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12 June 2023

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

Publication of Supplementary Prospectus

Tlou Energy Limited has published a supplementary Prospectus dated 12 June 2023. The supplementary Prospectus ("Second Supplementary Prospectus") which supplements and is intended to be read with the prospectus dated 12 May 2023 (comprising an entitlement prospectus and a supplementary prospectus) in respect of the partially underwritten entitlement offer of up to 304,156,361 new Offer Shares to raise approximately A\$10.65 million (approximately £5.86 million; BWP 92.6 million)) (the "Prospectus"). A copy of the Second Supplementary Prospectus is included within this announcement.

The Prospectus can be viewed on the Company's website: <https://tlouenergy.com/reports/>

Further Information

If you have any questions in relation to any of the above matters, please contact the Company Secretary at either offer@tlouenergy.com or +61 7 3040 9084, Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

By Authority of the Board of Directors

Mr. Anthony (Tony) Gilby
Managing Director

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TLOU ENERGY LIMITED

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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.

IMPORTANT NOTICE

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

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The content of this announcement has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("**FSMA**").

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TLOU ENERGY LIMITED

ACN 136 739 967

SUPPLEMENTARY PROSPECTUS

Important Information

This is a supplementary prospectus (Second **Supplementary Prospectus**) which supplements and is intended to be read with the Prospectus dated **12 May 2023 (Prospectus)** and the Supplementary Prospectus (**First Supplementary Prospectus**) dated 12 May 2023 (**Prospectus**) issued by Tlou Energy Limited (ACN 136 739 967) (**Company**).

This Supplementary Prospectus is dated 12 June 2023 and was lodged with ASIC on that date.

ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Second Supplementary Prospectus should be read together with the Prospectus and the First Supplementary Prospectus. Other than as set out below, all details in relation to the Prospectus and the First Supplementary Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus, the First Supplementary Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail.

This Second Supplementary Prospectus will be issued with the Prospectus and First Supplementary Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at www.tlouenergy.com.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. Purpose of this Supplementary Prospectus

The purpose of this Second Supplementary Prospectus is to provide additional information to investors (as set out in Section 3 below) following feedback from ASIC.

2. Updates to the Prospectus

2.1 Timetable

The Offer timetable is adjusted as set out below and references in the Prospectus (read with the First Supplementary Prospectus) to the dates set out below are amended in conformity to this revised timetable:

Event	Date
Last day to extend the Closing Date of the Offer	Tuesday, 13 June 2023

Event	Date
Closing date – AIM: latest time and date for settlement of CREST application and payment in full under the Offer (1pm BST)	
Closing date – BSE: latest time and date for settlement of BSE applications and payment in full under the Offer (1pm CAT)	Thursday 15 June 2023
Closing Date – ASX: latest time and date for settlement of applications and payment in full under the Offer (5pm AEST)	Friday, 16 June 2023
Securities quoted on a deferred settlement basis.	Monday 19 June 2023
Announcement of results of the Offer and shortfall (if any)	Tuesday 20 June 2023
Shortfall settlement (if any)	Wednesday 21 June 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Shares	Thursday 22 June 2023
Trading in New Shares commences	Friday 23 June 2023

2.2 Chairman's letter

Paragraph 4 on page 10 of the Prospectus is supplemented with the following:

There are no provisions under the PPA that penalise the Company for any failure to provide electricity by a stipulated date, or even failure to do so before the agreement lapses.

The text after paragraph 7 on page 10 of the Prospectus and page 11 of the Prospectus is supplemented with the following:

The funds sought pursuant to the Offer have been allocated as set out in Section 3.1 (as amended below), which illustrates the Company's intentions should it raise either the underwritten amount of the Offer (plus Director commitments) or the Offer is fully subscribed. In either case, the Company is prioritising capital expenditure items to advance the Company towards connection to the grid and first power generation, including completion of substations and the connecting power line, as well as a deposit to order the first modular power station.

If the Offer is fully subscribed and subject to obtaining further funding of approximately A\$5 million (the nature and source of which has yet to be determined), the Company plans to construct and commission the power station in early 2024 to achieve the milestone of first power generation.

If only the underwritten amount (plus Director commitments) is raised, the Company will require another \$10,000,000 to bring the project into first power production using existing wells.

The time and cost required to scale up from initial power generation from the Company's existing wells, to the desired 2MW and beyond, depends on the gas flow rates achieved at the Company's new Lesedi 6 pod and redrill of the laterals in Lesedi 4. At this time, the Company has not progressed the Lesedi 6 well pod sufficiently to determine its flow-rate and has no update regarding flow rates from Lesedi 3 and 4, since Lesedi 4 laterals will be redrilled after completion of Lesedi 6, if justified by the results achieved at Lesedi 6. The Company expects to be in a position in October 2023 to disclose initial gas flow rates of Lesedi 6 and 4 after completion of drilling and dewatering.

