

TLOU ENERGY LIMITED**9 March 2017**

Tlou Energy Limited
("Tlou" or "the Company")
Results of SRK Aeromagnetic Data Report

Tlou Energy Limited, the AIM and ASX listed company focused on delivering power in Botswana and southern Africa through the development of coal bed methane ("CBM") from its Lesedi Project is pleased to announce the results of a report completed by SRK Consulting (Australasia) Pty Ltd ("SRK") on existing Aeromagnetic data which has provided critical data for future Reserves assessments and field development.

Aeromagnetic report received from SRK

Tlou engaged SRK to undertake re-processing and re-interpretation of aeromagnetic geophysical data over the Company's Lesedi and Mamba Projects in Botswana. This has resulted in a series of new geophysical images for the projects.

The purpose of this work was to provide an updated geological/structural model of the Tlou Project areas and support future gas Reserve assessments. This geological work is extremely important as it is increasing Tlou's knowledge of the CBM properties of the Lesedi and Mamba project areas and will provide important inputs to future Reserves assessments and field development.

A structural interpretation has been made and depth to basement mapping undertaken. The key conclusions are:

- The local structure is characterised by the presence of highly magnetic sills and dykes composed mainly of dolerite.
- Although these intrusive bodies have been intersected in many wells, they have minimal negative impact on gas production or coal continuity;
- The observed local structure conforms to the trends in aeromagnetic geophysical images;
- Coal continuity and occurrence will be clarified by the acquisition of new 2D seismic data; and
- The integration of new 2D seismic data and selected core-holes with the current reprocessed aeromagnetic dataset will provide the potential to further clarify structural trends as well as constrain coal seam continuity and quality variations.

Updated project montages have been included as an appendix to this announcement, and are available on the Company's website at <http://tlouenergy.com/investor-centre>.

TLOU ENERGY LIMITED**Further Information on the Lesedi CBM Project**

The Lesedi project consists of five CBM prospecting licences in Botswana covering an area of approximately 3,800km². Lesedi is the most advanced CBM project in Botswana and has independently-certified gas reserves and significant contingent gas resources of ~3.2 trillion cubic feet (3C).

In December 2016 Tlou received a request for proposal from the Botswanan Government to provide up to 100 MW of CBM power from its Lesedi project. This follows the Government's announcement in June 2016 that the delivery of 100 MW of CBM power be incorporated into its future generation supply plans.

As announced on 27 February 2017, Tlou signed a Heads of Agreement ("Agreement") with Independent Power Corporation PLC ("IPC") to jointly develop Tlou's proposed (up to) 100 MW CBM to power project ("IPP Project"). Tlou has summarised below the key benefits of this Agreement to the Company:

- IPC is an experienced power station developer and will internally prepare the detailed feasibility study (at their cost) to support the RFP tender submission to the Botswana Government for the initial 10 MW project and larger (up to) 100 MW project;
- IPC will fund 50% of external costs required to prepare the feasibility and RFP tender (capped at US\$200,000);
- Tlou and IPC will jointly submit the RFP tender as co-sponsors of the IPP Project (this relationship is not related to the ultimate IPP Project ownership);
- IPC have introduced funding partners who have provided letters of interest for in-principle funding support for the downstream infrastructure requirements of the IPP Project;
- In effect, IPC and its funding partners plan to facilitate the building and funding of the necessary power generation and network access assets, enabling Tlou to commercialise its vast gas resources;
- Following execution of all necessary IPP contracts, IPC will project manage the installation of the downstream components of the project, and may operate these assets for a period of time prior to handover to the assets owners. IPC will be remunerated for these services under contract (to be agreed) by the asset owners;
- Tlou retains 100% of the Lesedi CBM Project, including current and future gas Reserves;
- Tlou plans to fund and develop the gas field once appropriate offtake agreements are in place; and
- Tlou also has retained the right to be a meaningful equity participant (up to 50%) in the power generation assets.

Tlou believes the agreement with IPC is a major step forward in commercialising its gas resources with highly experienced power developers, funding groups and equipment suppliers.

