

Group was unable to successfully renew the licences, if required, this could have a material effect on the Group's business, financial condition and prospects.

The conduct of the Group's operations and the steps involved in satisfying the applications for renewal involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly completed, or whether it is possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken. The final grant of all renewals involves the exercise of administrative functions (including discretion), which are beyond the control of the Group.

In the event that Tlou believes there is enough gas to move into a production phase for any of its exploration tenements in Botswana, the exploration licences will need to be converted to mining licences. There is a possibility that the mining licences will not be granted.

Any failure to obtain a renewal of an exploration permit or the granting of a mining licence in any jurisdiction in which Tlou operates may have a material adverse effect on the ability of Tlou to explore and produce CBM in the areas comprised in those licences. There is also a risk that some or all of the granted prospecting licences are revoked in the future.

- xx. **Electricity Markets Risk:** Tlou Energy's possible future revenues are expected to be derived from electricity sales. The profitability of Tlou Energy's business will be determined by the future market for electricity and the price available for power supplied by the Company. The price required to achieve adequate returns on Tlou Energy's business will vary depending on factors including generation costs, cost of gas production including drilling costs, economies of scale and gas flow rates. Numerous factors outside the control of Tlou Energy impact on electricity prices. The Company cannot provide a guarantee on the price of electricity. Botswana Power Corporation (BPC) is the government-owned electrical utility and is responsible for the supply, transmission, and distribution of electricity throughout Botswana. Access to the power grid in Botswana is controlled by BPC. Tlou Energy has negotiated an initial 2MW power purchase agreement (PPA) with BPC. Signing of the PPA is subject to final approvals including agreement on connection to the power grid.

In order for Tlou to expand generation the Company will need to secure further power purchase agreements for the supply of gas-fired power generation and solar power into the grid and access to the power grid. Any substantial decline in the price of electricity is likely to have a material adverse effect on the financial position of Tlou Energy. The Company cannot guarantee that power purchase agreements or grid access will be secured, or the price of electricity.

- xxi. **Coronavirus Outbreak:** The current outbreak of coronavirus has had an impact on the Group's businesses and will continue to do so. The timescale attached to this risk is not currently known. There is a risk that the outbreak has a material adverse impact on the Group's operations and financial results.

The Botswana Government issued a State of Emergency 2 April 2020. The lockdown is currently being eased however the government has divided the country into zones to restrict movement of people. The Company may be impacted by the availability of key personnel to visit the field operations due to health and safety concerns and travel restrictions as a result of Covid-19.

As announced on 16 April 2020, Tlou has considered it prudent to significantly reduce overheads so that the existing funds last longer and to enable the Company more time to conclude commercial and project finance negotiations. Cost reductions will remain in place for the foreseeable future, with further reductions possible if considered necessary.

- xxii. **Gas Flow Rates & Gas Sales Agreement Risk:** The rate at which gas flows from Tlou Energy's wells will be a determinant of its profitability. There is a risk that gas flow rates from Tlou Energy's

wells will not be sufficient to meet the requirements of future gas supply contracts. This may result in a breach of contract and open up Tlou to a claim for damages or further remedies and/or increased development expenditure to drill more wells than originally anticipated. There is also a risk that Tlou Energy may not be able to procure gas sales agreements for its gas business on reasonable terms, which may adversely affect the profitability of Tlou Energy.

- xxiii. **Drilling and Completion Techniques Risk:** Tlou Energy may use horizontal drilling and/or hydraulic fracturing technology in its exploration and development activities. The use of these drilling technologies may be necessary for the production of commercial quantities of gas from geological formations of the type that Tlou Energy is targeting. There has been an increase in interest by governments and the public in hydraulic fracturing and the enactment of any new laws, regulations or requirements by any relevant government authority in respect of hydraulic fracturing could result in operational delays, increased operational costs and potential claims from a third party or governmental authority. Restrictions on the use of hydraulic fracturing may reduce the amount of gas Tlou Energy can produce and may have a material impact on Tlou Energy's business.
- xxiv. **Access to Infrastructure Risk:** Infrastructure is a key path to market for a gas and power producer and any limitation of infrastructure exposes a producer to potential cost and capacity constraints. Discoveries in remote locations may be difficult and expensive to commercialise due to infrastructure and transport costs. The sharing with other industry participants of transport and operating infrastructure is common in the gas sector. Any delay or failure to access properly maintained operating infrastructure or shared facilities may have a material adverse effect on the Company. Tlou's potential future earnings, profitability, and growth are likely to be dependent upon Tlou being able to successfully implement some or all of its commercialisation plans.