Illustratively, the drilling of each dual lateral production pod (of which Lesedi 4 and 6 are examples), costs approximately A\$1,500,000. Should the Company wish to drill additional

wells after completion of the current program to increase power generation, it may seek additional capital at that time.

2.3 The Addendum on page 12 of the Prospectus

The following is added where indicated:

The Lesedi Gas to Power Project

As Tlou's Chairman outlined in his letter, the Company is well positioned, subject to raising between \$5 million and \$10 million in additional capital (depending on the level of subscriptions received under the Offer) to deliver first electricity generation in 2Q 2024, with the goal of expanding thereafter incrementally to reach our 10MW contracted target through additional drilling and well development.

As stated by the Chairman, once initial power generation is achieved using the Company's existing wells, the time and cost required to increase production from the initial level will depend on the gas flow rates achieved after completion of the drilling of Lesedi 6 and the proposed redrill of Lesedi 4.

Purpose of the Offer

Subject to further funding of between \$5 million and \$10 million (depending on the level of subscriptions received under the Offer (refer to Section 3.1 (as amended below)), the Company plans to construct and commission the power station by 2Q 2024 to achieve the milestone of first power generation, using its existing wells. Should the Company wish to drill additional wells after completion of the current program, it may seek additional capital at that time.

Drilling campaign, gas flow rates and impact on economics

Drilling of Lesedi 6 is expected to be completed in June/July 2023. The redrill of Lesedi 4 laterals, if justified by the results achieved at Lesedi 6, is then planned to commence and is expected to be completed in July/August 2023. Once both wells are complete, dewatering and gas flow testing can commence. Initial dewatering is likely to take a minimum of 2-3 months, after which initial indicative gas flow rates will be recorded. Gas flow testing is planned to continue for 3-6 months.

The above dates are estimates, subject to the operational, geotechnical and other risks set out in Sections 5.1(d), 5.1(f), 5.1(h) and 5.1(m) in particular, as well as the other risks outlined in Section 5 of the Prospectus.

2.4 Section 3.1

Section 3.1 is deleted and replaced with the following:

The purpose of the Offer is to raise up to \$10,645,473 (excluding costs of the Offer).

The funds raised from the Offer (if fully subscribed) along with existing cash as at 31 March 2023 and the A\$2m loan received from ILC Investments Pty Ltd (as per the market announcement on 2 May 2023) are planned to be used in accordance with the table set out below:

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Inflows	Offer fully subscribed A\$m	Only the Underwritten amount is raised A\$m
Fully Subscribed Entitlement Offer	10.65	5.39
Existing Cash at 31/03/2023	3.54	3.54
ILC Loan received	2.00	2.00
Total	16.19	10.93
Allocation of Funds¹		
Transmission line and substations	7.17	5.10
Drilling and field operating costs ³	3.75	3.10
Generation assets	1.30	0.00
Land purchases	0.68	0.68
Construction of operation and generation facility	0.64	0.12
Working capital	2.33	1.61
Costs of the Offer ²	0.32	0.32
TOTAL	16.19	10.93

Notes:

1. The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to materially affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis and otherwise having regard to their fiduciary duties.
2. Refer to Section 6.20 of this Prospectus for further details relating to the estimated expenses of the Offer.
3. This covers drilling of Lesedi 6 and the redrill of Lesedi 4 only, along with costs to run the Lesedi field operations. Drilling of each such dual lateral production pod costs approximately A\$1.5m. Once flow rates have been established after completion of the current drilling program, the number of wells required to increase production from initial generation to 1MW, 2MW and beyond, will be known.

If the Offer is fully subscribed, the Company will require further capital of approximately A\$5m to bring the project into production.

If only the minimum amount (being the underwritten amount and Director commitments) is raised under the Offer, the Company will have sufficient funds to cover planned development operations up to the end of September 2023, but the Company will need to secure additional funding by Q4 2023. If these additional funds are not secured, the Company will postpone or cut back expenditure where necessary, which is likely to delay connection to the grid and first power generation.

2.5 Section 6.16

Section 6.16 is deleted and replaced with the following:

Reconciliation and the rights of Tlou

The Offer is a complex process, and in some instances, investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. This may result in a need for reconciliation. If reconciliation is required, it is possible that Tlou may need to issue additional New Shares to ensure that the relevant Shareholders receive their appropriate allocation of New Shares.

3. Applications

Personalised Entitlement and Acceptance Forms were despatched to Eligible Shareholders in accordance with the timetable set out in the First Supplementary Prospectus. The Company has received approximately \$139,000 from non-related party Applicants registered in Australia prior to the date of this Second Supplementary Prospectus (**Prior Applicants**). The Company is refunding Application Monies received from Prior Applicants.

4. Consents

The Company confirms that as at the date of this Second Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

5. Authorisation

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

This Second Supplementary Prospectus is signed for and on behalf of the Company by:

Mr. Martin McIver
Non-Executive Chairman

Dated: 12 June 2023