

TLOU ENERGY LIMITED**18 March 2019**

Tlou Energy Limited
("Tlou" or "the Company")**Field Operations Update**

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 provide an update on the status of field operations at the Lesedi CBM Project ("Lesedi") in Botswana.

Highlights

- The two development pods (comprising three wells in each pod) have been completed and are de-watering prior to controlled gas being produced;
- Strong gas indications were observed while drilling and initial water flow is similarly very encouraging;
- All wells in the current program have now been drilled with expenditure to date in line with budget.

Field Operations

Tlou Energy has drilled all six wells which comprise the Lesedi 3 and Lesedi 4 development pods (each pod comprising one vertical production well and two lateral wells) as part of the recent field drilling program. The drilling program was carried out efficiently and safely as a result of the excellent work of the field personnel. The Lesedi 3 and 4 development pods are located adjacent to the Company's proposed central gas gathering and power generation facility. This is in a geological region that has intersected a gassier trend based on an extensive geological review of the sub-surface using all available geological and production data to date.*

Prior to starting the program, the Company purchased a significant amount of drilling equipment which enabled Tlou to control costs and timing of the program. The net result is that the drilling program was completed on time and in line with budget. This is a significant achievement and demonstrates the Company's ability to deliver a cost effective and timely program in the Kalahari Desert.

Very importantly, when the lateral wells intersected the vertical production wells, a significant amount of gas was observed bubbling from the production wells. This occurred on both the Lesedi 3P and 4P intersects but particularly on Lesedi 4P. In the Lesedi 4 development pod, the Company targeted the upper portion of the coal seam. This may be very significant for future drilling campaigns and, when

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combined with recently evaluated structural trends, may provide the key to unlocking significant amounts of new gas reserves.

Tony Gilby, Tlou's Managing Director, said "I am very encouraged by the recently completed drilling program and in particular the strong gas indications observed to date. Furthermore, the good initial water flow, which is higher than that previously observed at Selemo, is potentially indicative of good permeability and therefore potentially good gas flows in this geologically high-graded area. Completing the wells in a timely manner and on budget was a great effort by the field staff and they are to be commended for their achievements."

The wells will continue to de-water over the coming weeks with first indications of controlled gas pressure increasing anticipated in 2Q19.

For further information regarding this announcement please contact:

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***Competent Person's Statement**

Statements in this announcement have been compiled from data provided by Tlou Energy Exploration Advisor, Mr. Carl D'Silva. Mr. D'Silva qualifications include a Bachelor of Science (Applied Geology) from the University of Technology, Sydney and he is an active member of AAPG and PESA. Mr. D'Silva has over 20 years of relevant experience in both conventional and unconventional petroleum exploration in Australia and various international hydrocarbon basins. Mr. D'Silva has sufficient experience that is relevant to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules 5.11. Mr. D'Silva consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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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 in a Mining Licence and nine Prospecting Licences covering an area of ~8,300 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 ~3,044 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.

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Lesedi and Mamba CBM Project permits and surrounding power infrastructure

