Suite 204
Grand Baie Business Quarters Chemin Vingts Pied
Grand Bay, 30529 Republic of Mauritius

SHUMBA ENERGY
Powering the Future

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

QUARTERLY MARKET UPDATE – 30 September 2026

GLOBAL COAL AND COAL-BASED ENERGY MARKETS – Q1 FY2027

1. Global demand at a record high: Global coal demand reversed course this quarter in a way that favours new baseload coal capacity. The IEA's Coal Mid-Year Update 2026 (10 September 2026) now forecasts world demand to rise 1.2% in 2026 to a record 8.94 billion tonnes, after previously expecting a slight decline. Disruptions from the Middle East conflict have driven up natural gas prices, prompting countries to switch to alternative fuels. On the supply side, global production is expected to fall about 2% in 2026, though it should stay above 9 Bt for a third straight year. Rising demand against falling output supports the value of undeveloped coal resources such as Botswana's.

2. Firmer coal prices: BMI reported that Newcastle thermal coal rose 23% between 27 February and 31 March to close at US$142/t, and raised its 2026 forecast to US$115/t from US$100/t. Closer to home, the Richards Bay benchmark averaged US$104.25/t for 2026 to date, against US$89.53/t for FY2025, helped by renewed Indian buying driven by the protracted Middle East conflict. Higher seaborne coal and LNG prices widen the cost advantage of mine-mouth generation in Botswana over imported fuel or imported power.

3. Emerging-market demand and climate risk to hydropower: India's coal demand is expected to grow 4.2% to 1,353 Mt in 2026, with the IEA citing rising electricity demand and El Niño conditions that raise cooling needs and reduce hydropower output. The same climate pattern threatens hydro-dependent SADC grids, which strengthens the case for dispatchable thermal supply that does not depend on rainfall.

4. SAPP merchant market opportunity: The SAPP operational shortfall is about 4,200 MW, concentrated in Zambia and the DRC, and Rand Merchant Bank has underwritten Botswana's first utility-scale solar plant (Tati Solar) (US$100 million) purely on a market view into SAPP. Lenders are therefore already pricing Botswana-to-SAPP merchant exports. Linking SAPP with South Africa's wholesale market is also expected to improve price discovery and steer surplus power to deficit markets.

5. Botswana policy alignment and outlook: The 2026 budget reported that the 600 MW Mmamabula coal plant is on track, with the first 150 MW expected by calendar Q1/2027 and full capacity by June 2029. Government plans 1,375 MW of new coal-fired capacity, which the minister said also supports Botswana's goal of becoming a regional electricity exporter. The main caveat is that the IEA expects demand could fall in 2027 if the Strait of Hormuz reopens, but could rise further if it stays largely closed to LNG. Shumba's investment case therefore rests on the structural regional baseload deficit, with the current price strength treated as upside rather than as the foundation.

The company continues to progress on its key development objectives to execute development of its advanced energy projects in Botswana toward mitigating the SADC regional energy deficit which remains c.12GW daily and 90GW structurally to meet regional economic growth targets of all the countries in SADC.

TATI SOLAR PV PROJECT

During the quarter, the project has continued with the construction of the PV plant with commercial operation targeted for late 2027. Clearing and earthworks progressed across the site, and foundation works began for buildings at the on-site substation. Procurement of the main equipment is under way, and a first shipment of foundation piles for the solar trackers is due imminently.

Tati Solar is located near Francistown in Botswana's North-East District on a site of approximately 160 hectares. It is one of Botswana's largest solar PV projects, and electricity generated by the Project will be sold into the regional Southern African Power Pool market. The project company, Tati Solar (Pty) Limited, is owned 51% by Etavi Renewables, as co-sponsor and developer, and 49% by its co-sponsor and equity partner. Shumba holds a 75% interest in Etavi Renewables through its wholly owned subsidiary, Asase Investments (Pty) Limited.

Representing an investment of more than P1 billion, the Project is expected to create approximately 600 jobs during construction, in addition to permanent roles once operational, with a focus on local employment and skills development. In July 2026, the project company held community meetings in the neighbouring villages of Matsiloje and Matshelagabedi to introduce the construction contractor and to explain the local recruitment and procurement process. Located within a Special Economic Zone, Tati Solar is expected to support economic activity in the North-East District and contribute additional clean generation capacity to Botswana and the regional market. The Board will continue to update shareholders as construction progresses.

INTEGRATED PROJECTS - SECHABA Project - Ownership: 100% & MABESEKWA Project - Ownership: 100%, and MABESEKWA CTL Project

The discussions and due diligence by Indian parties has shifted positively to funded EPC execution for the Sechaba integrated 300MW/600MW IPP Project included related rail and logistical infrastructure required. The US/UK based global energy development funds and operator parties have now added Sechaba into a merchant based SAPP focused SADC energy platform, including inter-alia the Mabesekwa IPP and the Mabesekwa CTL Project. Funding schemes for this Botswana Energy Transition Platform are now advancing.

