



27 October 2020

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

Funding update and Ministerial site visit

Tlou Energy Limited is an ASX, AIM and BSE listed company focused on delivering power in Botswana and southern Africa through the exploration and development of gas and solar power.

Key Points

- **Project Finance negotiations on-going**
- **Ministerial visit to the Lesedi power project**

Project Finance

The Company is currently seeking funding for development of the Lesedi power project. The project is proposed to be developed in two phases.

Phase one involves transmission line construction, transformers, grid connection, electricity generators and potentially the drilling of additional gas wells. The ~100 Km transmission line will run from the Lesedi project to the town of Serowe where it will connect to the existing power grid. Initial generation is proposed to be up to 2MW of electricity. Funding required for phase one is ~USD \$10m.

Phase two funding is for the expansion of electricity generation up to 10MW. This will involve drilling additional gas wells and the purchase of additional electricity generators. Funding required for phase two is ~USD \$20m.

Upon successful completion of phase one and two, the Company plans to expand the project beyond 10MW. This expansion is expected to be completed using project revenues and debt.

Current funding discussions are mainly related to phase one (USD \$10m) and have been progressing well. The Company is in discussion with a number of groups, some more advanced than others. These include institutions with a focus on infrastructure development within Botswana and cleaner energy groups looking to see a move away from traditional coal fired generation.

Discussions with Botswana Development Corporation (BDC) have been ongoing for several months. The Company understands that BDC is seeking internal investment approval and the Company continues to work with BDC to successfully conclude a funding proposal that fits within BDC's investment parameters.



In addition, the Company has recently received an indicative term sheet for transmission line and transformer funding from a new potential financier. The Company will assess this offer alongside other potential financiers to evaluate the best possible option and funding partner going forward.

Ministerial Site Visit

The Company were delighted to welcome Honourable Minister Lefoko Moagi, Minister of Mineral Resources Green Technology and Energy Security (MMGE) and his team to the Lesedi project. Honourable Minister Moagi has been a long-term supporter of Tlou's project and again reiterated his support during his visit.

Tlou Energy Limited would like to sincerely thank Honourable Minister Moagi for taking the time to visit the Company's operations and for the continued support that we receive from the Ministry.

Further detail of the visit is available on the Company's website: <http://tlouenergy.com/presentations>

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.

By Authority of the Board of Directors

Mr Anthony Gilby
Managing Director

For further information regarding this announcement please contact:

Tlou Energy Limited	+61 7 3012 9793
Tony Gilby, Managing Director	
Solomon Rowland, General Manager	
Grant Thornton (Nominated Adviser)	+44 (0)20 7383 5100
Colin Aaronson, Harrison Clarke, Samantha Harrison, Seamus Fricker	
Shore Capital (Broker)	+44 (0) 207 408 4090
Jerry Keen, Toby Gibbs, John More	

Company Information

Tlou Energy is focused on delivering Power solutions to Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is currently developing projects using gas and plans to combine this with solar power to provide a cleaner base load power source.



Botswana has a significant energy shortage and generally relies on imported power and diesel generation to fulfil its power requirements. Tlou's Lesedi power project provides investors with access to a compelling opportunity to displace expensive, carbon intensive diesel and imported coal-fired electricity with a more environmentally friendly alternative.

In addition to plans for cleaner energy, the Company is also committed to developing community projects in Botswana adding real value to peoples' lives in a region with sparse services and where few opportunities exist for the local population. The Company aims to assist communities to become self-sustaining, develop business opportunities, improve access to education and create opportunities for self-employment and wealth creation.

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.

The project is significantly de-risked. The Company produced its first gas in 2014, has a Mining (or development) Licence valid to 2042 and 10 Prospecting (or exploration) Licences. The Company's project acreage covers a vast area spanning approximately 9,300 Km² in total.

Tlou's 'Lesedi' and 'Mamba' projects already benefit from significant independently certified 2P gas Reserves of ~41 Billion Cubic Feet (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 power project. Following successful implementation of this first scalable project, the Company looks forward to evaluating longer-term prospects for the delivery of additional electricity to Botswana and to neighbouring countries.

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. Tlou Energy Limited undertakes no obligation to update any forward-looking statements.