TLOU ENERGY LIMITED**TLOU ENERGY**

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TLOU ENERGY LIMITED**Company Information**

Tlou Energy is an AIM and ASX listed company focused on delivering power in Botswana through the development of coal bed methane ('CBM') projects. Botswana has a severe energy shortage and is currently relying on expensive imported power and diesel generation to deliver its requirements. However, as the 100% owners of the most advanced gas project in the country, the Lesedi CBM Project, Tlou Energy provides investors with access to a compelling immediate and longer term opportunity using domestic gas to produce power and displace the expensive diesel and import market.

The Company is led by an experienced Board, management and advisory team including individuals with successful track records in the Australian CBM industry.

Since establishment in 2009 the Company has significantly de-risked the project in consideration of its goal to become a significant gas to power producer. The Company has the most advanced CBM project in Botswana and flared its first gas in 2014. It holds 10 Prospecting Licences covering an area of ~8,300Km² and the Lesedi Project already benefits from significant, independently certified Contingent Gas Resources of ~3.2 trillion cubic feet (3C) and independently certified Gas Reserves.

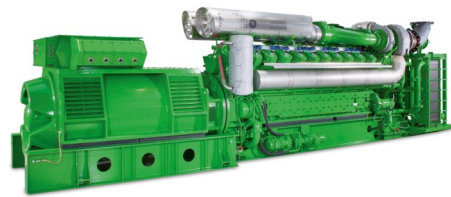
The Company is planning an initial scalable gas-to-power project in Botswana. Following successful implementation of this first scalable project, the Company plans to expand to provide further power to Botswana and the southern African region.



