

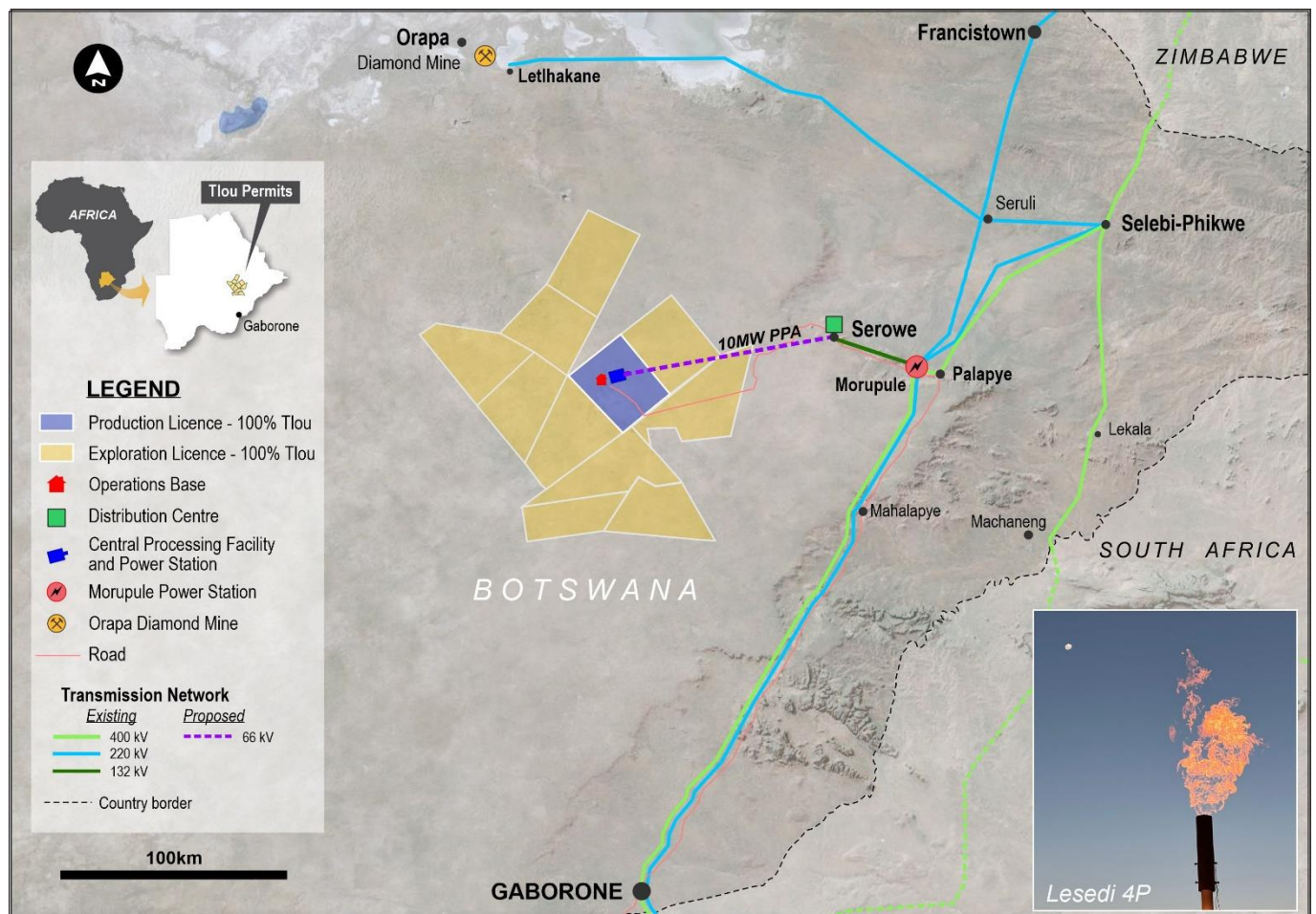
24 January 2024

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

**Quarterly Activities Report for the quarter ended 31 December 2023**

**Highlights**

- **First gas flared from the Lesedi 6 production pod**
- **Lesedi 4 pod is dewatering in line with expectations**
- **The 66kV overhead transmission line is effectively complete**
- **Electrical substations are approximately 37% complete**



## Activities

Tlou Energy has three project areas referred to as the:

- **Lesedi Project** – focused on gas-to-power development as well as exploration and evaluation.
- **Mamba Project** – focused on exploration and evaluation.
- **Boomslang Project** – focused on exploration and evaluation.

