

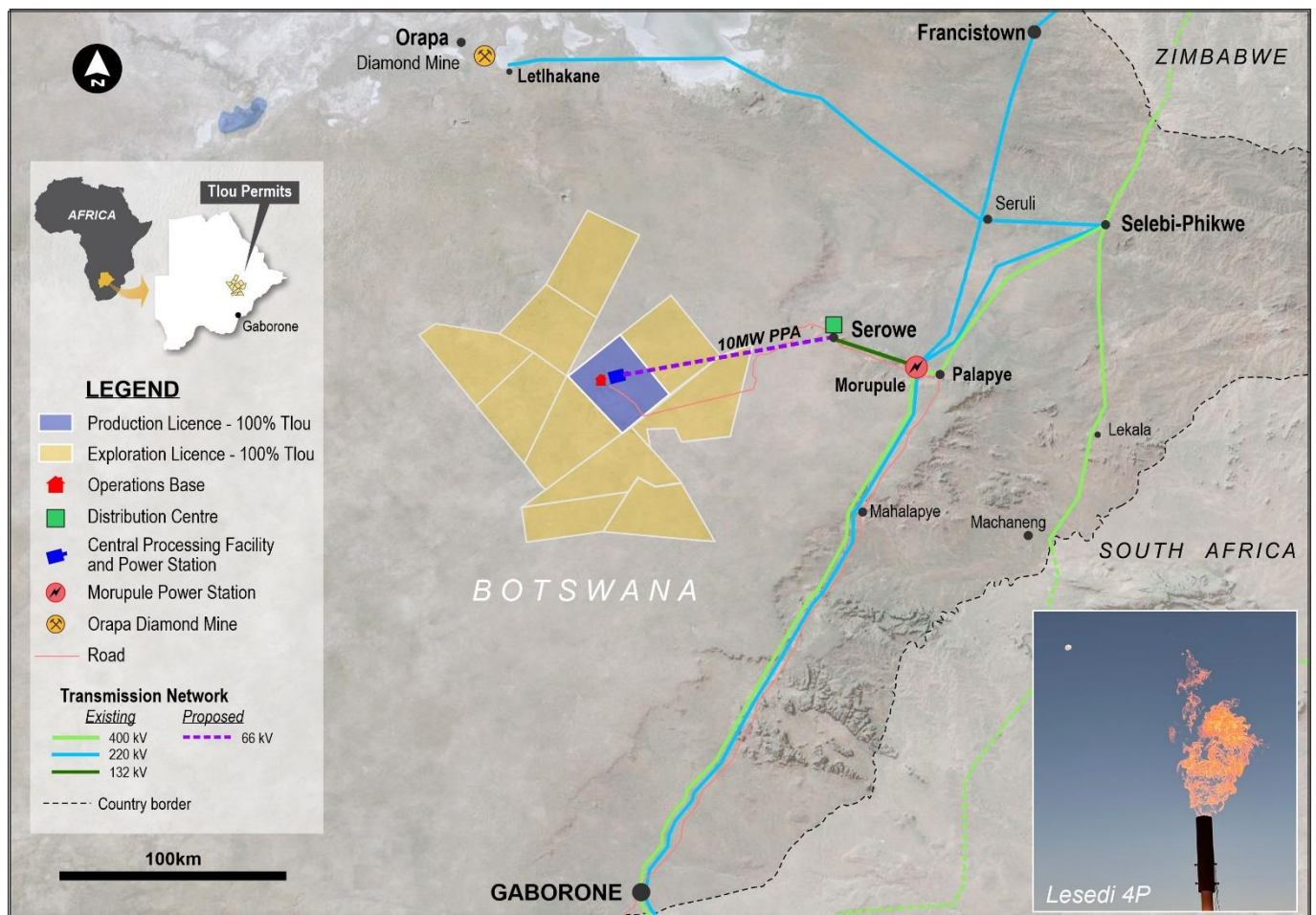
28 April 2023

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

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

**Highlights**

- **The 66KV overhead transmission line is steadily progressing**
- **Development of a purpose-built operations facility is continuing**
- **Substation construction scheduled to commence**
- **Production well drilling underway with Lesedi 6**



## Activities

Tlou Energy continues to have three key project areas referred to as:

- **Lesedi Project** – focused on the development of 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. It is currently developing a 10MW gas to power project. The Lesedi project area has four Prospecting Licences (PL) and a Production Licence which is the key focus area for the development of Tlou’s independently certified gas reserves and contingent resources. All licences held under this project area are valid. The table below summarises the status of the licences:

Licence	Expiry	Status
Production Licence 2017/18L	Aug-42	Current
PL001/2004	Sep-23	Current
PL003/2004	Sep-23	Current
PL035/2000	Mar- 25	Current
PL037/2000	Mar-25	Current

*PL renewal applications are submitted three months prior to expiration.*

Tlou Energy’s initial 10MW Power Purchase Agreement (PPA) is part of a 100MW Request for Proposal for the development of CBM power projects in Botswana. Tlou previously responded to a separate request for proposal for the supply and delivery of natural gas to the Orapa power plant in Botswana. The Company’s proposal was not successful.