Extracting Clean Gas from Coal Without Fracking

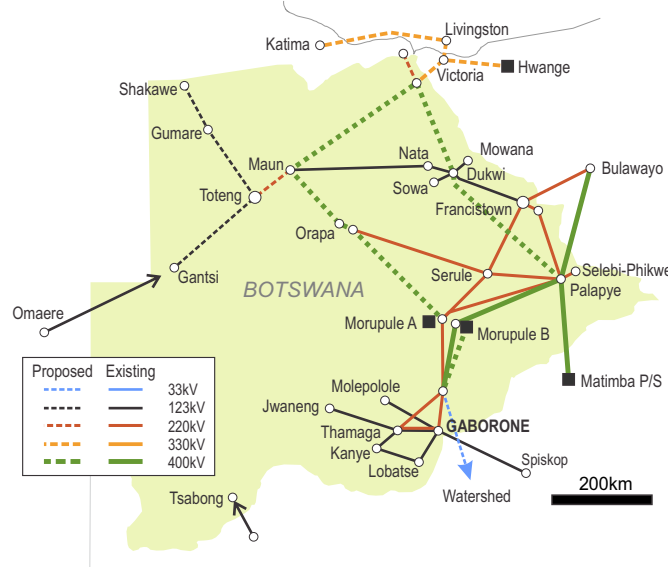


Selemo 1P 2016

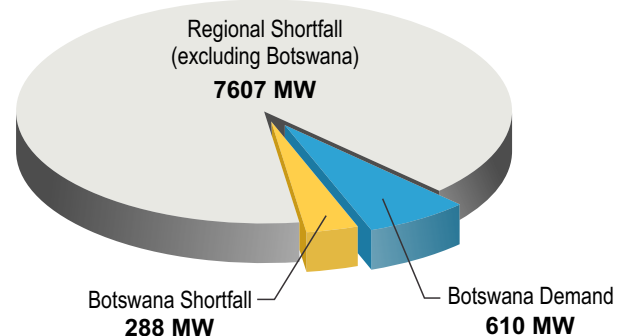


GE Jenbacher "J Series" Generator

Transmission Development Plan

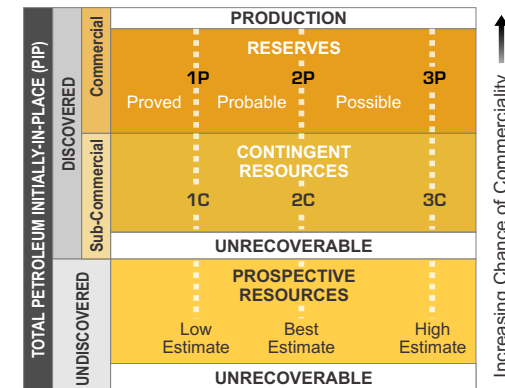


Southern African Power Pool Electricity Shortfall

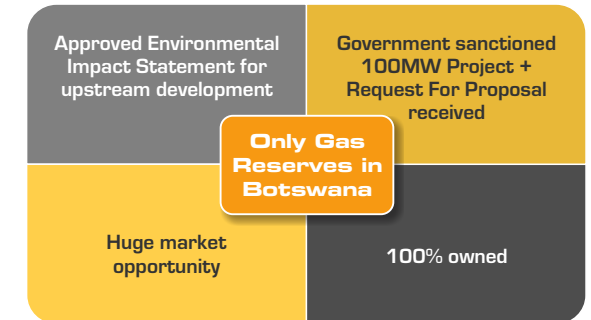


Gas Reserves & Resources

Project	Tlou Interest	1P (BCF)	2P (BCF)	3P (BCF)	1C (BCF)	2C (BCF)	3C (BCF)	Gas Prospective Resource (BCF)
Lesedi and Mamba (all coal seams)	100%	0.17	3.9	261.1	4.3	235	3,183	8,596



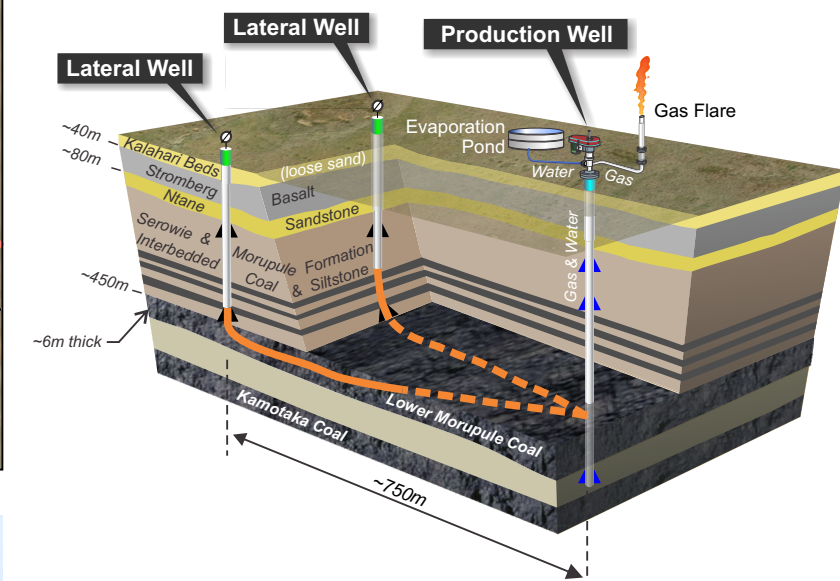
INVESTMENT CASE



BOTSWANA FACTS

- Country about twice the size of UK & independent since 1966
- Approximately 2 million people. English law.
- Diamonds main export earner (~US\$6 billion/year)
- High foreign currency reserves
- Lowest corruption index in Africa
- Acute electrical energy shortfall
- Coal 8-10 USc/kWh; CSTP (solar) 20-25 USc/kWh (BPC)
- Diesel and imported power >25 USc/kWh

Dual Lateral Production Pod



TLOU CORPORATE

- Dual listed ASX/AIM (TOU/TLOU)
- AIM liquidity ~1.5m shares/day
- ~237m shares, ~2m options & ~5m rights
- A\$2.4m cash (31 December 2016)
- No debt
- Market Cap ~A\$30m / £18m (31 December 2016)