### Lesedi Project

The Lesedi project is Tlou's most advanced. At Lesedi the Company is developing a proposed 10MW gas-to-power project.

### Gas to Power Project

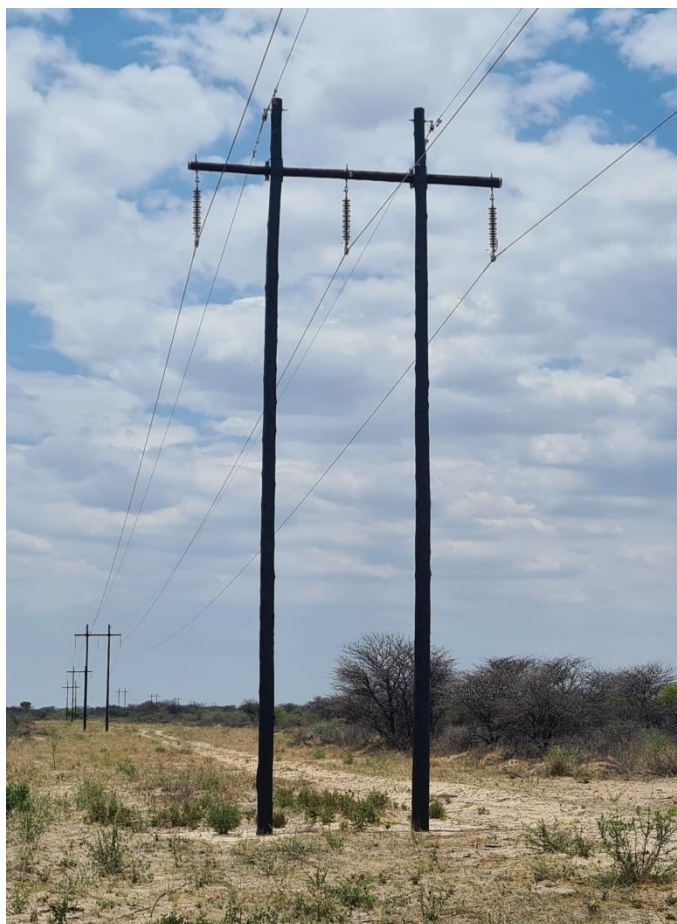
The first electricity to be generated at Lesedi is planned to go towards satisfying the 10MW Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC) the national power utility. The Lesedi project currently has several components of the development process underway including the construction of transmission lines, substations, a field operations facility and generation site as well as production wells.

### Transmission Line Construction

The Lesedi project is approximately 100km from the nearest BPC substation connection in Serowe. To connect to the national grid, the Company is undertaking the construction and installation of a 100km 66kV transmission line. This, together with associated infrastructure and gas production wells should enable the Company to connect and provide electricity into Botswana's power network.

Construction of the 66kV transmission line has been effectively completed by the contractor Zismo Engineering Pty Ltd (Zismo). Final works including site clean-up and dismantling of equipment is underway. We are extremely grateful to Zismo for their quality of work, professionalism and expertise.

