling and Norconsult which is an interdisciplinary engineering and design consultancy, provided specialist inputs into the studies.

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

ABOUT SHUMBA

Shumba Coal Ltd is a Botswana Stock Exchange and Stock Exchange of Mauritius listed 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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