

TLOU ENERGY LIMITED**8 April 2019**

Tlou Energy Limited
("Tlou" or "the Company")**AUD\$1.2 million equity raising at premium with 12-month escrow**

Tlou Energy Limited, the ASX, AIM and BSE listed company focused on delivering power in Botswana and southern Africa through the development of coal bed methane ("CBM") is pleased to confirm that it has successfully completed an equity placement to Sophisticated Investors totalling approximately AUD\$1.2 million (approximately £0.65 million).

Highlights

- Placement has been completed at AUD\$0.10 per share, approximately a 5% premium to the closing ASX share price on Friday, 5 April 2019 of \$0.095
- Funds have been raised from long-term existing shareholders
- The shareholders have agreed to the voluntary escrow of the shares for a period of 12 months

Tlou's Managing Director, Mr Tony Gilby commented, "We welcome the confidence shown in the Company by the two existing shareholders who participated in this strategic placement. The additional capital also removes perceived near-term financial pressure from the Company, as upon any successful gas flows and/or tender result we will not need to immediately raise capital. Rather, this allows the Company ample time to assess the available financing options and to help position Tlou Energy as part of the solution to the looming regional power shortage. I look forward to updating the market on initial production testing data and the tender process in the coming weeks."

Placement

The Company is pleased to announce that it has successfully completed a targeted, private placement to sophisticated investors raising approximately \$1.2 million before costs ("**Placement**").

The Placement comprises the issue of 12,000,000 new ordinary shares (representing 2.85% of the enlarged share capital) at an issue price of AUD\$0.10 (approximately BWP0.75 or £0.055) per share. Participants in the Placement have entered into Voluntary Escrow Agreements with the Company not to dispose of the Placement shares held for 12 months. In all other aspects the Placement shares rank equally with Tlou's existing shares on issue.

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The proceeds of the Placement, along with existing cash provides sufficient working capital for ongoing activities including continued gas flow testing at the recently completed production wells and efforts to secure a power purchase agreement.

The Placement price represents approximately a 5% premium to the closing ASX share price on Friday, 5 April 2019 of \$0.095 and a 2% discount to the 15-day volume weighted average price, for Tlou's shares traded on the ASX of AUD\$0.102. The Placement shares will be issued within the Company's Listing Rule 7.1A placement capacity, recently refreshed by shareholders at the 2018 Annual General Meeting and, as such, shareholder approval for the issue of the Placement shares will not be required.

Application will be made for the quotation of the Placement Shares to trading on the ASX, AIM and the BSE, with admission to trading on the ASX expected to occur at 9.00am on 11 April 2019 (AEST), and on AIM and BSE on 12 April 2019.

Total voting rights

Following admission of the Placement shares, the total number of the Company's ordinary shares on issue will be 421,113,535. The Company has no shares in treasury. This figure of 421,113,535 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Other

The Company is continuing discussions with Botswana based entities to fund expanded field operations and the first stage of above ground power generation infrastructure. Also, the Company anticipates first gas pressure increase (leading to initial gas flow) at the recently drilled production wells to be available in the coming weeks and will update the market accordingly.

Additionally, Botswana's Ministry of Mineral Resources, Green Technology and Energy Security invited the Company to the opening of the financial bids, being the third and final section of review of the Company's CBM gas-to-power tender submission (as per the market announcement on 10 October 2018). At the meeting it was stated that an outcome from their assessment of tender submissions is expected in the coming weeks. The exact timing is difficult to forecast due to the independence and innate complexity of the government run process.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Company Information

Tlou Energy is focused on delivering Gas-to-Power solutions in Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is developing projects using coal bed methane (CBM) natural gas. Botswana has a significant energy shortage and generally relies on imported power and diesel generation to fulfil its power requirements. As 100% owner of the most advanced gas project in the country, the Lesedi CBM Project, Tlou Energy provides investors with access to a compelling opportunity using domestic gas to produce power and displace expensive diesel and imported power.

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 including individuals with successful track records in the CBM industry.

Since establishment, the Company has significantly de-risked the project in consideration of its goal to become a significant gas-to-power producer. The Company flared its first gas in 2014 and has a 100% interest over its Mining Licence and ten Prospecting Licences covering an area of ~9,300 Km² in total. The Lesedi and Mamba Projects already benefit from significant independently certified 2P gas Reserves of ~41 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 gas-to-power project. Following successful implementation of this first scalable project, the Company looks forward to evaluating longer-term prospects for the delivery of electricity generated from CBM in Botswana to neighbouring countries.

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