The ability for Tlou to do so is further dependent upon a number of factors, including matters which may be beyond the control of Tlou, for example may not be successful in securing identified customers or market opportunities. Part of Tlou's development plan and growth opportunities include the supply of CBM and electricity to the Botswana market and other external markets. There is no guarantee that suitable infrastructure will be available, or available on acceptable and economic terms, to deliver CBM or electricity to those markets.

The transportation and service infrastructure in Botswana are under-developed and can be unreliable in some of the areas where the Company is operating. Material delays in the transportation of equipment, supplies and resources may delay the exploration and development of the Company's projects and/or the commercialisation of those projects. Any such delay is likely to increase the cost of exploring and developing the projects, and such increase may materially affect the Company's business, results of operations and financial condition. Tlou's ability to sell and market any CBM produced or electricity generated will be negatively impacted should it be unable to secure adequate transportation and processing. Access will depend on the proximity and capacity of transmission lines, pipelines and processing facilities. Further Tlou may be required to develop its own transmission line or pipeline infrastructure or secure access to third party pipeline infrastructure in order to deliver CBM or electricity to key markets or customers. The development of its own transmission line or pipeline infrastructure will be subject to Tlou obtaining relevant approvals including transmission line or pipeline licences. Access to third party infrastructure cannot be guaranteed given that transmission lines or pipelines may not be developed with an open access regime. To supply electricity into the power grid, Tlou will need to agree connection with Botswana Power Corporation. The Company cannot guarantee that such agreement will be achieved.

- xxv. **Joint Venture Risk:** Tlou Energy is not currently a party to joint venture or joint operating agreements for any of its tenements in which it holds an interest. If the interest held by Tlou Energy in any of its tenements is relinquished or transferred to a third party this will likely give rise to the establishment of joint venture or joint operating agreement under which Tlou Energy might be voted

into programs and budgets which are not in line with the objectives and strategy of Tlou Energy or that Tlou Energy does not have the cash resources to fund. Tlou Energy may be required to contribute to increases in capital expenditure requirements and/or operating costs where the requirements of the project change or in circumstances where any or all of the joint venture parties are unable to fund their pro rata contributions to expenditure.

xxvi. **Environmental Risk:** Tlou Energy's operations and projects are subject to state and federal laws and regulation regarding the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on Tlou Energy for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Tlou Energy, or noncompliance with environmental laws or regulations. Tlou Energy proposes to attempt to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

xxvii. **Royalties and Taxes:** In the event that Tlou believes it has sufficient CBM resources to move into a production phase, the CBM exploration licences will need to be converted to mining licences, under which a royalty is payable to the Botswana Government. This royalty is currently 3% of gross market value. Gross market value is defined as the sale value receivable at the mine gate in an arm's length transaction without discounts, commissions or deductions for the mineral or mineral product on disposal. In addition to the royalty payable, Tlou will also be subject to a corporate tax rate of at least 22% and a 7.5% dividend withholding tax on any earnings in Botswana.

In the event Tlou moves into CBM production in connection with the Lesedi Licences (which is considered key to Tlou's operations), pursuant to the Farm-In Agreement, Sekaname, Sable Energy's farm-in partner is also be entitled to a payment of the greater of South African Rand 2.0/Mcf produced at the wellhead, or 12.5% of the wellhead selling price, and Kalahari, Sable Energy's other farm-in partner, may also be entitled to develop and exploit any excess reserves. Wellhead selling price is based on actual proceeds received by Tlou less actual costs incurred to transport the gas and to gather, compress, treat and process the gas (or where such facilities are owned by Tlou, fees ordinarily payable for these services). If Tlou's farm-in partners become entitled to such payments, it could adversely affect Tlou's financial position, performance and prospects. Any change to the royalties or tax rates in Botswana or any of the countries in which Tlou is successful in producing gas may have a material adverse effect on the ability of Tlou to commercially produce and sell CBM from the areas comprised in those applications.

