

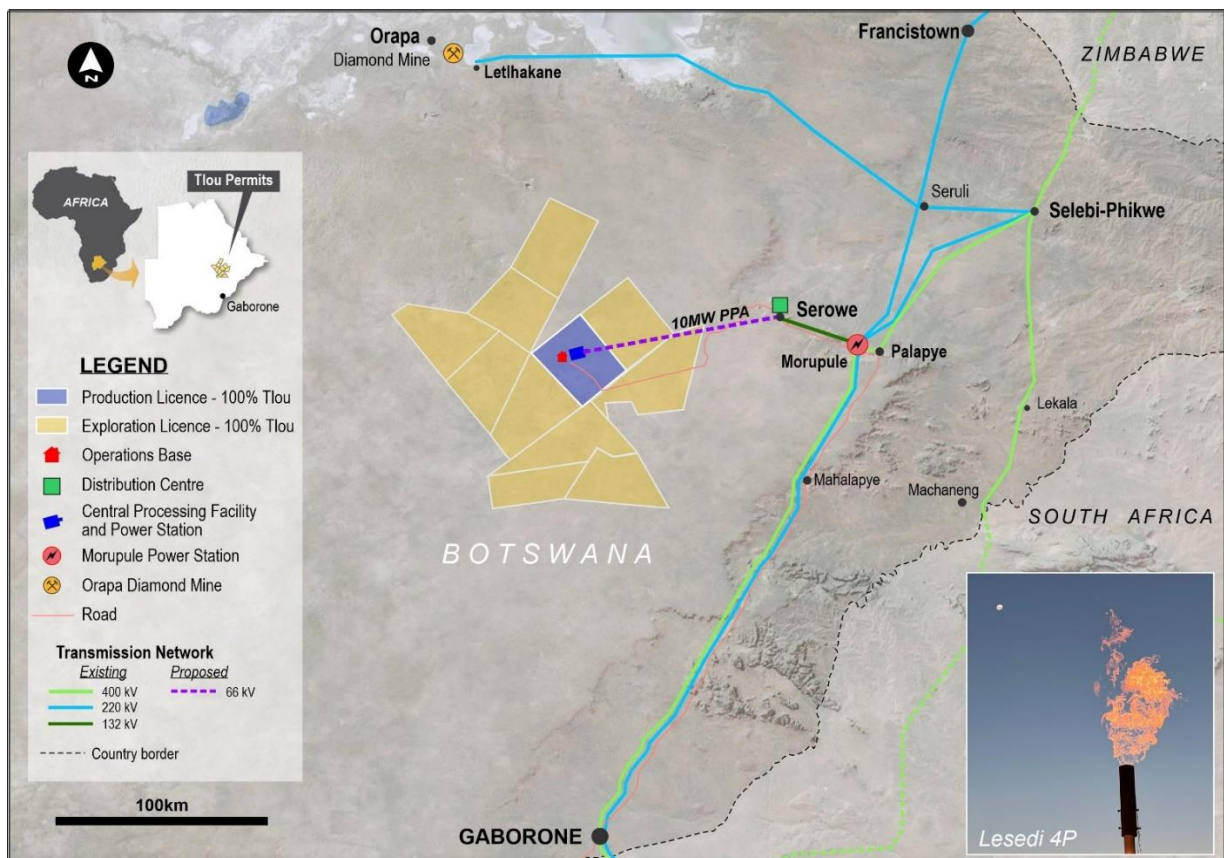
26 April 2024

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

Quarterly Activities Report for the quarter ended 31 March 2024

Highlights

- **Construction of the 66kV transmission line connecting Tlou's Lesedi project directly to Botswana's power grid and the broader Southern African Power Pool has been completed**
- **The substation to connect Tlou's power generators to the transmission line is approximately 50% complete**
- **Gas gathering lines being laid to connect Tlou's gas wells to the generation site**
- **Continued gas production at the Lesedi 4 and Lesedi 6 production pods**
- **Preparations underway for further production pod drilling with drilling rig secured**



Activities

Tlou Energy has three project areas referred to as the:

- **Lesedi Project** – focused on 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. The Lesedi project remains at the forefront of Botswana's gas to power sector, making substantial progress in the development of the proposed 10MW gas-to-power project.

Gas to Power Project

The initial electricity produced at Lesedi is intended to fulfill the 10 MW Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC), the national power utility. The ongoing Lesedi project involves various development components, including drilling of gas production wells, transmission lines, substations, gas gathering and a power generation site.

