

**TLOU ENERGY LIMITED****24 March 2017**

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**Tlou Energy Limited****("Tlou" or "the Company")****Tlou completes equity placement to raise A\$5.2 million (£3.1 million) and announces a Share Purchase Plan to Australian registered shareholders****Key Points:**

- Placement completed raising A\$5.2 million (£3.1 million) which was well supported by new investors and existing shareholders;
- Funding will be used to undertake additional field appraisal to expand Tlou's independent gas Reserves and to finalise licencing requirements prior to development of the Lesedi CBM Project; and
- Eligible shareholders on the Australian register on 24 March 2017 are invited to participate in a Share Purchase Plan to acquire up to A\$15,000 per applicant.

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') projects, is pleased to announce the successful completion of a A\$5.2 million (approximately £3.1 million) placement of new ordinary shares ('Placement').

**Placement**

The Placement comprises the issue of 51,788,334 new ordinary shares (representing 17.9% of enlarged share capital) at an issue price of A\$0.10 or £0.06 per share to sophisticated and professional investors in Australia and the United Kingdom. The Placement shares will rank equally with Tlou's existing shares on issue.

The proceeds of the Placement, along with existing cash, will be applied by Tlou for the following:

- acquisition and interpretation of new 2D seismic data in areas considered to be highly prospective for additional Reserves by Tlou's reserve certifiers;
- drilling a limited number of vertical (cored) wells along the new seismic lines (with geophysical logging and coal core gas sampling) to a depth of approximately 500 metres;
- completing various studies (upstream and downstream) required for the submission of the mining licence application and tender for the Botswana Government's 100 MW CBM pilot project;

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- on-going production testing at Selemo, including installing gas engines to run the pumps on the existing wells;
- costs of the Placement; and
- working capital for its Lesedi CBM Project and corporate costs.

The objective of the work program above is to expand the Company's independently certified gas Reserves and complete the licencing requirements prior to commencing development of the Lesedi CBM Project.

The Placement price represents a discount range of 12% - 19% to the 10-day volume weighted average price for Tlou's shares traded on the ASX and AIM markets.

The Placement shares will be issued within Tlou's existing placement capacity and as such, shareholder approval will not be required.

Application will be made for the admission of the Placement Shares to trading on ASX and AIM, with admission to trading on AIM expected to occur at 8.00 a.m. on 7 April 2017 (London time) and ASX quotation on 6 April 2017. The timetable for the Placement is set out in further detail on the following page.

**Tlou's Managing Director, Mr Tony Gilby commented,** "This Placement along with the recently announced agreement with Independent Power Corporation PLC provides significant momentum for Tlou to progress the upstream (gas field) and downstream (power and transmission) components of the Lesedi CBM Project with the objective of supplying the first gas-fired power in Botswana. We were very pleased with the introduction of a number of new investors to the Company along with continued support from existing shareholders in Australia and the UK".

The Placement was managed by Shore Capital Stockbrokers Limited and Optiva Securities Limited in the United Kingdom and Taylor Collison Limited in Australia.

Following Admission of the Placement Shares, the total number of voting rights of the Company's ordinary shares will be 288,986,573. This figure of 288,986,573 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

**TLOU ENERGY LIMITED****Share Purchase Plan**

Tlou is offering existing eligible shareholders the opportunity to participate in a Share Purchase Plan ("SPP") to raise up to a further A\$2 million at the same issue price as the Placement. Funds raised from the SPP will be applied to working capital and Lesedi work program costs.

Eligible shareholders recorded on the Australian register at 7.00pm (AEDT) on 24 March 2017 with a registered address in Australia, New Zealand or United Kingdom will be entitled to apply for new shares with a minimum investment of A\$1,000 and up to a maximum investment of A\$15,000 free of brokerage and other related transaction costs.

Participation in the SPP is entirely optional and is open to eligible shareholders other than shareholders who have registered addresses in countries outside Australia where regulatory requirements make participation by the shareholder unlawful or impracticable. The Directors have determined that shareholders whose registered addresses are outside Australia, New Zealand or United Kingdom and the holders of Depository Interests will be unable to participate in the SPP.

The Company will apply for quotation of the new SPP Shares on ASX and AIM, which will rank equally in all respects with existing Tlou fully paid ordinary shares.

Tlou may, in its absolute discretion, allocate less than the number of shares applied for and determine to apply the scale back to the extent and in the manner that it sees fit. Any unallocated funds will be returned to applicants without interest in this case.

**ASX Trading Halt**

The Company entered into a trading halt prior to the commencement of trading on the ASX on 24 March 2017 pending announcement of the Placement. Trading of the shares of the Company is expected to re-commence on ASX prior to 10.00am AEDT on Monday, 27 March 2017.

**Timetable**

The Placement and indicative SPP timetable is shown below. An SPP Offer Booklet and Acceptance Form will be sent to eligible shareholders on 28 March 2017.

Record Date for participation in the SPP (7.00pm AEDT)	24 March 2017
SPP offer to eligible shareholders opens	28 March 2017
Settlement of Placement shares on ASX via DvP on CHESS	3 April 2017
Settlement of Placement shares on AIM via CREST	7 April 2017
SPP offer closes (unless extended by the Company)	13 April 2017
Allotment and quotation of new shares under the SPP	20 April 2017

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Dispatch of holding statements for SPP shares

21 April 2017

*The above timetable is indicative only and subject to change. Tlou reserves the right to extend the closing date for the SPP, to accept late applications or to withdraw the SPP without prior notice. The commencement of quotation of new Shares is subject to confirmation from the ASX.*

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.

For further information regarding this announcement please contact:

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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 ~8,300Km<sup>2</sup> 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.