



16 February 2021

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

Tlou seeking Carbon Neutrality

Tlou Energy Limited is an ASX, AIM and BSE listed company focused on delivering cleaner electricity in Botswana and southern Africa using gas and solar power. The Company's first proposed development is the Lesedi Power Project ("Lesedi"). The Company is aiming to make Lesedi a carbon neutral project.

Key points

- **Tlou progressing towards having the first carbon neutral power project in Botswana.**
- **Plans to combine gas, solar and carbon sequestration.**

Tlou Energy is working towards the goal of being the first carbon neutral baseload power project in Botswana by advancing land acquisition. Whereas the Company has already negotiated land access and leasing agreements with relevant landholders for the power generation facility and a new field operations camp, recent steps have been taken to acquire additional land for carbon sequestration. The availability of land and labour within the Lesedi project area is viewed favourably by the Company for developing a carbon neutral power project.

Tlou's Managing Director, Mr Tony Gilby commented, *"There is considerable scope for using the savanna ecosystem of the Lesedi region for carbon sequestration by protecting it from burning and intensive grazing leading to an increase in the ability of the vegetation to store carbon over time. This will assist Tlou to be able to supply carbon neutral power to the considerable number of potential customers in the region. A significant regional power consumer, the Orapa diamond mine operated by Debswana and located north of Tlou's gas fields has publicly stated their objective to decrease their carbon footprint."*

About Carbon sequestration

Carbon sequestration involves capturing and storing carbon dioxide from the atmosphere so that it potentially reduces its contribution to global warming. It is essentially the long-term storage of carbon in soil, plants, geological formations or oceans. Carbon sequestration can occur naturally and as a result of human activities and typically refers to the storage of carbon that has the immediate potential to become carbon dioxide gas. Due to concerns about climate change resulting from increased carbon dioxide in the atmosphere, considerable interest has been drawn to the possibility of increasing the rate of carbon sequestration through changes in land use.

Carbon sequestration and the Lesedi Power Project

The Lesedi project area can be considered as shrub savanna containing various tree species. The subdivisions found within Tlou's project area are predominantly rural with most of the land being deployed for livestock agriculture. Tlou is in the process of negotiating the acquisition of land to reduce livestock numbers and implement fire



mitigation measures. This will substantially increase the amount of available woody biomass which can be used to claim carbon credits within the project area.

Carbon credits can then be offset against the carbon dioxide associated with Lesedi's gas fired power generation component noting that gas will in any event produce considerably less carbon dioxide compared with that generated by coal and diesel. Balancing Tlou's associated carbon dioxide production with carbon sequestration methods would make Tlou the first carbon neutral power producer in Botswana.

Environmental, Social and Governance (ESG)

Carbon reduction is another example of Tlou's commitment to the environment and part of the Company's vital ESG program aimed at enhancing the lives of the local population and regional communities. Tlou has a track record of supporting local charities and youth groups and looking to grow local employment with investment in community ventures. This includes programs aimed at growing higher nutritional value crops for local livestock so grazing could be reduced and biomass preserved, as well as promoting wildlife. Recently the Company supported Botswana's small stock initiative aimed at helping farmers commercialise their production.

Tlou is currently awaiting environmental approval to facilitate commencement of exploration and evaluation operations in the Boomslang project area. These operations could be run in tandem with development operations at the Lesedi project, where environmental approval is already in place. Work at Tlou's Boomslang and Mamba project areas is aimed at developing additional power projects that, like Lesedi are planned to produce cleaner power, create employment and benefit the local and regional population.

By Authority of the Board of Directors

Mr. Anthony Gilby
Managing Director

For further information regarding this announcement please contact:

Tlou Energy Limited	+61 7 3012 9793
Tony Gilby, Managing Director	
Solomon Rowland, General Manager	
Grant Thornton (Nominated Adviser)	+44 (0)20 7383 5100
Colin Aaronson, Harrison Clarke, Samantha Harrison, Seamus Fricker	
Shore Capital (Broker)	+44 (0) 207 408 4090
Jerry Keen, Toby Gibbs, John More	

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.