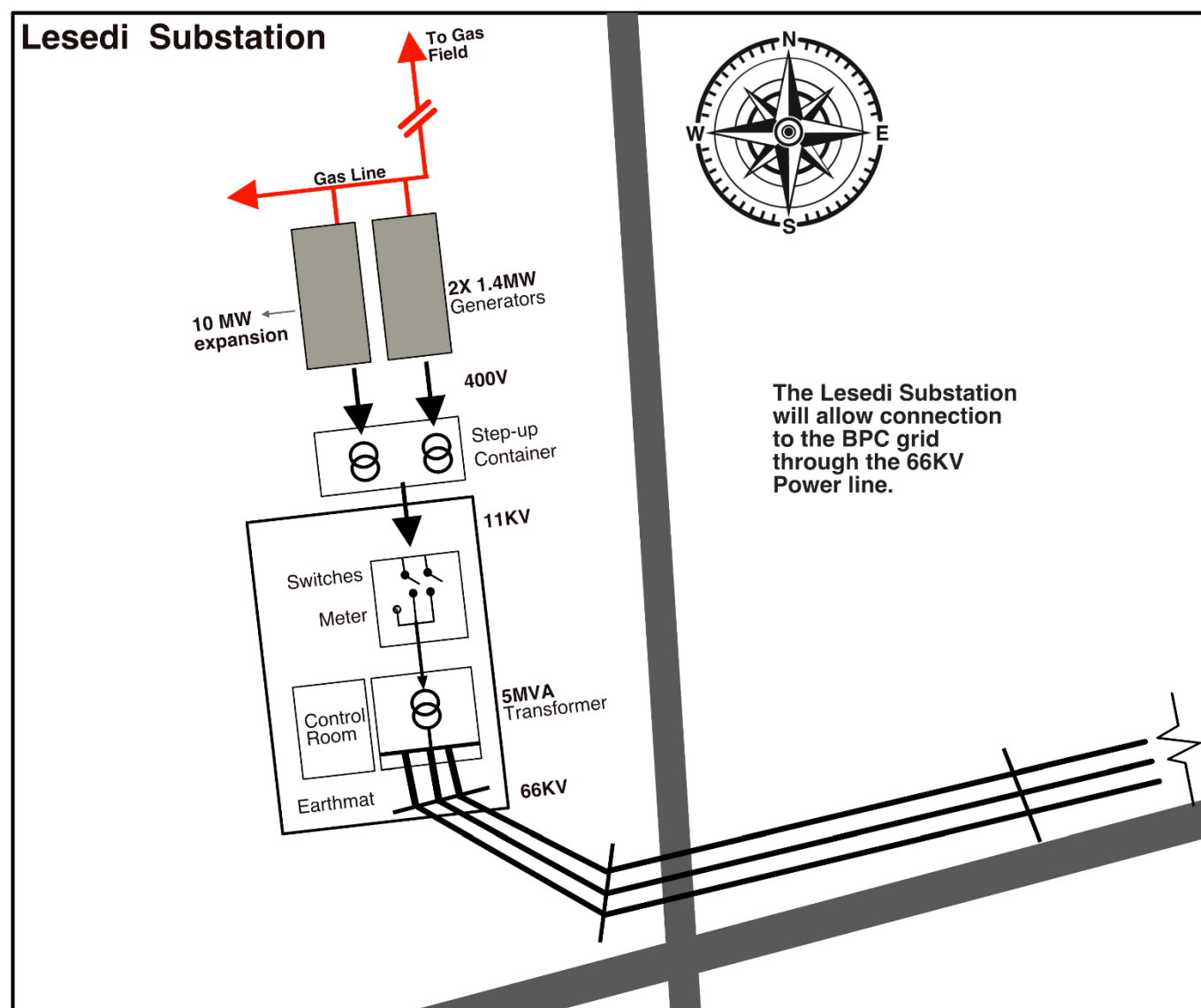
The line will remain under Zismo's care and maintenance until it is taken over upon energisation which is expected around mid-2024.



## Substation Construction

The planned substation at Lesedi was designed for an initial 5MW of power, however the Company is working on options that may allow the substation design to be adapted to facilitate expansion beyond 10MW.

A new substation is required at the Lesedi end of the transmission line whereas at the opposite end, it will tie into the existing BPC substation at Serowe. Including the additional work required to expand capacity beyond 10MW, the substations are approximately 37% complete. It is currently anticipated that the project will be completed around mid-2024.



## Gas production

The Company has two gas production pods, Lesedi 4 and Lesedi 6 currently flaring gas. During the quarter Lesedi 6 experienced a rapid increase in casing pressure in both lateral wells with first gas production to surface occurring soon thereafter.

The rapid build-up of casing pressure and production of first gas to surface in a relatively short time was very encouraging. This was the fastest gas to surface in the Lesedi field to date. Following the initial gas production, the aim is allow the gas flow to develop and obtain a sustained flow rate.

Dewatering at the Lesedi 4 pod also continued during the period with gas now flowing to surface as well. It was expected that dewatering of Lesedi 4 would be longer than Lesedi 6 due to the well design. The Company will continue production testing at both Lesedi 4 and Lesedi 6 and update the market in due course. A short video of the Lesedi 6 gas flare is available on the following link: <https://youtube.com/shorts/jzOjrA-xCrE>



## Lesedi project licences

The project area has four Prospecting Licenses (PL) and a Production Licence which is the focus area for the development of Tlou's independently certified gas reserves and contingent resources. The table below summarises the status of the Lesedi licences:

Licence	Expiry	Status
Production Licence 2017/18L	Aug-42	Current
PL001/2004	TBA	Awaiting renewal confirmation
PL003/2004	TBA	Awaiting renewal confirmation
PL035/2000	Mar-25	Current
PL037/2000	Mar-25	Current

PL renewal applications are submitted three months prior to expiration. Renewal applications were submitted for PL001/2004 and PL003/2004 in June 2023 and the Company is awaiting confirmation of renewal. The Company has been informed that there have been delays to renewals as the process is moving to an online system.