xxviii. **Country, Geopolitical and Sovereign Risk:** The Company is currently involved in CBM operations in Botswana and may explore CBM opportunities in other Southern Africa countries in the future. Whilst Botswana is a relatively stable democratic system and diversifying economy, with a low corruption index (in the context of Africa), according to the Corruption Perceptions Index published by Transparency International, and civil unrest and disorder are rare, the Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors. There can be no assurance that the political environment in these jurisdictions will continue to be stable now or in the future and this could have an adverse impact on the Group's operations and assets. Other risks and uncertainties include, but are not limited to, high rates of inflation, labour unrest, currency exchange rate fluctuations, limitations on repatriation of profits, renegotiation or nullification of existing licences, changes in taxation policies, currency controls and regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens, or purchase supplies from, a particular jurisdiction.

The occurrence of any of these risks or any material changes in government policies, attitude or legislation that affect foreign investment, repatriation of foreign currency, taxation or mineral exploration, development or mining activities, may adversely affect the viability and profitability of the Company's assets and operations in Botswana or other southern Africa jurisdictions in a highly material manner. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development, could result in loss, reduction or expropriation of entitlements.

Legal Risks: The Company's operations in Botswana are subject to the jurisdiction of the courts in Botswana. The legal system may be affected by political instability in Botswana and additional legal risks, such as political influence in obtaining effective legal redress in courts and a high degree of discretion on the part of government agencies, may arise as a result. Further the introduction of new legislation, amendments to existing legislation, the application of developments in existing common law, or the interpretation of those laws, could adversely affect the viability and profitability of the Company's assets and operations in Botswana.

- xxix. **Legislation and Regulatory Risk:** Tlou Energy's activities in the petroleum industry are subject to legislation, regulation and approvals. The introduction of new legislation, amendments to existing legislation, the application of developments in existing common law or policies or the interpretation of those laws or policies, particularly in relation to, land access arrangements, environmental approvals, a carbon tax or similar, the effect of greenhouse gases legislation, royalties and production and exploration licensing may adversely affect Tlou Energy's future operations and financial performance. Tlou Energy will, from time to time, require various government regulatory approvals for its transactions and operations and must comply with those approvals, applicable laws, regulations and policies. In particular, Tlou Energy may require licences and approvals in relation to mining activities, solar power installation and generation, environmental matters and the manufacture and supply of gas and generation of electricity. There is a risk that Tlou Energy or a joint venture that it is a party to may not obtain, or there may be a delay in obtaining, the necessary licences and approvals. This may affect the timing and scope of transactions and work that can be undertaken. Further, a failure to comply with a licence, approval or applicable law may affect the timing and scope of work that can be done. The loss of granted tenements or failure to obtain relevant approvals in relation to them may have a material adverse effect on Tlou Energy process. By way of example, in the context of the current political environment, the introduction of legislation that further restricts or inhibits gas exploration and production, changes to strategic cropping, native title, land access or overlapping tenement arrangements or the introduction of legislation that restricts or inhibits exploration and production would likely operate to Tlou Energy's detriment.
- xxx. **Competition Risk:** As a result of high levels of demand in the natural resource industries, a shortage of supply of material, labour and services could impact adversely on exploration or production activities.
- xxxi. **Insurance Risk:** Insurance of all risks associated with gas exploration and production is not always available and, where available, the cost can be high. Tlou Energy will have in place insurance considered appropriate for Tlou Energy's needs; however, there is no guarantee that such insurance will be sufficient in all circumstances.
- xxxii. **Litigation Risk:** Tlou Energy may be exposed to potential legal and other claims or disputes in the future which could negatively impact Tlou Energy's financial performance through damages payments and harm to reputation.
- xxxiii. **Occupational Health and Safety Risk:** Gas exploration and production and electricity generation may expose Tlou Energy's staff to potentially dangerous working environments. If any of Tlou Energy's employees suffered injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business.

