

TLOU ENERGY LIMITED



3 July 2017

Tlou Energy Limited

("Tlou" or "the Company")

Mining Licence Application Lodged and RFP Closing Date Extension

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"), has lodged a Mining Licence Application for the Lesedi CBM project with Botswana's Department of Mines in the Ministry of Mineral Resources, Green Technology and Energy Security ("the Ministry").

Key points

- **Tlou lodges Mining Licence Application for the Lesedi CBM project with the Ministry**
- **The Ministry has indicated it will extend the closing date of the Request for Proposal ("RFP") for the development of up to 100MW of CBM Power as it is yet to release some supporting documentation**

Tlou's Managing Director Tony Gilby said, *"The Mining Licence for the Lesedi CBM Project is the first application of its kind to be lodged in Botswana. The award of the Mining Licence will be another milestone for the Company which further enhances the first mover advantage we have to develop a Gas-to-Power project in the country. The issue of a Mining Licence will pioneer the development of a new and exciting natural CBM gas industry in Botswana, an industry that will lead to a new indigenous source of energy and employment for the country. Over time it will potentially allow new manufacturing industries to develop using Botswana CBM gas and facilitate the creation of a new renewable energy industry. This is due to gas being a relatively clean and cost-effective way to provide peaking power to complement the often-intermittent nature of renewable energy. I would like to thank the team at Tlou and our consultants for putting together such a comprehensive application and look forward to the Ministry's assessment of the application in due course".*

In Botswana, holders of Prospecting Licences ("PL") are issued Mining Licences once exploration on a relevant Prospecting Licence has been concluded and the holder of the Prospecting Licence is ready to commence commercial production. Mining licences are assessed in accordance with the prescribed statutory requirements of the Botswana Mines and Minerals Act. Two major components of a Mining licence application are an approved EIA (granted for the Lesedi Project in September 2016) and a feasibility study for the relevant project.

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Some of the benefits of a Prospecting Licence being converted into a Mining Licence include:

1. **Tenure:** The permit being converted from a short-term Prospecting Licence tenure (2-3 years) to a longer term tenure (20 plus years).
2. **Commercial rights:** A Mining Licence affords the holder the legal right to sell the resource for which the licence has been granted. The granting of a Mining Licence is therefore a pre-requisite to commercialising a gas resource.

Request for Proposal for CBM Power Project

Tlou has received confirmation from the Ministry that they intend issuing an addendum to the Request for Proposal ("RFP") for the development of up to 100MW of CBM Power and a new closing date will be advised in due course.

Tlou received a Request for Proposal from the Government of Botswana for the development of up to 100MW of power using CBM in January 2017. The proposal, which will include a power purchase agreement, will assist in the development of a CBM gas industry in the country and create a new market for Tlou's independently-certified gas reserves and significant contingent gas resources of ~3.2 trillion cubic feet (3C). The RFP requires details of the proposed field development, the installation of power generation facilities and supply of power into the grid in Botswana.

The RFP originally outlined that a number of supporting documents would be released to bidders at a later date and that the closing date for submissions would be 12 July 2017. As some of the supporting documentation has not yet been released, the Ministry has indicated that they will allow further time beyond the original closing date for submissions to be completed. The Ministry has not yet confirmed a new closing date.

The Company has completed a significant portion of the work required based on the documentation received to date and will aim to get the proposal submitted as soon as possible once the supporting documents are received. As a result, we do not currently envisage any changes to our potential project timelines.

For further information regarding this announcement please contact:

Tlou Energy Limited	+61 7 3012 9793
Tony Gilby, Managing Director	
Solomon Rowland, Company Secretary	

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Grant Thornton (Nominated Adviser)	+44 (0)20 7383 5100
Samantha Harrison, Colin Aaronson, Harrison Clarke	
Shore Capital (Joint Broker)	+44 (0) 207 408 4090
Jerry Keen, Mark Percy, Toby Gibbs	
Optiva Securities Limited (Joint Broker)	+44 (0)20 3137 1904
Jeremy King, Christian Dennis	
St Brides Partners Limited (Public Relations)	+44 (0) 20 7236 1177
Lottie Brocklehurst, Megan Dennison	
FlowComms Limited (Investor Relations)	+44 (0) 7891 677 441
Sasha Sethi	

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') gas. 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 expensive diesel and import power 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.

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