



**SHUMBA**  
ENERGY  
Powering the Future

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(A public company registered in the Republic of Mauritius - Company No. 111905 C1/GBL)

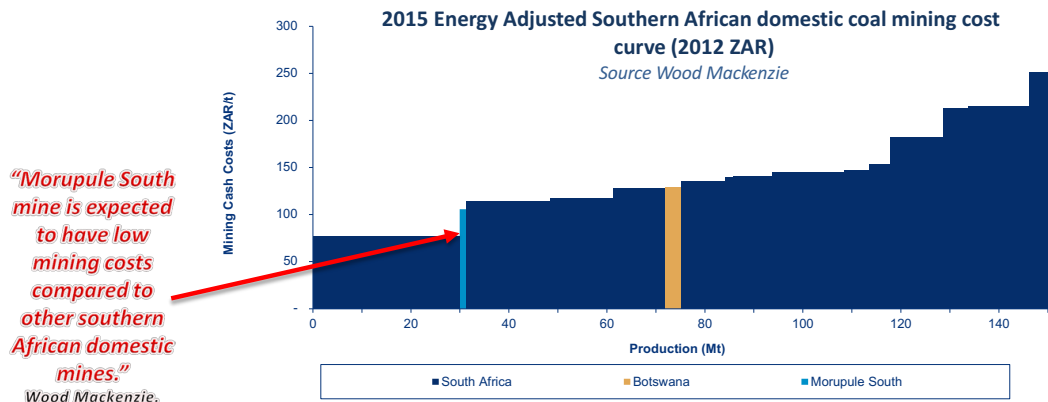
## SHUMBA ENERGY SIGNS OPTION TO ACQUIRE THE 2.45 BILLION TONNES MORUPULE SOUTH COAL PROJECT

The Board of Directors of Shumba Energy Ltd (“Shumba Energy” or the “Company”) is pleased to announce that the company has signed an option to acquire 75% of the Morupule South project from Hodges Resources.

The Morupule South Coal Project is located within the central eastern district of Botswana, directly to the south of the Morupule Colliery. The project has a resource of 2.45 billion tons of JORC compliant resources of which 380 million tons are in the measured and indicated categories. The Morupule Main seam represents 83% of the resources. 1.2 billion tons are amenable to open cut mining with initial waste to coal strip ratios of under 2 to 1.

Seam	Gross In Situ (Mt)	Raw Coal Qualities (Air Dried)						
		Ave Seam Thickness (m)	CV (Kcal/kg)	Ash (%)	Inherent Moisture (%)	Volatile Matter (%)	Fixed Carbon (%)	Total Sulphur (%)
SSB	35	1.2	4 513	34.7	3.5	31.1	33.8	4.4
SLB	323	2.6	4 441	35.4	3.6	25.0	36.1	2.2
S2B	50	1.9	3 881	39.2	4.2	21.4	36.2	1.3
SMT	1 073	10.4	4 173	37.5	4.1	20.1	37.8	0.9
SMB	970	7.0	4 946	29.2	3.8	20.5	46.6	1.2
<b>Total</b>	<b>2 451</b>							

Study results confirm robust economics across all Morupule South development scenarios. Wood Mackenzie benchmarked Morupule South’s mining costs and coal quality against other southern African domestic mines and the project is expected to be one of the lowest cost in the region.



Shumba Energy's Managing Director, Mashale Phumaphi, comments, "The Morupule South acquisition elevates Shumba Energy to be able to take advantage of the domestic and regional industrial market. The project has 1.2 billion tons of high grade open cast mineable coal, is located 5 kilometers from an operating rail siding and can be brought into production within a very short timeframe. These factors set the Morupule South project ahead of other coal development projects in Botswana."

The terms of acquisition (which are subject to due diligence and Shumba Energy securing all required regulatory approvals) are that an immediate cash payment of USD 1.4m be paid to Hodges Resources and a further payment of USD1m due one year after commercial production.

The above acquisition is a significant transaction according to the DEM Rules.

### **ABOUT SHUMBA ENERGY**

Shumba Energy is an energy development company based in Botswana and listed on the Botswana Stock Exchange (BSE:SHUMBA) and the Stock Exchange of Mauritius (SEM:SHCL). Shumba Energy has in recent years progressed from an exploration company to a development company and sits on over 2 billion tons of thermal coal. As a major industry player, Shumba Energy's mission is to satisfy the growing energy demand in the SADC region. 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 coal prices.

By order of the Board

**International Financial Services Limited**  
**Company Secretary**

3 February 2017

*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.*