- xxxiv. **Financing Risk:** Tlou Energy, in order to meet future ongoing work programs, will likely require additional capital (via asset sales, farm-ins, equity, etc.). There can be no assurance that sufficient capital funding will be available to Tlou Energy on favourable terms or at all. If Tlou Energy is unable to raise necessary capital, there may be a reduction in planned capital expenditure which could have a material adverse effect on Tlou Energy's ability to expand its business and/or maintain operations at current levels; this could, in turn, have a material adverse effect on Tlou Energy's business, financial condition and operations. Any additional capital requirements may dilute existing Shareholdings as well as having a material effect on the value of the shares in the Company. The Company are in negotiations with Botswana Development Corporation (BDC) an investment arm of the Government of Botswana aimed at securing funding for up to 10MW of power generation. The Company are negotiating a term sheet with BDC, which is progressing through BDC's internal corporate processes. If the term sheet is signed, due diligence covering commercial, technical, legal, reputational, environmental, social and governance will need be completed. The Company cannot guarantee that negotiations with BDC will be successful, that a term sheet will be signed or that due diligence process will be successful. In the even that some or all of these are unsuccessful, the Company may not have sufficient funds available to progress the its operations and will need to seek alternative funding. This may adversely affect the viability and profitability of the Company's assets and operations in a highly material manner.
- xxxv. **Reliance on Key Personnel Risk:** The Company is reliant on its senior management and key personnel. There is a risk that Tlou Energy may not be able to retain or hire all necessary personnel. Tlou Energy's progress in pursuing its exploration and appraisal programs within the timeframes and currently envisaged cost structure could be influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as Tlou Energy's exploration and appraisal programs progress. The result of such loss would depend on the quality and timing of the employee's replacement. Although Tlou Energy's key personnel have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in their objectives.
- xxxvi. **Equity Underwriting**
- The Company has entered into an Underwriting Agreement under which the Underwriter has agreed to partly underwrite the Offer. Prior to settlement of the Offer there are certain events which if they were to occur may affect the Underwriter's obligation to underwrite the Offer. If certain conditions are not satisfied or certain events occur under the Underwriting Agreement, the Underwriter may terminate the Underwriting Agreement and may require the Company to search for alternative financing. If the Underwriting Agreement is terminated for any reason then the Company may not receive the full amount of proceeds expected under the Offer and its financial position might change and it might need to take other steps to raise additional capital.

3. General investment risks

- xxxvii. **Economic Risk:** Factors such as economic outlook, inflation, currency fluctuation, interest rates, demand, global geo-political events and hostilities and industrial disruption have an impact on operating costs, oil and gas prices and share market conditions. Tlou Energy's future possible profitability and the market price of Tlou Energy Shares can be affected by these factors which are beyond the control of its Directors.
- xxxviii. **Investing in Shares:** Once the Offer Shares are quoted on the ASX, BSE and AIM, their price may rise or fall and they may trade at prices below or above the Issue Price. There also can be no assurance that the Offer Shares will be traded actively. In common with other listed entities, Tlou Energy's Shares can be affected by factors that are unrelated to the operating performance or underlying value of the Company, such as domestic and international economic conditions. These

fluctuations may adversely affect the price of Tlou Energy's Shares, including the Offer Shares once issued.

- xxxix. **General economic conditions:** Tlou Energy's operation and financial performance is affected by general economic business conditions including inflation levels, interest rates, exchange rates, government fiscal and monetary policies, and changing healthcare policy and medical reimbursement in the jurisdictions in which Tlou Energy operates. A sustained decline in general economic condition, such as an increase in interest rates, could be expected to have a material adverse effect on Tlou Energy's operation and financial standing.
- xl. **Accounting standards:** Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are therefore outside the Directors' and Tlou Energy's control. Changes to accounting standards issued by the AASB could materially adversely affect the way in which Tlou Energy's financial performance is perceived by the market.
- xli. **Taxation risks:** Changes to tax law in Botswana, Australia, New Zealand, the UK or other jurisdictions in which Tlou Energy and its Shareholders operate may affect Tlou Energy and its Shareholders. Personal tax liabilities are the responsibility of each individual investor and Tlou Energy has no responsibility for taxation or taxation penalties incurred by its Shareholders.
- xlii. **Equity market conditions:** Securities listed on the stock market can experience extreme price and volume fluctuations that are unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. General factors that may affect the market price of Shares include economic conditions in Australia, Botswana, the UK and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.
- xliii. **Business factors:** The continuing economic viability of Tlou Energy will be dependent on managing risk factors normally found in conducting a business, including management of contractual risks, litigation due to breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise), strikes, lockouts, loss of services of key management or operational personnel or change in tax and accounting laws. There can be no assurance that parties with whom Tlou Energy has entered into commercial arrangements will adhere to the terms of the contracts and arrangements. There is the potential of material failure by or insolvency of any contractor used by Tlou Energy in any of its activities. Such being the case, this could cause disruption to the operations of Tlou Energy. Tlou Energy is unable to predict the risk of insolvency or other managerial failure by any of its contractors or other service providers used by the Company. All of the mentioned business factors could have a material adverse effect on the results of the operations or the financial condition of Tlou Energy.

