



6 November 2023

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

A\$3m Loan Agreement Secured

Key points

- **Tlou has secured an additional A\$3m loan from entities associated with Dr Ian Campbell**
- **Interest rate of 10% per annum**
- **The new loan is unsecured and is repayable on the earlier of 3 years or 60 days after generation of first electricity from the Company's Lesedi project in Botswana**
- **The existing loan is to be extended and have the same terms as the new loan**
- **Subject to shareholder approval, the loan (and existing loans) will be convertible into shares at 3.5 cents**

Background - new loan

ILC Investments Pty Ltd ("ILC") has provided a A\$2m loan to the Company (the "Existing Loan") as announced on 2 May 2023. In that announcement, it was noted that the lender, ILC (Tlou's largest shareholder) was willing to continue providing funding support to assist the Company to reach its goal of connecting to the Botswana power grid and earning first revenue through the sale of electricity in Botswana.

Terms of new loan

An entity related to ILC, ILC BC Pty Ltd ACN 137 272 596 (**ILCB**), has entered into an unsecured loan agreement (the "**New Loan**") with Tlou for provision of a new A\$1 million unsecured loan to the Company. Interest will be charged at 10% per annum and payable at the end of the term along with the principal, being the earlier of 3 years or 60 days after the date the Company first generates and supplies electricity into the grid from its Lesedi project in Botswana.

At any time during the term, subject to shareholder approval, the lender may elect to convert the whole or part of the New Loan into shares in the Company at A3.5 cents per share.

Extension to and conversion of existing loan

ILC has agreed to advance an additional A\$2 million under the Existing Loan on the same terms as originally announced on 2 May 2023, provided that subject to shareholder approval, the balance of the extended Existing Loan may also be converted into shares on the same terms as the New Loan. The Existing Loan principal, and any

interest due, will also be payable at the end of the term, being the earlier of 3 years or 60 days after the date the Company first generates and supplies electricity into the grid from its Lesedi project in Botswana.

Shareholder approval

The Company is required under the Loan Agreements to seek approval of its shareholders pursuant to the Listing Rules for conversion of the Loans, in relation to which the Company will seek a waiver from the ASX of the application of Listing Rule 10.13.5 to permit convertibility of the Loans and the consequent issues of shares no later than 1 month after shareholder approval is granted. The Company will be calling a general meeting for that purpose.

Any approval required under Chapter 6 of the Corporations Act for conversion of a loan or part thereof will be sought in future at the material time, if needed.

Use of funds

Tlou anticipates to draw down the extension of the Existing Loan and the New Loan in full today. Funds are proposed to be used to further Tlou's operations in Botswana and provide additional working capital.

Taking into account the full drawdowns, the outstanding balance of loans owing to ILC and ILCB is A\$5 million plus interest.

Related Party Transaction

By virtue of the direct shareholding held by ILC in the Company and its relationship to ILCB, the extension of and changes to the terms of the Existing Loan and the New Loan constitute related party transactions pursuant to Rule 13 of the AIM Rules for Companies. The directors of the Company, having consulted with the Company's nominated adviser, Grant Thornton UK LLP, consider that the extension of and changes to the terms of the Existing Loan and terms of the New Loan are fair and reasonable insofar as the Company's shareholders are concerned.

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 and ancillary 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 project. 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.