

TLOU ENERGY LIMITED**19 June 2019**

Tlou Energy Limited
("Tlou" or "the Company")**Project Development Update**

Tlou Energy Limited is pleased to announce that the Lesedi 3 production pod has successfully reached Critical Desorption Pressure ("CDP"). CDP is the pressure that gas begins to come out of the coal after a careful dewatering process.

Highlights

- Lesedi 3 has reached CDP
- Lesedi 4 continues to be carefully dewatered in a consistent and controlled manner

Tlou's Managing Director, Mr Tony Gilby commented, "Since the commencement of production testing, the dewatering process at Lesedi 3 and Lesedi 4 has steadily progressed with CDP recently being reached at Lesedi 3. The primary objective remains to demonstrate a commercial gas flow rate."

Production Update

Lesedi 3, the first dual lateral production pod completed earlier this year, has reached Critical (gas) Desorption Pressure (CDP) in the horizontal well bores. Reaching CDP is a positive milestone in the operation and means that as a result of a careful and successful dewatering process to date, gas begins to come out of the coal.

The next stage of the operation at Lesedi 3 involves continued water pumping which should see gas pressure steadily increase inside the casing to an optimal point so that flow testing and flaring of the gas can begin.

Lesedi 4 (the second pod drilled and completed) continues to be carefully dewatered. Water is continuing to be drawn down in a controlled manner as planned.

Further updates on progress at Lesedi 3 and 4 will be provided in due course.

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.

TLOU ENERGY LIMITED

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 |
| Samantha Harrison, Colin Aaronson, Harrison Clarke, Seamus Fricker | |
| | |
| Shore Capital (Broker) | +44 (0) 207 408 4090 |
| Jerry Keen, Toby Gibbs, Mark Percy | |
| | |
| FlowComms Limited (Investor Relations) | +44 (0) 7891 677 441 |
| Sasha Sethi | |

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 electricity.

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 over its Mining Licence and ten Prospecting Licences covering an area of ~9,300 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 ~3,043 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.

TLOU ENERGY LIMITED



TLOU ENERGY