Part 4

ADDITIONAL INFORMATION

This Offer Booklet and the Entitlement and Acceptance Form ("**Information**") have been prepared by Tlou Energy.

You should read this Information carefully and in its entirety before deciding to invest in Offer Shares. In particular you should consider the risk factors referred to in the "Risk Factors" Part 3 of this Offer Booklet that could affect the performance of Tlou Energy or the value of an investment in Tlou Energy.

The past performance of Tlou Energy, and the past Share price of Tlou Energy should not be relied upon as (and is not) an indication of future performance.

1. Nominees and Custodians

Nominees and custodians (which hold Shares) should consider carefully the contents of this Offer Booklet and note in particular that the Offer is not available to Ineligible Shareholders.

Tlou Energy is not required to determine whether or not any Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares or Entitlements. Where any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws. Tlou Energy is not able to advise on foreign laws. Nominees and custodians may not distribute any part of this Offer Booklet or any Entitlement and Acceptance Form in the United States or in any other country outside the United Kingdom, Australia and New Zealand, except to beneficial shareholders who are institutional investors, sophisticated or professional investors in other countries listed in, and to the extent permitted under paragraph 6 "Overseas Shareholders" in Part 2 and to the extent the Company may determine it is lawful and practical to make the Offer.

2. Rights issue exception not available

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in Item 10 of Section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% Voting Power threshold in section 606 as a result of acceptance of their Entitlement or subscribing for Excess Shares pursuant to the Excess Application Facility should seek professional advice before completing and returning the Entitlement and Acceptance Form.

3. Litigation

So far as the Company is aware, there are no legal or arbitration proceedings, active or threatened against, or being brought by, the Company which may have a material effect on the Company's financial position.

4. Underwriting

The Company has entered into an underwriting agreement with the Underwriter dated 15 June 2020 ("**Underwriting Agreement**"), pursuant to which the Underwriter has agreed to underwrite the Offer by procuring Applications for any Offer Shares that are not subscribed for by Eligible Shareholders pursuant to the Offer and Excess Application Facility, for the First Tranche of the Offer being A\$2,000,000 ("**the Underwritten Amount**"). The Underwriter has agreed to underwrite the First Tranche of the Offer, only.

The Company has agreed to pay to the Underwriter an aggregate fee of 6% of the Underwritten Amount (“**Underwriting Fee**”).

The Company has also agreed to grant the Underwriter 10,000,000 New Options on closing the Offer, and an additional 10,000,000 New Options if the Company receives valid Applications for an aggregate of A\$3,000,000.

The Company will also be required to indemnify the Underwriter for certain costs and expenses incurred by it in relation to the Offer, including certain due diligence and legal fees.

The Underwriter is entitled to and has advised that it will engage sub-underwriters on such terms and conditions as it determines in its absolute discretion, provided such engagements are in compliance with all applicable laws.

The Underwriting Agreement contains various representations, warranties, indemnities and undertakings in favour of the Underwriter that are not unusual for an underwriting arrangement of this sort. In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Underwriter and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriter and the ASX within prescribed periods. The Underwriting Agreement also places certain restrictions on the Company from the date of the Underwriting Agreement, including restrictions on amendments to its constitution, disposing of the whole or a substantial part of its business or property and restrictions on the issue of Shares by the Company.