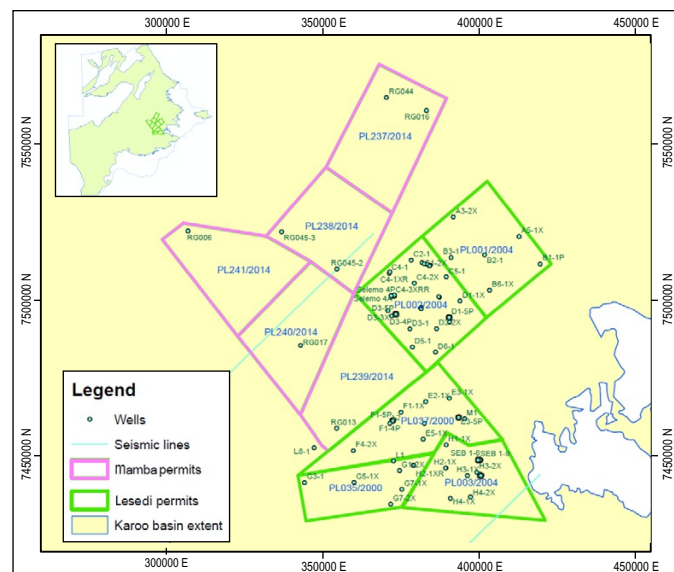
Government Selemo site visit - May 2015



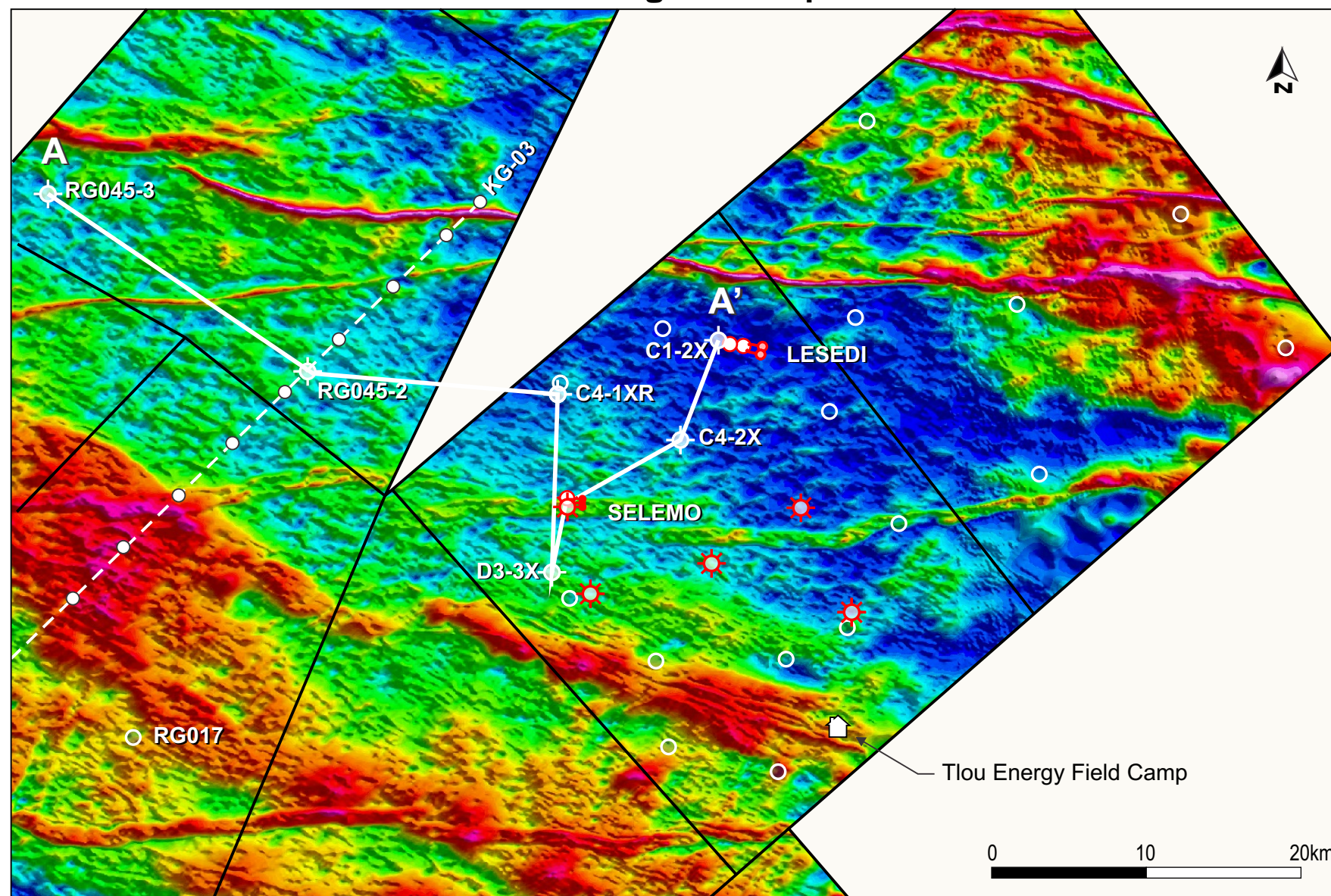
Typical Tlou surface completion

Botswana CBM Project - Technical

Sub-Surface Control



Aeromagnetic Map



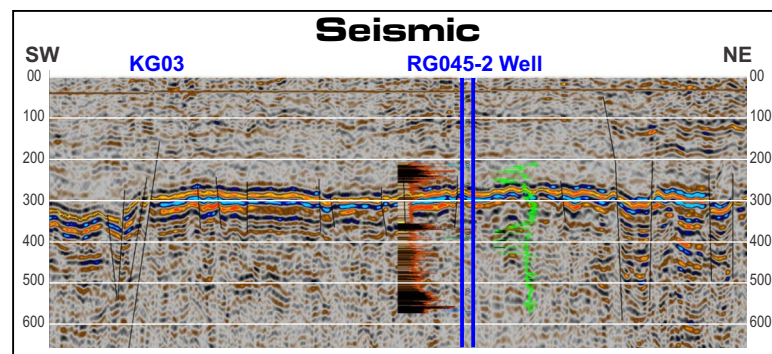
Core-Hole Evaluation

Well Name		Wellsite Evaluation						Specialist Laboratory Analysis									
		Total Depth	Metres of core cut	Wireline Logging	Stratigraphic Core Logging	Drill Seam testing	Acoustic Borehole Imaging	Gas Description	Gas Composition	Proximate	Relative Density	Cationic Value	Adsorption Isotherm	Maceral	Vitrite Reflectance	Helium Pycnometry	Sandstone Poro - Perm
