

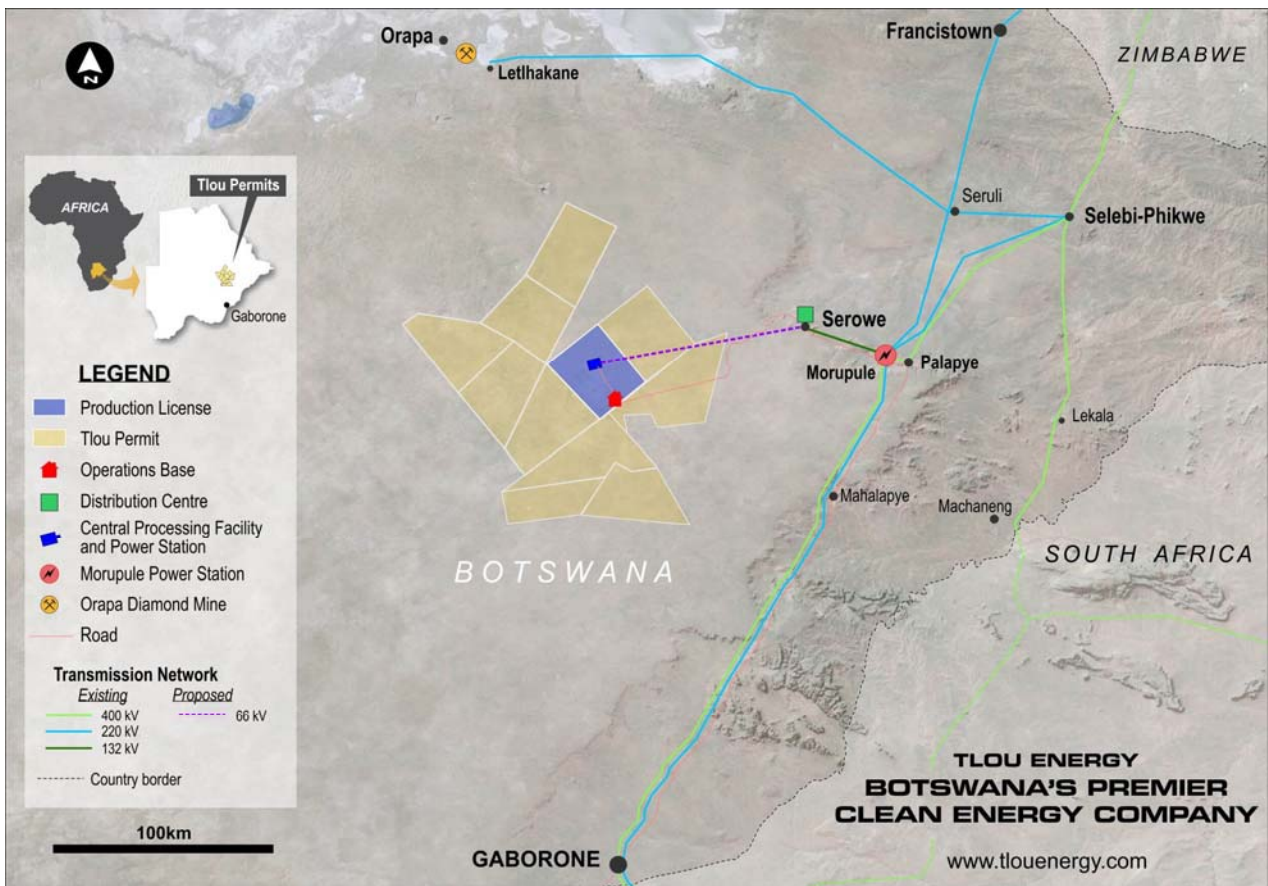
27 April 2022

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

Operational Report - Quarter ended 31 March 2022

Highlights

- **Transmission line construction contractors and owners' engineers engaged**
- **Lesedi 3 production well successfully brought back online and producing gas**
- **Generation licence granted for the 10MW Lesedi Gas-to-Power project**
- **US\$ 5m received from long-term supporter Botswana Public Officers Pension Fund**
- **Strong cash position of A\$ 8.67m (unaudited) at the end of the quarter**



Projects

The Company has three project areas in Botswana as outlined below. Tlou has 100% ownership of all projects.

- ***Lesedi Project – Gas & Solar Power Development, Hydrogen and Solid Carbon production***
- ***Mamba Project – Exploration & Evaluation***
- ***Boomslang Project – Exploration & Evaluation***

Lesedi Project

Gas-to-Power project

Lesedi is currently Tlou's main project. The Lesedi licenses cover an area of approximately 3,800 Km² and consists of four Prospecting Licences (PL) and a Production Licence. The Lesedi Power project, a 10MW power generation facility, is the first planned development by the Company and is located in the Production Licence area (~800 km²).

Electricity generated at the Lesedi 10MW gas fired power facility will be sold under a Power Purchase Agreement with Botswana Power Corporation, the national power utility in Botswana. Once in full production, 10MW of generation will provide annual revenue of approximately US\$ 10m.

Transmission Line Construction

To connect to the national power grid, a 100 Km transmission line needs to be built to connect Lesedi to the existing grid. During the quarter the transmission line construction contractor and owners' engineer were engaged, and work has commenced on the project. The timeline for completion is approximately 15 months. All going to plan the Company is looking at selling first power into the grid in 2023. The Company is also upgrading its operations camp including construction of vehicle workshops, inventory storage facilities, office, and accommodation units.

Funding

Funding towards the construction of the transmission line and associated infrastructure was received during the quarter from Botswana Public Officers Pensions Fund, a long-term supporter of the Company and Tlou's largest shareholder.

