



13 September 2022

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

Transmission Line construction update

Tlou is constructing a coal bed methane (CBM) extraction and power generation plant at Lesedi, west of Serowe in Botswana. A 66kV transmission line and associated substations will connect the plant to the Botswana Power Corporation (BPC) grid at Serowe. The grid connection project is divided into two project parts; (i) the 66kV overhead transmission line, and (ii) the substation works at both ends of the line.

The 66kV transmission line construction contract between Tlou and Zismo Engineering was awarded on the 2 March 2022 and commenced in April. The contract is expected to take approximately 15 months to complete. The substation works tender has been awarded to OptiPower, a division of Murray & Roberts Ltd. The substation contract has not yet been signed and will be done once additional funding is in place.

Transmission Line project activities

Overall progress achieved is currently 11% which is up from 8% reported last month. The planned target was 17% indicating a slippage of 6%. Progress to date and some issues that have arisen are outlined below:

- Line survey is 96% complete. The remainder relates to the steel pole section.
- Bush clearing is at 60%, delayed but without impact on program.
- Line pegging and inspection at 50%. Delays incurred because of other services on the servitude (*right of way*) such as water pipelines and crossing low voltage powerlines. All being attended to.
- Pole dropping at required locations along the route is at 42%.
- Pole dressing (*adding required equipment to poles*) is only partially complete because of delays in delivery of U-bolts.
- Discussions were required with BPC in relation to an 11kV line that has been built across the Tlou 66kV servitude. BPC have proposed to move their line out of the servitude. This work is not expected to cause a delay as it can be completed while other parts of the project are ongoing.
- A requirement to add pole savers (*to provide added protection*) to the wooden poles at the request of BPC. This is at the discretion of the engineer and had not been raised as an issue during the planning, design and procurement stages of the project. This will delay the planting of poles.
- Procurement has also suffered delays with line hardware manufacturing resulting in delays to commence pole dressing and planting.

The slippage to date may be recovered in the coming months. Procurement and other issues outside the Company's control could delay the project further which will be advised in further updates if necessary. However, at this time the transmission line section should remain close to the target completion date of mid-2023.

Lesedi 3P production well

The Company has been producing gas at its Lesedi 3P and Lesedi 4P production wells. The Company has taken the decision to temporarily shut in the Lesedi 3P well as sufficient data exists from this well and there is no need to incur further production costs at this time. The well can be brought back into production as required. Gas production at Lesedi 4P is planned to continue.

About the Lesedi Power Project

The Lesedi Power Project (“Lesedi”) is located in Botswana’s Central District, approximately 100km from the existing electricity grid.

To connect Tlou’s 100% owned gas field and proposed generation site at Lesedi to the grid, a 100km, 66kV transmission line and supporting substations are required. The line will join the existing grid near the town of Serowe. The 66kV line will be capable of carrying up to 25MW of power. Initial electricity generated will be sold to Botswana Power Corporation, the national power utility under an agreed 10MW Power Purchase Agreement (PPA).

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
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About Tlou

Tlou is developing energy solutions in Sub-Saharan Africa through gas-fired power, solar power and hydrogen 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. 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.