COMMUNIQUE

SHUMBA COAL SIGNS HEADS OF AGREEMENT WITH MULILO FOR MEIPP DEVELOPMENT

Following the communiqué dated 25 February 2015, the directors of Shumba Coal Ltd ("Shumba" or the "Company") are pleased to announce the execution of a Heads of Agreement ("HOA") between the Company and Mulilo Renewable Project Developments (Pty) Ltd ("Mulilo") for the joint development of the Mabesekwa Export Independent Power Plant ("MEIPP") at the Mabesekwa Coal Project to take part in the South African Coal Base Load IPP programme.

MEIPP – key characteristics:

- 300 MW (2 x 150 MW) gross capacity
- Minimum 260 MW net supply to grid after auxiliary and mine consumption
- Associated coal mine with ~1.2 mpta capacity, dedicated to MEIPP

The MEIPP will be a Coal-fired Power Plant with a captive coal mine. Within a two month period following the signing of the HOA, the parties intend to enter into a comprehensive Joint Development Agreement ("JDA") which shall include detailed conditions of the Partnership. During this period the parties will only negotiate exclusively with each other. Additional developments will be forthcoming and shareholders will be kept appraised accordingly.

Mulilo is an IPP developer and investor which was originally formed in 2008. Mulilo works closely with project developers, technology providers, regulators and investors to source and develop premier energy projects. Mulilo has developed over the last few years a portfolio of circa 400 MW of grid-connected power plants under various IPP programs run by the Department of Energy in South Africa.

In the words of Shumba's Chairman, Alan M. Clegg, "The signing of this HOA with Mulilo is a further landmark development in Shumba execution of our stated strategy and a further testimony to the discipline of management in matching our assets and projects with the best partners under stressed market conditions. Mulilo has a first class track record of delivery which, matches Shumba culture and this will I believe now translate into the creation of a new and strong economic contribution to the Southern African energy market for sustainable development, while creating strong value for our shareholders and all stakeholders alike."
Shumba Coal is a Botswana focused local coal mining and energy Development Company listed on the Botswana Stock Exchange and the Stock Exchange of Mauritius Ltd and has over 260 shareholders. Shumba Coal intends to develop one or more 300MW or larger power stations in addition to producing coal for domestic and regional consumption.

Status of renewal of Prospecting License No. PL 053/2005

The processing of the renewal of the prospecting license number PL053/2005 is still to be finalized by the Ministry of Minerals, Energy and Water Resources of Botswana. As the six months extension previously provided on the license is due to expire this month, we have requested the Ministry for an update on the renewal of the license, and we expect a response to our request soon. Further developments will be communicated to shareholders of Shumba Coal and the public in general in due time.

International Financial Services Limited
Company Secretary

This 6th March 2015

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.