The potential standalone Mabesekwa IPP development by the South Korean energy fund has progressed to round two of the Investment Committee submissions and the formal response is now expected in Q2/2027 (Nov/Dec 2026).

Formal engagement with Eskom are ongoing for strategic supply to their Kusile and Medupi generating stations and an extension to 31 August 2027 has been executed. The discussions with Sasol are terminated for the time being.

MORUPULE SOUTH RESOURCES PROJECT (MSRP) - Ownership: 97.5%

Following review of the multiple EOIs received for potential schemes of arrangement for development of the MSRP, NDAs entered into for sharing of project data and information have resulted in progress to where the company has progressed to the stage of confirmation of intent to make an offer with two parties competing to acquire 100% of the project and the Shumba subsidiary company that holds and operates the project from Shumba.

Additional Information:

The development activities per license and money used per activity in the quarter is disclosed in the table herein below. It is to be noted that prudently the company continues to limit external project development expenses in

favour of continuing as much work as possible utilising internal resources of its professional experienced employee team.

The quarterly cash flow update is attached herewith.

The abridged unaudited financial statements for the 12 month period ended 30 June 2026 were published with the audit being underway.

The quarterly reporting to the department of mines is as follows:

All figures in USD

	PL053 & PL218	PL428	PL121
Direct Expenditure			
Drilling	-	-	-
Geotechnical	-	-	-
Environmental	-	-	-
Consulting	-	-	-
Total	**-**	**-**	**-**
Indirect Expenditure			
Salaries and Wages	1 296	648	1 296
Travel & Accommodation	-	-	-
Administrative Costs	-	-	-
Financing Costs	106 058	53 029	106 058
Total	**107 354**	**53 677**	**107 354**

By order of the Board

This Announcement is issued, in compliance with the Botswana Stock Exchange Equity listing requirements and pursuant to Section 87 of the Securities Act 2005, Rule 5 of the Securities (Disclosure Obligation of Reporting Issuers) Rules 2007.

The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this Announcement.

APPENDIX 8A

Mining Company Quarterly Cash flow Update

Name of Company

Shumba Energy Ltd

BSE Code	Financial Year	Quarter ended (''current quarter'')
SHUMBA-EQO	01 July 2026 to 30 June 2027	30-Sept-26

Consolidated statement of cash flows			Current quarter USD	Year to date USD
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	-	-
		(b) development	-	-
		(c) production	-	-
		(d) administration	(40 986)	(40 986)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		-	-
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Trading Costs		-	-
	Net Operating Cash Flows		(40 986)	(40 986)
	Cash flow related to investing activities			
1.8	Payment for purchase of:			
		(a) prospects	-	-
		(b) equity investments	(5 280 259)	(5 280 259)
		(c) Project Construction	-	-
1.9	Proceeds from sale of :	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Proceeds from rights use		-	-
	Net investing cash flows		(5 280 259)	(5 280 259)
1.13	Total operating and investing cash flows brought forward		-	-
	Cash flows related to financing activities		-	-
1.14	Proceeds from issues of shares, options, etc.		-	-
1.15	Proceeds from sale of forfeited shares		-	-
1.16	Proceeds from borrowings		-	-
1.17	Repayments of borrowings		-	-
1.18	Dividends paid			-
1.19	Other (provide details if significant)		-	-
	Net financing cash flows		-	-
	Net increase (decrease) in cash held		(5 321 246)	(5 321 246)
1.20	Cash at beginning of quarter/year to date		5 359 989	5 359 989
1.21	Exchange rate adjustments to item 1.20			
1.22	**Cash at end of quarter**		**38 743**	**38 743**

Payments to directors of the company and associates of the directors payments to related entities of of the company and associates of the related entities		Current quarter USD
1.23	Aggregate amount of payment to the parties included item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payment to the directors. Payment included as directors are considered related parties.	-

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a significant effect on consolidated assets and liabilities but did not impact cash flow

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

The outlays are mainly the development expenditure for the renewables projects

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available USD	Amount used USD
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter		USD
4.1	Exploration and evaluation	-
4.2	Development	440 000
4.3	Production	-
4.4	Administration	95 000
	Total	535 000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter USD	Previous quarter USD
5.1	Cash on hand and at bank	38 743	5 359 989
5.2	Deposit at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: Cash at end of quarter (item 1.22)	38 743	5 359 989

Changes in interest in mining tenements

		Tenement reference	Nature of interest	Interest at the beginning of quarter	Interest at the end of the quarter
6.1	Interest in mining tenements relinquished, reduced or lapsed		*No change*		
6.2	Interests in mining tenements acquired or increased		*No change*		