



19 January 2021

Tlou Energy Limited
("Tlou" or "the Company")

Ministry Update on 100MW Tender

Tlou Energy Limited is an ASX, AIM and BSE listed company focused on delivering power in Botswana and southern Africa through the exploration and development of gas and solar power. The Company's first proposed development is the Lesedi Power Project ("Lesedi").

Key points

- **PPA and Connection Agreement fully executed**
- **Government confirms intention to fast-track commercial development of the gas industry**
- **Negotiations on the 100MW tender process to commence in February 2021**

A pilot Power Purchase Agreement (PPA) has been fully executed between Tlou Energy Limited and Botswana Power Corporation (BPC) for the first 2MW of power from the Lesedi project. A grid connection agreement has also been signed which enables the injection of power into the BPC grid. These are key agreements that will facilitate development of the power project and the sale of first power.

In addition, Botswana's Ministry of Mineral Resources Green Technology and Energy Security ("MMGE") has provided confirmation that negotiations on a larger PPA are due to commence in February.

Tlou's Managing Director, Mr Tony Gilby commented, "It is great to see that Botswana is open for business and the Government is motivated to get the gas industry up and running. Tlou plans to start development of the Lesedi project as soon as possible and confirmation of the Governments enthusiasm to provide the necessary support to ensure commercial development of CBM is very well received.

In addition, we have also recommenced negotiations with Botswana based project financiers this month as we aim to close a deal for funding as soon as possible.

After what was an extremely challenging year the Company is already making progress in 2021 and anticipate further advancement on all fronts in the coming term. We look forward to updating the market with further developments in due course."

Government support

The Company has received written confirmation from MMGE of the “intention of MMGE to fast track the development of Coal Bed Methane (CBM) in Botswana.” MMGE also stated that it is “happy to provide the necessary support to ensure commercial development of CBM.”

In relation to the current tender to implement up to 100MW of CBM fired power plants (as outlined further below), MMGE has stated that negotiations with preferred bidders are due to commence in February 2021. The letter also acknowledged that the “Government is fully committed to seeing this project coming to fruition, as it will promote the gas industry, contribute toward import substitution, as well as to improve the livelihood of Batswana.”

The Company welcomes this update and looks forward to negotiation and finalisation of the tender process in the near term.

100MW Tender

In 2018, MMGE issued a Request for Proposal for Development of up to 100 MW of CBM fueled power plants in Botswana (“Tender”).

The Company submitted a comprehensive response to the Tender including a plan to develop the project in stages, as well as outlining project feasibility, proposed field development, installation of power generation facilities and supply of power into the grid in Botswana. Upon successful completion of the initial project, the Company would look to expand.

The information contained within this announcement is deemed to constitute inside information as stipulated under the UK Market Abuse Regulation. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

By Authority of the Board of Directors

Anthony Gilby

Managing Director



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Company Information

Tlou Energy is focused on delivering power solutions to Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is currently developing projects using gas and plans to add solar power projects to provide a cleaner power source.

Botswana has a significant energy shortage and generally relies on imported power and diesel generation to fulfil its power requirements. Tlou's Lesedi power project provides investors with access to a compelling opportunity to displace expensive, carbon intensive diesel and imported coal-fired electricity with a more environmentally friendly alternative.

In addition to plans for cleaner energy, the Company is also committed to developing community projects in Botswana adding real value to peoples' lives in a region with sparse services and where few opportunities exist for the local population. The Company aims to assist communities to become self-sustaining, develop business opportunities, improve access to education and create opportunities for self-employment and wealth creation.

The Company is listed on the Australian Securities Exchange, London's AIM market and the Botswana Stock Exchange and is led by an experienced Board, management and advisory team.

The project is significantly de-risked. The Company produced its first gas in 2014, has a Mining (or development) Licence valid to 2042 and 10 Prospecting (or exploration) Licences. The Company's project acreage covers a vast area spanning approximately 9,300 Km² in total.

Tlou's 'Lesedi' and 'Mamba' projects already benefit from significant independently certified 2P gas Reserves of ~41 Billion Cubic Feet (BCF). In addition, 3P gas Reserves of ~427 BCF and Contingent Gas Resources of ~3,043 BCF provide significant additional potential.



The Company is planning an initial scalable power project. Following successful implementation of this first scalable project, the Company looks forward to evaluating longer-term prospects for the delivery of additional electricity to Botswana and to neighbouring countries.

Forward-Looking Statements

This announcement may contain certain forward-looking statements. Actual results may differ materially from those projected or implied in any forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results. No representation is made that any of those statements or forecasts will come to pass or that any forecast results will be achieved. You are cautioned not to place any reliance on such statements or forecasts. Those forward-looking and other statements speak only as at the date of this announcement. Tlou Energy Limited undertakes no obligation to update any forward-looking statements.