

**20 November 2018**

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

**Operations Update – Excellent Progress at Lesedi**

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Tlou Energy Limited, the ASX, AIM and BSE listed company focused on developing gas-to-power projects in southern Africa using coal bed methane ("CBM") natural gas from its field in Botswana, is pleased to provide an update on drilling operations at the Lesedi CBM Project.

**Key Points:**

- **Drilling at the Lesedi CBM Project is making excellent progress and is on budget;**
- **The second vertical well in the program 'Lesedi 4P' has been drilled and reached a total depth of 577m having encountered a very good target coal horizon;**
- **Top-hole drilling has been completed at the third vertical well 'Lesedi 5P';**
- **Top-hole drilling is progressing at the first lateral well 'Lesedi 3A'.**

**Update of Drilling operations**

Tlou Energy Limited is currently drilling pilot production wells at the Lesedi CBM Project ('Lesedi') in Botswana. If successful, these wells will form part of the Company's initial gas-to-power project which will include installation of transmission lines and grid connection. The wells are located in close proximity to the Company's planned central processing facility.

The wells will be drilled as 'dual lateral pods', comprising a single vertical production well, intersected by two lateral (or horizontal) wells. The lateral wells will be 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.

Up to three pods are planned. 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' and pod three is designated 'Lesedi 5'. Vertical production wells Lesedi 3P and Lesedi 4P have been completed. The Lesedi 5P top-hole section has also been drilled. This pod will be completed subject to results from Lesedi 3 and 4 in order to retain optionality. Following completion of the top-hole section of Lesedi 5P, drilling of the top-hole section of lateral well Lesedi 3A commenced.

The drilling program will continue over the coming weeks and into early 2019. Once all six wells for pods one and two have been drilled, these pods will be completed using a separate workover rig and

surface production facilities will be installed. The wells will then begin production testing to de-water and lower the pressure in the coal seam to achieve gas flow. The Company will provide further updates as the drilling program progresses.

## Other

In October 2018 the Company submitted a response to a 100MW CBM Request for Proposal from the Government of Botswana, as outlined in the market announcement on 10 October 2018. The Company is awaiting feedback in relation to this and looks forward to providing an update to the market as soon as possible.

The information communicated 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.



*Drilling Operations at Tlou Energy's Lesedi CBM Project, Botswana – November 2018*

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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 expensive 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, holds a Mining Licence and nine Prospecting Licences, covering an area of ~8,300Km<sup>2</sup> in total. The Lesedi and Mamba Projects already benefits from significant independently certified Contingent Gas Resources of ~3 trillion cubic feet (3C) and independently certified Gas Reserves of 41 billion cubic feet (2C) and ~426 billion cubic feet (3P).

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.

**Lesedi and Mamba CBM Project permits and surrounding power infrastructure, Botswana**

