

**TLOU ENERGY LIMITED****12 February 2019**

---

**Tlou Energy Limited**  
("Tlou" or "the Company")**First development pod successfully completed**

---

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'), has successfully completed the drilling of the Lesedi 3 development pod at its CBM project in Botswana.

**Highlights**

- Lateral wells Lesedi 3A and Lesedi 3B have been successfully completed with both wells intersecting with the vertical well Lesedi 3P to complete the Lesedi 3 development pod.
- Dewatering and gas flow testing at Lesedi 3 will commence following the installation of production equipment.
- The drill rig is being moved to the second planned production pod, Lesedi 4.

**Pilot well drilling program**

The Company commenced drilling of development wells at its gas field in late 2018. The wells are being drilled as 'dual lateral pods', comprising a single vertical production well intersected by two lateral wells. The lateral wells are being drilled through the gassy coal seam with gas extracted from this coal produced through the vertical production well where it can be gathered and used for power generation. Pod One is designated 'Lesedi 3' and comprises a vertical production well ('Lesedi 3P') and two lateral wells ('Lesedi 3A' & 'Lesedi 3B'). Pod Two is designated 'Lesedi 4',

The Company can confirm that drilling operations at Lesedi 3 have been completed. Lateral well Lesedi 3A was drilled ~1,437m Measured Depth (MD) and Lesedi 3B was drilled ~1,440m MD with both lateral wells successfully intersecting with vertical well Lesedi 3P to complete the dual lateral pod.

Lesedi 3 is now being prepared for installation of production facilities prior to the commencement of de-watering and lowering of the pressure in the coal seam to achieve gas flow.

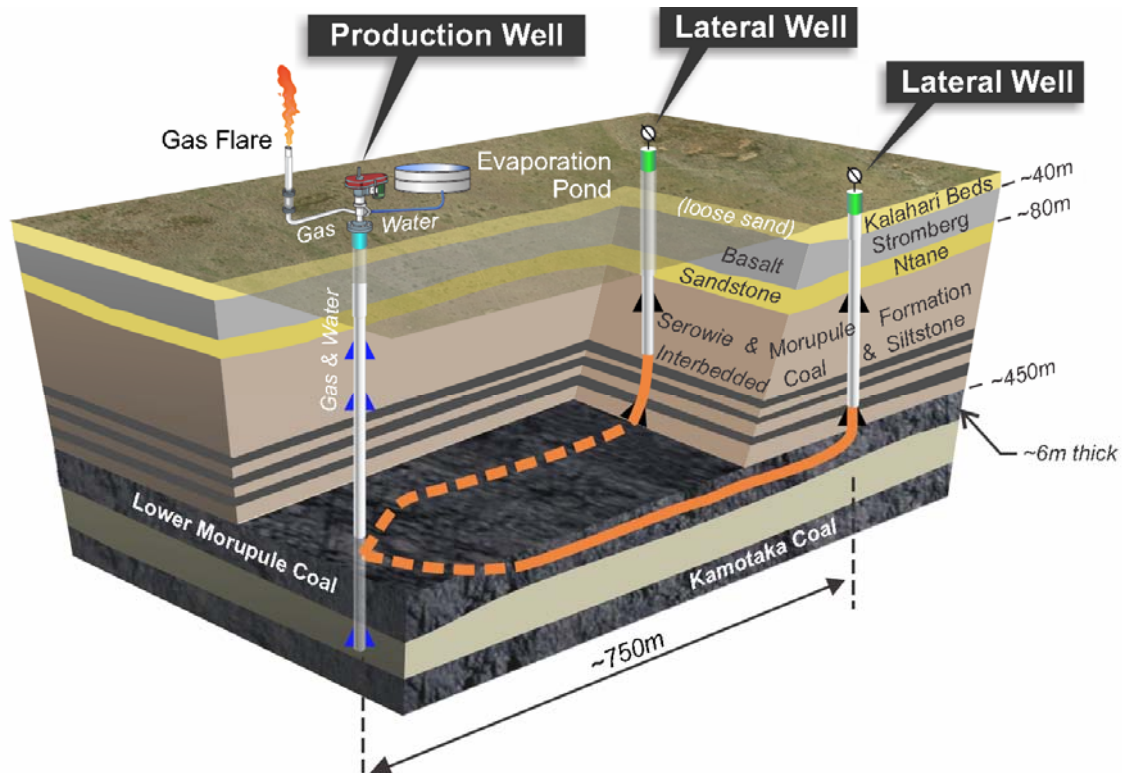
The drilling rig is being moved to commence drilling of the second planned development pod, Lesedi 4. The Company will provide further updates as the drilling operations progress.

The development drilling program is being conducted in accordance with health and safety requirements and are consistent with the Company's approved environmental impact statement. If

**TLOU ENERGY LIMITED**

TLOU ENERGY

results are positive, these wells will form part of the Company's initial gas-to-power project which will include installation of transmission lines and grid connection.



*Schematic of a Dual Lateral Pod*

\*\*\*\*

For further information regarding this announcement please contact:

<b>Tlou Energy Limited</b>	+61 7 3012 9793
Tony Gilby, Managing Director	
Solomon Rowland, General Manager	
<b>Grant Thornton (Nominated Adviser)</b>	+44 (0)20 7383 5100
Samantha Harrison, Colin Aaronson, Harrison Clarke	
<b>Shore Capital (Broker)</b>	+44 (0) 207 408 4090
Jerry Keen, Toby Gibbs, Mark Percy	
<b>FlowComms Limited (Investor Relations)</b>	+44 (0) 7891 677 441
Sasha Sethi	

## TLOU ENERGY LIMITED



### 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 in a Mining Licence and nine Prospecting Licences covering an area of ~8,300 Km<sup>2</sup> 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 ~3,044 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.

TLOU ENERGY LIMITED



Lesedi and Mamba CBM Project permits and surrounding power infrastructure