The obligation of the Underwriter to underwrite the Offer are conditional on customary conditions including, amongst others, the dispatch of this Offer Booklet and certain events not occurring during the period from opening of the Offer and the closing of the Offer.

If certain events occur, the Underwriter has the right (depending in some cases if the event would have a materially adverse effect on the Offer) to terminate the Underwriting Agreement. In summary, these include:

- (a) the Standard and Poors / ASX 200 Index is at any time up to the day Shortfall Notice (as defined in the Underwriting Agreement) is provided to the Underwriter 10% or less of the level that Index attained at the close of trading on the Business Day before the date of signing the Underwriting Agreement;
- (b) the Company defaults on certain terms, conditions, covenants or undertakings of the Underwriting Agreement;
- (c) the Underwriter reasonably forms the view that a notice under section 708AA(10)(c) of the Corporations Act is required and the Company fails to provide such notice to the ASX;
- (d) insolvency or similar event occurs in respect of the Company;
- (e) any person is appointed under legislations to investigate the affairs of the Company;
- (f) an outbreak of hostilities not presently existing or an escalation of hostilities occurs (whether war has been declared or not) or a terrorist act is committed involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, the People’s Republic of China (including the Special Administrative Region of Hong Kong), the countries of the former Union of Soviet Socialist Republics (excluding wars or hostilities within those countries), North Korea, South Korea, Indonesia, Botswana, South Africa or Japan which would, in the Underwriter’s reasonable opinion, materially and adversely affect the Company or the Offer;
- (g) a contravention by the Company of its Constitution, the Corporations Act or the Listing Rules or any other applicable legislation, policy or requirement of ASIC or ASX;

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- (h) there is a change in the composition of the Board or a change in the senior management of the Company before completion of the Offer, without the prior written consent of the Underwriter (which may not be unreasonably withheld);
- (i) any event specified in the Timetable (as defined in the Underwriting Agreement) (as may be varied in accordance with the Underwriting Agreement) does not occur within 14 days after the date specified for that event for reasons wholly within the control of the Company;
- (j) the Company alters its capital structure in any manner not contemplated by this Offer Booklet; or
- (k) a statement contained in this Offer Booklet or any information given to the Underwriter becomes misleading or deceptive or likely to mislead or deceive or a representation, warranty or undertaking in the Underwriting Agreement becomes untrue or incorrect.

5. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Tlou Energy, the Underwriter or their respective related bodies corporate in connection with the Offer. Except as required by law, and only to the extent so required:

- None of Tlou Energy, the Underwriter or any other person, warrants or guarantees the future performance of Tlou Energy or any return on any investment made pursuant to the Offer Booklet; and
- Tlou Energy, the Underwriter and their respective officers, employees and advisers disclaim all liability that may otherwise arise due to the Offer Booklet being inaccurate or incomplete in any respect.

Part 5

GLOSSARY

£ or Pound	means Great British pounds the currency of the United Kingdom.
A\$ or Dollars	means dollars in Australian currency (unless otherwise stated).
Admission	means the admission of the Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules.
AEST	means Australian Eastern Standard Time.
AIM	means AIM, the market of that name operated by the London Stock Exchange.
Application	means an application for Offer Shares pursuant to this Offer Booklet and the term Applicant means a person who has submitted an Application.
Application Monies	means the aggregate amount of money payable for Offer Shares applied for calculated by multiplying A\$0.04 (£0.022, (BWP0.32) by the number of Offer Shares subscribed for.
ASIC	means the Australian Securities and Investments Commission.
ASTC	means ASX Settlement Pty Ltd ACN 008 504 532.
ASX	means the Australian Securities Exchange.
ASX Limited	means ASX Limited ACN 008 624 691.
Board	means the Directors as at the date of this Offer Booklet.
BSE	means the Botswana Stock Exchange Limited.
BSE Equity Listing Requirements	means the requirements for listing securities on the equity boards operated by the BSE and thereafter the continuing obligations pertaining to such listed securities, as prescribed by the BSE.
BST	means British Summer Time.
BWP	means Botswana Pula the currency of Botswana.
CHESS	means Clearing House Electronic Sub-register System of ASTC.
Closing Date	means 5:00pm AEST on the date specified in the timetable set out on page 7 of this Offer Booklet or such other date as may be determined by the Directors.
Company or Tlou Energy	means Tlou Energy Limited ABN 79 136 739 967
Computershare UK	means Computershare Investor Services PLC.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
CREST	means the computerised settlement system operated by Euroclear, which facilitates the transfer of title to securities in uncertificated form.
CREST Manual	means the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterpart Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated in November 2001).

