



SHUMBA
E N E R G Y
Powering the Future

Shumba Energy Ltd
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Republic of Mauritius

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

COMMUNIQUE TO SHAREHOLDERS

SHUMBA ENERGY RECEIVES FIRST REVENUES FROM ITS COAL TRADING DIVISION, SHUMBA COAL TRADING ("SCT")

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 generated the first revenues for the Company. To date Shumba has sold over 1,000 tonnes of coal to customers in the regional market.

As previously reported, Shumba Energy established its coal trading division, 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.

To support its coal trading business, the Company has brought on experienced coal industry professionals. In addition, Shumba Energy is looking to further leverage its partnership with international coal logistics and marketing experts HMS Bergbau AG as announced earlier this year.

The regional market for coal is enormous, with industrial demand for thermal coal sitting at over 20 million tonnes per annum and global seaborne coal prices returning to levels last seen before the 2007 recession.

Mashale Phumaphi, Managing Director of Shumba Energy, comments, "The management of Shumba Energy believe that the future of the trading business is immensely positive. As a next step we are looking at setting up our own wash plant as well as concluding the licensing for our own mines. In addition to receiving the first revenues for the Company we are also developing a market and client base for our own coal, as well as other Botswana miners."

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

5 October 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.