C1-2X	Botswana CBM Project	479.0	52.1	●	●		●	●	●	●				●	●	●	●
C4-2X		575.3	163.5	●	●		●	●	●	●				●	●	●	●
D3-3X		577.4	189.3	●	●		●	●	●	●				●	●	●	●
H3-1X		605.7	309.0	●	●	●	●	●	●	●				●	●	●	●
D2-1XR		530.7	200.7	●	●		●	●	●	●	●	●		●	●	●	●
B6-1X		479.8	175.2	●	●	●	●	●	●	●	●			●	●	●	●
C1-2X		575.3	163.5	●	●		●	●	●	●	●			●	●	●	●
G5-1X		692.4	234.9	●	●		●	●	●	●	●			●	●	●	●
A3-2X		556.3	126.6	●	●		●	●	●	●	●			●	●	●	●
A5-1X		265.4	45.8				●	●	●	●	●			●	●	●	●
C4-1XR		592.2	322.5	●				●	●	●	●			●	●	●	●
C4-3XRR		566.5	225.0	●	●		●	●	●	●	●			●	●	●	●
F1-1X		613.7	232.4	●	●		●	●	●	●	●			●	●	●	●
H3-2X		659.5	383.8	●				●	●	●	●			●	●	●	●
L2	635.0	+18					●	●	●	●							
M1	393.0	+35			●		●	●	●	●		●					