Depository	means Computershare Investor Services PLC acting in its capacity as Depository pursuant to the terms of the agreement for the provision of depositing services entered into between the Company and Computershare Investor Services PLC and, as relevant, includes its nominee on the Company's register of members.
Depository Interests or DIs	means the depository interests issued by the Depository representing an entitlement to a Share which may be traded through CREST in dematerialised form.
Directors	means the directors of the Company.
Eligible Depository Interest Holder	means holders of Depository in respect of and representing Shares as set out on the register of Depository Interest Holders of the Depository on the Record Date (other than Overseas Shareholders).
Eligible Holder	means Eligible Shareholder and Eligible Depository Interest Holder.
Eligible Shareholder	means a holder of Shares on the register of members of the Company at the close of business on the Record Date (other than the Overseas Shareholders)
Enlarged Issued Share Capital	means the entire issued Share capital of the Company immediately following Admission comprising the Existing Shares and the Offer Shares (assuming there is a full take up of Offer Shares under the Offer).
Entitlement and Acceptance Form	means the form accompanying this Offer Booklet which sets out the entitlements of Eligible Shareholders under the Offer.
Entitlement or Entitlements	means the non-renounceable entitlement for Eligible Holder, pursuant to the Offer, to subscribe for Offer Shares on the basis of 1 Offer Share for every 6 Shares held on the Record Date (and, to the extent that an Eligible Holder holds its Shares through a Depository, the Depository shall ensure that the relevant Eligible Holder is able to take up its entitlement under the Offer in the Depository Interest form).
Euroclear	means Euroclear UK & Ireland Limited, the operator of CREST.
Ex-entitlement Date	19 June 2020.
Excess Application Facility	means the offer to Eligible Holders to subscribe for Excess Shares in excess of their Entitlement provided that they have agreed to take up their Offer Entitlement in full.
Excess CREST Offer Entitlements	means in respect of each Eligible Depository Interest Holder, the entitlement (in addition to his Offer Entitlement) to apply for Offer Shares to be represented by Depository Interests, pursuant to the Excess Application Facility, which is conditional on him taking up his Offer Entitlement in full.
Excess Shares	means Offer Shares applied for by Eligible Holders under the Excess Application Facility.
Existing Shares	means 450,180,185 Shares in issue at the Record Date.
FCA	means the Financial Conduct Authority, acting in its capacity as competent authority in the United Kingdom pursuant to Part VI of FSMA.
First Tranche	means the first A\$2,000,000 being raised by the Company pursuant to the Offer (equal to 50,000,000 Offer Shares).

FSMA	means the UK Financial Services and Markets Act 2000, as amended from time to time.
Ineligible Shareholders	means any Shareholder who is not an Eligible Holder.
ISIN	means International Securities Identification Number.
Issue Price	means A\$0.04, (£0.022, (BWP0.32) per Offer Share.
Listing Rules	means the official listing rules of ASX Limited, as amended from time to time.
London Stock Exchange	means London Stock Exchange plc.
Money Laundering Regulations	means the the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002.
New Option	means the options to be issued pursuant to the Offer being 1 free-attaching unlisted option for every 2 Offer Shares subscribed for, with each option granting the right to subscribed for one new Share exercisable at \$0.08 (8 cents) and expiring 2 years from the date of issue granted in accordance with the New Option Certificate further details of which are set out in paragraph 11 of Part 1.
New Option Certificate	the option certificate is in the form of an unquoted options transaction confirmation statement the terms of the New Options are set out in paragraph 11 of Part 1.
Offer or Entitlement Offer	means the entitlement offer made by the Company to Eligible Holders inviting them to apply to subscribe for Offer Shares and New Options on the terms and subject to the conditions set out in this Offer Booklet and, where relevant, in the Entitlement and Acceptance Form.
Offer Booklet	means this offer booklet dated 15 June 2020 and includes any amended or replacement summary document.
Offer Share or Offer Shares	means a new fully paid share in the capital of the Company to be issued pursuant to the Offer or Excess Application Facility.
Overseas Shareholders	means Shareholders and holders of Depositary Interests who have registered addresses in, or who are resident or ordinarily resident in, or are citizens of a Restricted Jurisdiction.
Prospectus Regulation Rules	means the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market.
Share Registry	means Link Market Securities GPO Box 3560 Sydney NSW 2001 Australia.
Record Date	means 7.00pm AEST on the date specified in the timetable set out in this Offer Booklet and 6pm. (BST) in respect to Eligible Depositary Interest Holdings.
Registered Address	means, in respect of a Shareholder, the address that is recorded in the Company's share register as being the address for the Shareholder.
Regulation S	means Regulation S promulgated under the US Securities Act.
Regulatory Information Service or RIS	means one of the regulatory information services authorised by the London Stock Exchange to receive, process and disseminate regulatory information in respect of AIM quoted companies.

