

## TLOU ENERGY LIMITED



7 November 2017

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### Tlou Energy Limited

("Tlou" or "the Company")

### Core-hole Drilling and Seismic Survey Update

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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"), is pleased to provide an update on the progress of the 2D seismic program and commencement of core-hole drilling at the Company's Lesedi CBM Project in Botswana.

#### Highlights

- Seismic survey nearing completion with excellent quality data received to date
- Core-hole drilling has commenced following assessment of seismic data
- Seismic and core-hole data aimed at increasing Gas Reserves, Contingent Resources and assisting with initial project development

**Tlou's Managing Director Tony Gilby said,** "The seismic survey is progressing very well and the analysis of the data to date has provided sufficient information for the commencement of core-hole drilling at the Lesedi CBM project. The information from the seismic program along with the core-hole data will be key to the expansion of the Company's existing Gas Reserves and Contingent Resources, which through provision of increased confidence in the project could add significantly to the inherent value of the Company's assets and provide vital data for the commencement of development activities in 2018."

#### *Seismic Survey*

The seismic survey comprises the acquisition of new data over approximately 250km of the Company's CBM acreage. It is being conducted by Velseis Pty Ltd, an Australian seismic acquisition and processing company that provides a fully integrated range of seismic technologies.

The acquisition of data is expected to be completed later this month with final analysis of the data to be prepared thereafter. The acquisition involves specially designed vehicles that are fitted with a vibrating plate which transmits acoustic signals into the ground at specified locations. Data quality to date appears to be excellent with good imaging of the coal target section being achieved.

**TLOU ENERGY LIMITED**

The data is a key input for the Company's Reserve Certifier, SRK Consulting (Australasia) Pty Ltd ("SRK") to gain increased confidence in target coal distribution within Tlou's Lesedi and Mamba permit areas. SRK will use the new seismic data and integrate this with existing aeromagnetic data to provide a clearer picture of the sub-surface geology. The integrated data set will assist in the expansion of Gas Reserves and Contingent Resources and has already identified the first area for core-hole drilling in advance of the first phase of project development.

***Core-hole Drilling***

The Company planned a core-hole drilling program following the acquisition of seismic data from the ongoing seismic survey over the Company's Lesedi and Mamba projects. From the data already acquired, the Company, in consultation with SRK, has been able to identify an ideal location in the Lesedi project area for an initial core-hole, with drilling of this core-hole now in progress. Reasons for the drilling of core-holes include:

- confirmation of the coal quality including gas content;
- provision of further information aimed at expanding the Company's Gas Reserves and Contingent Resources; and
- providing additional data over the areas where initial project development is expected to occur.

Project development is planned to commence in 2018, subject to the results of the Company's application to the Government of Botswana to develop up to 100MW of CBM fuelled power generation.

The information communicated 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.

**\*\*ENDS\*\***

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### 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 imported power.

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 a Mining Licence and nine Prospecting Licences, covering an area of ~8,300Km<sup>2</sup> in total, 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 of ~261 billion cubic feet (3P).

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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