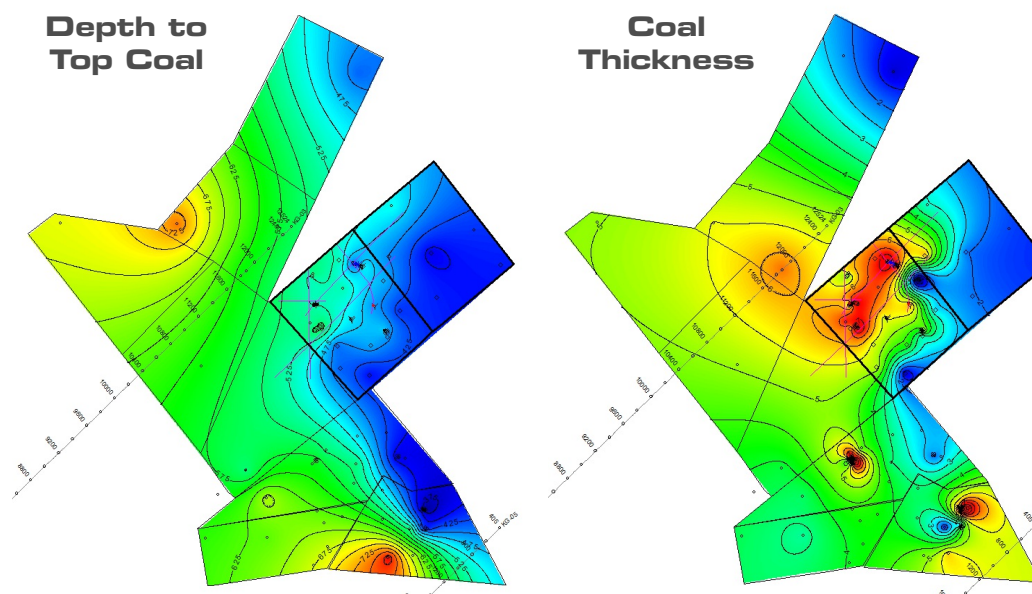
Lower Morupule Seam

Coal Depth	average ~450m (~350 - 800m)
Coal Thickness	~5.5 - 7.2m
Coal gas contact	~6cc/g (daf)
Permeability (Selemo)	~5 mD
Gas Composition (Selemo)	~85% methane

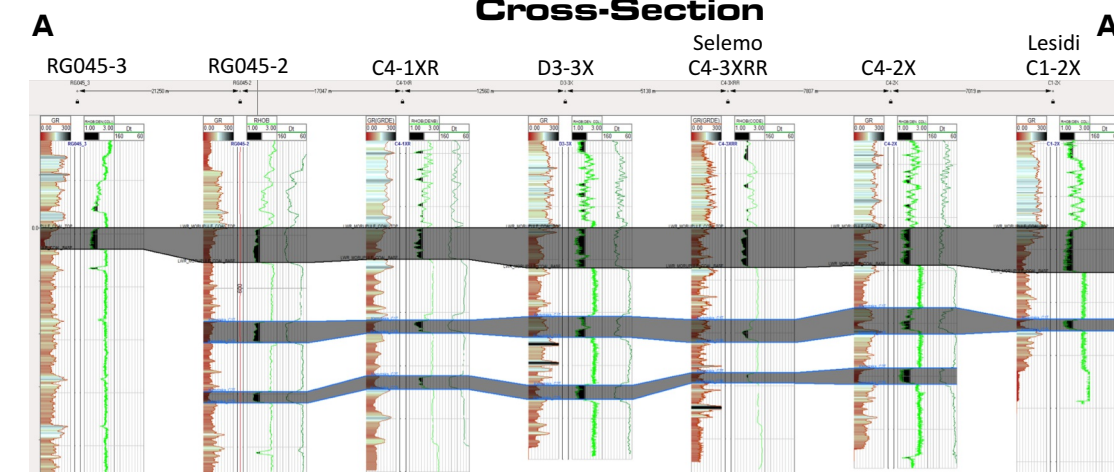
Seismic



Lower Morupule



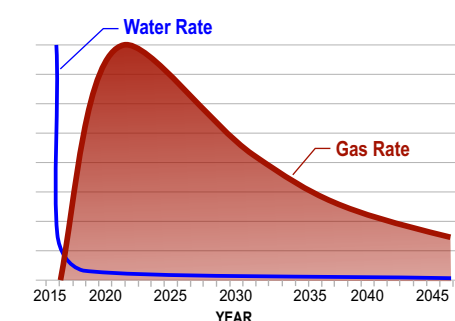
Cross-Section



Stratigraphy

Formation			Description
	Kalahari Beds		Loose desert sands
	Stormberg Basalt		Late Triassic-Early Jurassic. Commonly referred to as 'Basalt'
	Ntane Fm		Main aquifer in the basin. Cleanest sandstone lies directly underneath the basalt and becomes more silty at depth.
	Mosolotsane Fm		
	Thabald Fm		
Ecca Group	Tiapana Fm	Serowe	The uppermost of the coal formations
		Morupule	The middle of the three coal formations. The thickest and most laterally continuous. The main CBM coal target is at the very base of the Morupule Formation.
	Mea Fm	Kamotaka	The deepest of the three coal formations. Gross thickness can vary.

Modelled Tlou Gas Production Profile Over Time (Long Well Life)



Plan View of Selemo Wells