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Restricted Jurisdiction	means each and any of Botswana (unless the BSE approves the Offer) Canada, Japan, the Republic of Ireland, the United States and any other jurisdiction where the extension or availability of the Offer would breach any applicable law or regulations.
Shareholder	means a holder of a Share.
Share or Shares	means a fully paid ordinary share in the capital of the Company.
Shortfall	means the extent to which Eligible Holders do not subscribe for Offer Shares pursuant to the Offer and the Excess Application Facility.
UK or United Kingdom	means the United Kingdom of Great Britain and Northern Ireland.
UK Listing Authority	means the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA.
Underwriter	Melbourne Capital Limited.
Underwriting Agreement	Means the underwriting agreement between the Underwriter and the Company dated 15 June 2020, as summarised in paragraph 4 of Part 4.
USD\$	means United States dollars the currency of the United States.
US Person	means, among other things and subject to certain exceptions: (i) any natural person resident in the US, (ii) any partnership, corporation or other entity organised or incorporated in the US, (iii) any trust of which any trustee is a US person, (iv) any agency or branch of a foreign entity located in the US, (v) any account held by a dealer or other fiduciary that either is organised, incorporated or resident in the US or holds for the benefit or account of a US Person, or (vi) any partnership or corporation that is organised or incorporated in a foreign jurisdiction by a US person principally for the purpose of investing in securities not registered under the US Securities Act.
US Securities Act	means the United States Securities Act of 1933, as amended.
Voting Power	has the meaning given to that term in the Corporations Act.

CORPORATE DIRECTORY

Board of Directors

Martin McIver – Chairman
Tony Gilby – Managing Director
Colm Cloonan – Finance Director
Gabaake Gabaake – Executive Director
Linah Mohohlo – Non Executive Director
Hugh Swire – Non Executive Director

Registered Office in Australia

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210 Alice Street,
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Australia
Telephone: + 61 7 3012 9793
Website: www.tlouenergy.com
Email: info@tlouenergy.com
ASX code: TOU
[AIM code: TLOU](#)
[BSE code: TLOU](#)

Share Registry

Link Market Securities
Level 21
10 Eagle Street,
Brisbane Qld 4000
Ph: 1300 910 051 (within Australia)
+61 3 1300 910 051 (outside Australia)

Auditors

BDO Audit (Qld) Pty Ltd
12 Creek Street
Brisbane Qld 4000

Australian Lawyers

Delphi Partners
Level 23
307 Queen Street
Brisbane QLD 4000

UK Lawyers

Memery Crystal LLP
165 Fleet Street
London
EC4A 2DY

Botswana Lawyers

Armstrongs
2nd Floor, Acacia House,
Plot 74538, Prime Plaza
Western Commercial Road,
Central Business District
Gaborone

Depositary (UK)

Computershare Investor Services PLC
Corporate Actions
The Pavilions,
Bridgwater Road
Bristol, BS99 6AH

Nominated Transfer Secretary (Botswana)

Transaction Management Services (Pty.) Ltd.
Trading as Corpserve Botswana
Unit 206, Second Floor, Plot 64516
Showgrounds Close, Fairgrounds
Gaborone