

Ncondezi Energy Ltd

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Ncondezi confirms first solar and battery storage project

Ncondezi Energy Ltd (LON:NCCL) has secured finance for its first solar energy and battery storage facility for a commercial customer in Mozambique.

While its primary focus remains its eponymous coal-power project, Ncondezi confirmed on Wednesday that it is branching out into renewable energy, with cash flow from an initial project expected in the second quarter of next year.

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The company has agreed to form a joint venture with solar project developer GridX Africa Development focused on the commercial and industrial (C&I) projects around Africa, with Ncondezi investing US\$1.1mln into a GridX special purpose vehicle called GridX Africa AssetCo to fund the development of the initial project.

This first contract, a ground-mounted solar photovoltaic facility with the potential to produce 400kW of peak power, connected to a 228 kW energy storage facility, is "construction ready" and expected to be commissioned within eight months, with estimated annual revenues of U\$198,000 through a 15-year offtake agreement.

Hanno Pengilly, who was promoted to chief executive earlier this month, said the firm has also put in place a working capital facility for US\$750,000 for the main coal-powered project.

The CEO noted in a statement that the move "marks the Company's strategic entry into the disruptive C&I renewables and battery storage energy sector".

Pengilly said the initial GridX project is believed to be one of the first solar PV and battery storage projects of this size in Mozambique.

"The move into the C&I solar and battery storage sector represents a significant opportunity for the company to complement its existing large-scale baseload power project and access near-term low-risk annuity income streams which the company believes has significant growth potential.

"The falling costs of solar and battery storage solutions represents a significant opportunity for Africa where a large portion of the regional economy is still heavily dependent on expensive diesel generation or weak grid supply," Pengilly said.

He stressed that the Ncondezi coal-power project remains the primary focus and said the new working capital facility "ensures the company is adequately capitalised until the end of Q2 2020".

Price: 5.25

Market Cap: £17.06 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: NCCL

Listing: AIM

52 week	High	Low
	10.3	3.8

Sector: Mining

Website: www.ncondezienergy.com

Company Synopsis:

*Ncondezi is a power development company with an integrated thermal coal power plant and mine project located on the Ncondezi licences in the Tete Province, Northern Mozambique. *

The power plant project will be developed in phases of 300MW units, up to 1,800MW. The first 300MW phase ("300MW Project") will use existing transmission capacity to meet current demand on the Northern Grid in Mozambique.

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