



SHUMBA
E N E R G Y
Powering the Future

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Republic of Mauritius

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

INCREASE OF SHAREHOLDING IN MORUPULE SOUTH RESOURCES (PTY) LTD

The Board of Shumba Energy Limited ("Shumba") is pleased to notify its shareholders and the public that Shumba, through its subsidiary Sechaba Natural Resources (Pty) Ltd ("Sechaba") has increased its shareholding in Morupule South Resources (Pty) Ltd ("MSR") to 97.5% from 75%. Shumba made a further investment of approximately BWP 7 million by acquiring additional shares in MSR, issued by way of a rights issue.

The Morupule South Mine ("MSM") owned by MSR has measured resources of 110 million tonnes, indicated resources of 173 million tonnes as well as an inferred resource standing at 2.16 billion tonnes bringing the total JORC compliant resources to 2.45 billion tonnes. The MSM project has over 1.2 billion tonnes amenable to open cast mining with 83% of the resources coming from the Morupule main seam. Study results confirm robust economics across all MSR development scenarios. Benchmarked against other southern African domestic mines, MSR's low mining costs and high coal quality make it one of the most attractive new projects in the region.

By order of the Board

31 May 2019

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.