Gas production

Tlou's two production wells at Lesedi, Lesedi 3 and Lesedi 4 have been producing gas for a prolonged period. The Lesedi 3 production well was brought back online in January, having been shut-in during the covid pandemic, and started to produce gas much more quickly than expected which was a very encouraging development. The Lesedi 4 well has recently has a successful workover completed, aimed at further improving gas production rates.

Prior to the workover average daily production was approximately 56 Mcf (~10 BOE). These wells are dewatering in isolation and gas flow rates are expected to continue to increase, potentially significantly, when part of a full field development. The Company plans further production and exploration drilling in due course aimed at expanding gas production and to increase gas reserves further. Tlou's current 2P gas reserves stand at approximately 41 billion cubic feet (~7.2m BOE).

10MW Generation Licence

The Company received a 10MW Electricity Generation Licence from the Botswana Energy Regulatory Authority (BERA). The licence has a term of 15 years and is for the generation of 10MW of power at the Lesedi project for sale to Botswana Power Corporation.

Hydrogen and Solid Carbon production

Tlou is planning the development of a Hydrogen and Solid Carbon project at Lesedi alongside the Gas-to-Power development. The Company's hydrogen technology partner Synergen Met Pty Ltd ("SM"), a specialist in plasma torch and pyrolysis technology, is designing and building a prototype unit for shipment to Lesedi. In advance of shipment the plasma torch will be tested and configured to optimise hydrogen and solid carbon production.

The use of plasma technology for hydrogen production will be a first for the sub-Saharan region and could be advantageous for the production of low emission, clean energy across the region as well as in the related fields of waste-to-energy and waste disposal.

Tlou and SM intend to use the hydrogen produced from the prototype to generate electricity and possibly as transport fuel. Solid carbon will be made available for regional consumers that require the product. World markets for hydrogen and solid carbon black or graphite are predicted to expand considerably over the short and medium term. SM considers that their process meets the definition of green hydrogen production via their plasma torch gas pyrolysis design.

SM are planning an IPO in Australia with a proposed listing date of 1 June 2022. Further details including their prospectus is available at www.synergenmet.com

The status of the Lesedi licences is as follows:

Licence	Expiry	Status
Production Licence 2017/18L	August 2042	Current
PL 001/2004	September 2023	Current
PL 003/2004	September 2023	Current
PL 035/2000	September 2022	Current
PL 037/2000	September 2022	Current

PL renewal applications are submitted three months prior to the expiry of the current licence.

Mamba Project

The Mamba project consists of five PL's covering an area of approximately 4,500 Km². The Mamba area is situated adjacent to Lesedi. In the event of a gas field development by Tlou, the Mamba area provides the Company with flexibility and optionality.

The Mamba project is in the exploration and evaluation phase with further operations required on these licences. The next stage of exploration is likely to be core hole drilling. Positive results from operations at Mamba could expand the reserves footprint across Tlou's project areas.

In the event of successful development at Mamba, it is envisioned that this area would be developed as a separate project from Lesedi, with the potential for gas-fired power, solar power, and hydrogen production.

The status of the Mamba licences is as follows:

Licence	Expiry	Status
PL 237/2014	September 2023	Current
PL 238/2014	September 2023	Current
PL 239/2014	September 2023	Current
PL 240/2014	September 2023	Current
PL 241/2014	September 2023	Current

Boomslang Project

Prospecting Licence, PL011/2019 designated “Boomslang”, is approximately 1,000 Km² and is situated adjacent to the Company’s existing licences. To date, the Company has not carried out ground operations in the Boomslang area having only received environmental approval to commence exploration activities in 2021. A renewal application for the Boomslang licence was submitted in December 2021.

The status of the Boomslang licence is as follows:

Licence	Expiry	Status
PL 011/2019	March 2022	Awaiting renewal confirmation

Cash Position

At the end of the quarter the Company had A\$8.67m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$144k for the quarter (shown in item 6.1 of the attached Quarterly Cashflow Report) relates to directors’ salaries and fees (including tax and superannuation payments made on their behalf) and office rent.

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, solar power and hydrogen projects. The company is listed on the ASX (Australia), AIM (UK) and the BSE (Botswana). The Lesedi Power Project (“Lesedi”) is 100% owned and is the Company’s most advanced. Tlou’s competitive advantages include our ability to drill cost effectively for gas, our 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 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(212)	(579)
(e) administration and corporate costs	(502)	(1,185)
1.3 Dividends received (see note 3)		
1.4 Interest received		
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)	71	93
1.9 Net cash from / (used in) operating activities	(643)	(1,671)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(207)	(258)
(d) exploration & evaluation	(1,164)	(2,122)
(e) investments		
(f) other non-current assets	(673)	(673)

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 (9 months) \$A'000
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)		
2.6	Net cash from / (used in) investing activities	(2,044)	(3,053)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities	6,884	6,884
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(168)	(168)
3.5	Proceeds from borrowings		
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)	(5)	(16)
3.10	Net cash from / (used in) financing activities	(6,711)	(6,700)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,286	6,385
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(643)	(1,671)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,044)	(3,053)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,711	6,700

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	361	310
4.6	Cash and cash equivalents at end of period	8,671	8,671

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	8,671	4,286
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,671	4,286

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	144
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1	Loan facilities	
7.2	Credit standby arrangements	
7.3	Other (please specify)	
7.4	Total financing facilities	
7.5	Unused financing facilities available at quarter end	
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.	

8. Estimated cash available for future operating activities	\$A'000
8.1	643
8.2	1,164
8.3	1,807
8.4	8,671
8.5	-
8.6	8,671
8.7	5
<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:	
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:	

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

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:

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:27/04/2022.....

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.