

17 March 2020

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

£2.625 million (~AUD 4.725 million) UK placement

Tlou Energy Limited (ASX: TOU / AIM: TLOU / BSE: TLOU), the entity focused on delivering cleaner electricity in Botswana and southern Africa using gas and solar power, is pleased to announce that it has successfully raised gross proceeds of approximately £2.625 million (~AUD 4.725 million) pursuant to a placing of 75,000,000 new ordinary shares of no par value at an issue price of £0.035 (~AUD 0.063) per share ("Placing Shares").

Funds raised will go towards development of Tlou's Lesedi project including construction of transmission lines to connect the Lesedi power project in Botswana to the existing electricity grid at the town of Serowe. The transmission line is a key piece of infrastructure required to transition Tlou to being a power producer and is expected to considerably reduce future funding risk for the Company.

In addition, the Company has received tender responses for the construction of the transmission line. With this funding now in place, the Company can proceed to award and sign contracts with the successful tenderer and commence work as soon as possible.

While construction of the transmission line proceeds, Tlou will also continue its negotiations with other financiers for further development of the Lesedi project. This additional funding package would primarily be directed towards substations, additional generation capacity and drilling.

Anthony Gilby, Chief Executive Officer of Tlou, commented:

"It is fantastic to have secured these funds at this time. This allows Tlou to commence transmission line construction as soon as possible without the need to wait until the larger development funding negotiations and associated due diligence is complete.

We will continue to negotiate the larger funding package and that funding will primarily be directed towards substations and additional generation capacity.

Today's news is a crucial step closer to generation and sale of first electricity from the Lesedi project and we are delighted that the project can now move forward.

Australia
210 Alice Street, Brisbane,
QLD 4000
Tel: +61 7 3012 9793
Fax: +61 7 3003 0675

ASX:TOU | AIM:TLOU | BSE:TLOU
contact@tlouenergy.com
www.tlouenergy.com

Botswana
Victoria House, 132 Independence Avenue,
Gaborone
PO Box 4023, Gaborone
Tel: +267 316 0857
Fax: +267 316 0858

We are grateful for the strong support shown by new and existing investors, which further endorses the significant opportunities that exist for Tlou as we seek to accelerate the development of the Lesedi power project.”

Use of Funds

The net proceeds of the Placing, along with existing cash, will mainly be applied by Tlou towards:

- Construction of a 66kV transmission line from the Company’s Lesedi project to the existing electricity grid at Serowe, Botswana; and
- Field operating costs and ancillary equipment.

The Company plans to commence work as soon as possible on the transmission line following award of tenders for the construction of overhead transmission lines and sub-stations. The Environmental and Social Impact Assessment for the line has been completed as well as route alignment and associated surveys.

Funds will also be used to cover working capital requirements including general and administrative costs across the Company's three stock exchange listings on ASX, AIM and BSE. The timing and execution of activities proposed to make use of the funds raised may be impacted by Covid-19 pandemic restrictions.

The above is a statement of the Board's current intentions as at the date of this announcement. However, Shareholders should note that, as with any budget, the allocation of funds set out above may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

Project Finance

Tlou Energy has been working with a number of parties to secure funding for the Lesedi project. The most advanced project finance discussions are currently with a very reputable Botswana based entity, who are proceeding to get a third-party review of the project as part of their due diligence process. Once this report is assessed an investment decision can be made by this entity.

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 can access 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 is planned to include drilling of gas wells and the purchase of additional 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.

The issue price represents approximately a 21% discount to the closing ASX share price on Tuesday, 16 March 2021 of AUD 0.08 and a 17% discount to the 15-day volume weighted average price, for Tlou's shares traded on the ASX of AUD 0.076. The Placing Shares will be issued within Listing Rule 7.1.

Application will be made for the allotment and quotation of the 75,000,000 Placing Shares to trading on ASX, AIM, and BSE with the quotation of the shares expected to take place on, or around 24 March 2021 ("Admission"). The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Company's existing issued shares.

Total voting rights

Following Admission, the Company's enlarged share capital will comprise 600,199,039 Common Shares. There are no shares held in Treasury. Therefore, the total number of Common Shares with voting rights is 600,199,039. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (withdrawal) Act 2018. 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

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
Samantha Harrison, Colin Aaronson, Harrison Clarke, 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 combine this with solar power to provide a cleaner base load 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 cleaner and 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. This includes work 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.