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### Mamba Project

The Mamba project is in the exploration and evaluation phase with further operations required on the licences. It consists of five Prospecting Licences covering an area of approximately 4,500 Km<sup>2</sup>. The Mamba area is situated adjacent to Lesedi. In the event of successful drilling results at Mamba, it is envisioned that this area would be developed as a separate project from Lesedi. The Mamba area provides the Company with flexibility and optionality. The status of the Mamba licences is as follows:

Licence	Expiry	Status
PL 237/2014	Dec 2025	Current
PL 238/2014	Dec 2025	Current
PL 239/2014	Dec 2025	Current
PL 240/2014	Dec 2025	Current
PL 241/2014	TBA	Awaiting renewal confirmation

PL renewal applications are submitted three months prior to expiration. A renewal application for PL 241/2014 was submitted in June 2023 and the Company is awaiting confirmation of renewal. Further work on the Mamba project is proposed once the Lesedi project is in production. The next stage of operations is likely to include a seismic survey and the drilling of core-holes.

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### Boomslang Project

Prospecting Licence, PL011/2019 designated “Boomslang”, is approximately 1,000 Km<sup>2</sup> and is situated adjacent to the Company’s existing licences. To date, the Company has not carried out ground operations in the Boomslang area. Like the Mamba project the first stage of operations is likely to include a seismic survey following by core-hole drilling.

The status of the Boomslang licence is as follows:

Licence	Expiry	Status
PL 011/2019	June 2024	Current

PL renewal applications are submitted three months prior to expiration.

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### Cash Position

At the end of the quarter the Company had ~A\$0.73m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$109k for the quarter (shown in item 6.1 of the Quarterly Cashflow Report) relates to directors’ salaries and fees (including tax and superannuation payments made on their behalf) and office rent. The Company will need to raise sufficient funds early in 2024, from the ongoing Entitlement Offer and the Excess Application Facility and any subsequent placement (as announcement on 15 December 2023) to support ongoing and planned operations as set out in item 8.8 of the Quarterly Cashflow Report.

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the “UK MAR”) which is part of UK law by virtue of the European Union (withdrawal) Act 2018. The information is disclosed in accordance with the Company’s obligations under Article 17 of the UK MAR. 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**

Mr. Anthony Gilby  
Managing Director

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**About Tlou**

Tlou is developing energy solutions in Sub-Saharan Africa through gas-fired power and ancillary projects. The Company is listed on the ASX (Australia), AIM (UK) and the BSE (Botswana). The Lesedi Gas-to-Power Project (“Lesedi”) is 100% owned and is the Company’s most advanced project. Tlou’s competitive advantages include the ability to drill cost effectively for gas, operational experience and Lesedi’s strategic location in relation to energy customers. All major government approvals have been achieved.

**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. Save as required by any applicable law or regulation, Tlou Energy Limited undertakes no obligation to update any forward-looking statements.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Tlou Energy Limited

ABN

79 136 739 967

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(205)	(551)
	(e) administration and corporate costs	(260)	(964)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	11
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)	(26)	134
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(488)</b>	<b>(1,370)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(127)	(127)
	(d) exploration & evaluation	(4,339)	(8,112)
	(e) investments		
	(f) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4,465)</b>	<b>(8,239)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	565	565
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(64)	(64)
3.5	Proceeds from borrowings	3,000	3,000
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,501</b>	<b>3,501</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,871	6,851
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(488)	(1,370)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,465)	(8,239)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,501	3,501

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	312	(12)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>730</b>	<b>730</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	730	1,871
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>730</b>	<b>1,871</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	488
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	4,339
8.3 Total relevant outgoings (item 8.1 + item 8.2)	4,827
8.4 Cash and cash equivalents at quarter end (item 4.6)	730
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	730
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.2
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The net operating cash flow can fluctuate depending on the level of operations in a specific quarter. Is it expected that the coming quarter will be similar to the level of net operating cash flows in this reporting period.	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: On 15 December 2023 the company launched an entitlement offer to existing shareholders to raise up to \$13.3 million. The offer closes on 31 January 2024. Any entitlements not taken up under the offer can be placed with new investors during the three months following close of the entitlement offer. While indications of participation and discussions with potential investors to participate in any placement have been positive, the company cannot guarantee that sufficient capital will be raised from the entitlement offer or that negotiations with investors will result in a successful outcome.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the company expects to be able to continue operations and meet business objectives should sufficient funds be received from the ongoing entitlement offer. To ensure that all planned operations are conducted as outlined in the Entitlement offer booklet all funds under the offer would need to be raised. Otherwise the company may have to delay or postpone planned operations until sufficient capital is available.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....24/01/2024.....

Authorised by: ....By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.