



1 March 2021

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

Finance progressing with key funding partner

Tlou Energy Limited is 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").

Key points

- **Funding discussions have progressed with a key funding partner**
- **10MW tender consultations have commenced**

Tlou Energy has been working with a number of parties to secure funding for the Lesedi project. The Company is seeking project finance to build a transmission line from the Lesedi power project to the existing electricity grid as well as electrical sub-stations, gas and solar generation assets.

The most advanced project finance discussions are currently with a very reputable Botswana based entity. Due to confidentiality the Company is unable to name the entity concerned at this time. However, we can confirm that their investment committee and board have discussed and are favourably disposed to Tlou's proposal. They are now proceeding to get a third-party technical review of the project as part of their due diligence process. Once this report is assessed an investment decision can be made.

Tlou's Managing Director, Mr Tony Gilby commented, *"We already have a great relationship with this group and look forward to working closely with them to get the process concluded successfully and as soon as possible. This is an outstanding project and with the right partners we believe it can be an overwhelming success both for Botswana and our shareholders."*

Project Finance

The Lesedi project is proposed to be developed in two phases. Phase one involves transmission line construction, sub-stations, grid connection, electricity generators and potentially the drilling of additional gas wells. The ~100 Km transmission line will run from the Lesedi project to the town of Serowe where it will connect to the existing power grid. Initial generation is proposed to be up to 2MW of electricity. Funding required for phase one is ~USD \$10m which can be staged if necessary or prudent to do so.

Phase two funding is for the expansion of electricity generation up to 10MW. This will involve drilling gas wells and the purchase of additional electricity generation assets. Funding required for phase two is ~USD \$20m. Upon successful completion of phase one and two, the Company plans to expand the project beyond 10MW.

10MW Tender negotiations

As expected, the Company has received correspondence from advisors assisting the Government of Botswana in the execution of their Coal Bed Methane (CBM) program for the development of up to 100MW of CBM fueled pilot power plants.

This is a positive development with further discussions planned this week. The Company aims to progress this matter as quickly as possible.

By Authority of the Board of Directors

Mr. Anthony Gilby
 Managing Director

For further information regarding this announcement please contact:

| | |
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| 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 cleaner energy solutions to Botswana and southern Africa using gas and solar to alleviate some of the chronic power shortage in the region. Tlou's objective is to be the first carbon neutral power producer in Botswana.

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.