Gas production and gathering

The Company has two gas production pods, Lesedi 4 and Lesedi 6. Both pods continue to flow gas as the water level is being lowered.

Tlou is confident that with the in-house knowledge gained from previous drilling efforts, extracting more and more gas out of the coal reservoir will become progressively simpler and more cost effective due to economies of scale.

Work on the gas gathering lines commenced during the quarter. This involves laying of pipe to take gas from the wells to the generation site.

Preparatory work for the next drilling campaign has also begun. The Company has secured a drilling rig and discussions are ongoing with relevant suppliers and specialist drilling personnel.

In addition, some minor changes to drilling techniques are being assessed with the aim of further increasing gas production rates.



Gas Gathering Operations

Transmission Line Construction

To connect to the national grid, the Company constructed a 100km 66kV transmission line to tie in with the existing power grid. Construction of the transmission line has been completed by the contractor. Minor finishing works and the addition of switchgear at the Serowe end will be done prior to the line being energised. The line is planned to remain under care and maintenance until energisation which is expected later this year.

Substation Construction

In addition to the transmission line, an electrical substation is required at the Lesedi end of the transmission line. At the opposite end the line has been connected to the existing BPC substation at Serowe. The substation at Lesedi has being designed to facilitate expansion beyond 10MW which will be beneficial as the projects grows. The Lesedi substation is approximately 50% complete. It is currently anticipated that this work will be completed in Q3 2024.

Lesedi project licences

The project area has four Prospecting Licenses (PL) and a Production Licence which is the focus area for the development of Tlou's independently certified gas reserves and contingent resources. The table below summarises the status of the Lesedi licences:

Licence	Expiry	Status
Production Licence 2017/18L	Aug-42	Current
PL001/2004	Mar-26	Current
PL003/2004	Mar-26	Current
PL035/2000	Mar-25	Current
PL037/2000	Mar-25	Current

Mamba Project

The Mamba project is in the exploration and evaluation phase with further operations required on the licences. It consists of five Prospecting Licences covering an area of approximately 4,500 Km². 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:

Licence	Expiry	Status
PL 237/2014	Dec-25	Current
PL 238/2014	Dec-25	Current
PL 239/2014	Dec-25	Current
PL 240/2014	Dec-25	Current
PL 241/2014	Mar-26	Current

Further work on the Mamba project is proposed once the Lesedi project is in production with initial work likely to include a seismic survey and the drilling of core-holes.

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. Like the Mamba project the first stage of operations is likely to include a seismic survey following by core-hole drilling.

The status of the Boomslang licence is as follows:

Licence	Expiry	Status
PL 011/2019	Jun-24	Current

PL renewal applications are submitted three months prior to expiration. During the reporting quarter a renewal application for PL011/2019 was submitted.

Cash Position

At the end of the quarter the Company had ~A\$5.98m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$120k for the quarter (shown in item 6.1 of the 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 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 2024

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	(235)	(786)
(e) administration and corporate costs	(200)	(1,164)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	12
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)	(20)	114
1.9 Net cash from / (used in) operating activities	(454)	(1,825)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(983)	(1,110)
(d) exploration & evaluation	(1,178)	(9,290)
(e) investments		
(f) other non-current assets		

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	(2,160)	(10,399)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	7,355	7,920
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	(13)	(77)
3.5 Proceeds from borrowings	570	3,570
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)	(14)	(14)
3.10 Net cash from / (used in) financing activities	7,898	11,399

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	730	6,851
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(454)	(1,825)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2,160)	(10,399)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	7,898	11,399

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	(38)	(50)
4.6	Cash and cash equivalents at end of period	5,976	5,976

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	5,976	730
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)	5,976	730

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	120
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

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	1,000	480
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	1,000	480
7.5 Unused financing facilities available at quarter end		520
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.		
<p>During the quarter ILC BC Pty Ltd (the "Financier") provided an unsecured loan facility that enables Tlou Energy Limited (the "Borrower") to seek advances from time to time from the Financier up to a maximum amount of A\$1 million or such higher amount as the Financier might in future agree in writing. Interest is charged at 10% per annum on amounts drawn down. The loan is repayable 10 Business Days after the Financier requests payment of all outstanding amounts from the Borrower or when the Borrower elects to repay the Financier all outstanding amounts.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	454
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	1,178
8.3 Total relevant outgoings (item 8.1 + item 8.2)	1,632
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,976
8.5 Unused finance facilities available at quarter end (item 7.5)	520
8.6 Total available funding (item 8.4 + item 8.5)	6,496
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.0
<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:26/04/2024.....

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.