### Gas to Power Project

The first electricity to be generated at Lesedi, will go towards satisfying the 10MW PPA with Botswana Power Corporation (BPC) the national power utility. Tlou is among the first independent power producers to secure a power purchase agreement with the utility.

To this end, the Lesedi project currently has several parts of the development process underway including the construction of transmission lines, substations, a field operations facility and generation site as well as production well drilling.

### Transmission Line Construction

The Lesedi project is approximately 100km from the nearest BPC substation connection in Serowe. In efforts to connect onto the national grid, the Company is undergoing the construction and installation of a 100km 66kV transmission line. This, together with the ongoing drilling program can enable the Company to connect and provide electricity into Botswana’s power network.

The construction of the 66kV transmission line is being carried out by Zismo Engineering Pty Ltd (Zismo) and is expected to be completed around mid-2023. Zismo is a local engineering procurement construction company that

specialises in industrial engineering. Progress to end of March 2023 was estimated at approximately 64%, with planting of wooden poles almost complete, steel pole structures now being erected and over 20km of line stringing complete.

### Substation Construction

Substations are required at either end of the transmission line, one to tie Tlou’s generators to the transmission line at Lesedi and another to integrate the line with the existing BPC substation at Serowe. This work will be led by South African based OptiPower, a division of Murray & Roberts Ltd. The pre-construction and design works have been completed and physical construction of the substations is scheduled to begin very soon with the project anticipated to be completed in early 2024.

### Lesedi Operations Facility

Work has advanced on a purpose-built operations facility for the initial 10MW development and to allow for project expansion thereafter. This project is being undertaken by Tlou through its consultant contractor African Gas Services (AGS).

### Drilling and Gas production

The Lesedi 4 production pod continues to produce gas. A key focus in the coming year is to drill more production wells for the 10MW project.

Post quarter end, the Company began drilling the Lesedi 6 production pod. Lesedi 6 is planned to be the first of a series of new pods, funds permitting, that the Company will drill as part of the 10MW gas to power project. Lesedi 6 will comprise one vertical production well intersected by two lateral wells drilled horizontally through the target reservoir section for several hundred metres.

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### Mamba Project

The Mamba project is in the exploration and evaluation phase with further operations required on the operating licences. It consists of five PL’s 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:

<b>Licence</b>	<b>Expiry</b>	<b>Status</b>
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

*PL renewal applications are submitted three months prior to expiration.*

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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. 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\$3.54m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$339k 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 Company is significantly advanced in relation to raising further capital. In addition, Dr Ian Campbell (Tlou’s largest shareholder) has offered a \$2m loan to the Company if required. The exact terms of the loan are being finalised. Subject to any regulatory approval the agreement is expected to be signed in the coming days. Once the agreement is executed the funds will be available to draw down immediately if necessary.

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 March 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development	(114)	(248)
(c) production		
(d) staff costs	(441)	(896)
(e) administration and corporate costs	(490)	(1,534)
1.3 Dividends received (see note 3)		
1.4 Interest received	9	15
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)	181	347
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(855)</b>	<b>(2,316)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(584)	(1217)
(d) exploration & evaluation	(1,627)	(3,528)
(e) investments		
(f) other non-current assets	(1,653)	(4,519)

## 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,864)</b>	<b>(9,264)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,267	8,268
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		
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)	(4)	(15)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,263</b>	<b>8,253</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	6,156	7,875
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(855)	(2,316)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,864)	(9,264)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,263	8,253

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(1,161)	(1,009)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,540</b>	<b>3,540</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,540	6,165
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,540</b>	<b>6,165</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	339
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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</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>		
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)	855
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	1,627
8.3 Total relevant outgoings (item 8.1 + item 8.2)	2,481
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,540
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,540
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.4
<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: Yes	
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: The Company is significantly advanced in relation to raising further capital. In addition, Dr Ian Campbell (Tlou's largest shareholder) has offered a \$2m loan to the Company if required. The exact terms of the loan are being finalised. Subject to any regulatory approval the agreement is expected to be signed in the coming days. Once the agreement is executed the funds will be available to draw down immediately if necessary.	

## 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: With funds available under the loan agreement and negotiations ongoing with investors in relation to other potential sources of finance the Company expects to be able to meet its objectives.

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: .....28/04/2023.....

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.