

TLOU ENERGY LIMITED21 November 2017

Tlou Energy Limited**("Tlou" or "the Company")****Tlou secures new Botswana based cornerstone investor subject to listing on the Botswana Stock Exchange**

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 that the Company has entered into conditional subscription agreements with investment funds managed by African Alliance Botswana Limited, a leading asset manager based in Botswana.

Key Points:

- Conditional subscription Agreements signed with Botswana based investment funds managed by African Alliance Botswana Limited ("**African Alliance**"), a leading asset manager in Botswana;
- African Alliance managed funds will subscribe for approximately 21.2 million new ordinary shares in Tlou at a subscription price of P1.56 (approximately £0.11 or A\$0.20)¹ per share, raising P33.0 million (approximately £2.4 million or A\$4.1 million);
- Subscription is conditional on Tlou listing on the Botswana Stock Exchange ("**BSE**"), expected to occur around mid-December 2017.

Tlou's Managing Director, Mr Tony Gilby commented, "Securing African Alliance managed funds as strategic long term and committed local shareholders in Botswana and listing on the BSE is a significant milestone for the Company. Having local shareholders on our register confirms the support for the project from within the Botswana investment community and becoming a Botswana listed entity opens further development funding options to the Company. Tlou is focussed on building a new industry within Botswana, which will create new employment to support local communities."

¹ Pula ("P") is the local currency of Botswana. One Pula is approximately A\$0.1245 or £0.0716 as at 17 November 2017.

TLOU ENERGY LIMITED**Subscription Agreements**

Under the terms of the Subscription Agreements, Tlou will issue approximately 21.2 million new ordinary shares (representing 6.5% of the enlarged share capital of the Company) at an issue price of P1.56 (approximately £0.11 or A\$0.20) per share to a number of investment funds in Botswana managed by African Alliance (the “**Subscription**”). The Subscription shares will rank equally with Tlou’s existing ordinary shares on issue.

The Subscription is conditional on the Company listing on the BSE as the Botswana based investment funds participating in the Subscription have a mandate requirement to invest in BSE listed companies.

The Subscription price represents a discount of approximately 15% to the 10-day volume weighted average price for Tlou’s shares traded on the AIM market prior to signing the Subscription Agreements. The Subscription shares will be issued within Tlou’s existing placement capacity and as such, shareholder approval will not be required.

The proceeds of the Subscription, along with existing cash, will be applied by Tlou to complete the current seismic and core hole appraisal program, commence first phase development dual lateral production pod drilling at the Lesedi project, fund the costs of the BSE listing and Subscription and for working capital purposes.

The key objective of the ongoing appraisal and development program is to expand the gas reserves and contingent resources, thereby adding resource value to the Company, and to commence the first phase of project development early in 2018. This will ensure the Company stays on track with its plan to deliver first power sales in 2019.

Botswana Stock Exchange Listing

As previously noted, the Subscription Agreements are conditional on Tlou listing on the BSE (given the investment mandate requirements of the Botswana based investment managers). Listing on the BSE has a number of advantages for the Company. One of the key advantages is that, as a BSE listed entity, the Company has access to the significant pension investment funds which are available for development of Botswana based projects. This could be invaluable as the Company progresses discussions on financing options for its planned CBM gas to power project.

Tlou plans to submit its application to the Botswana Stock Exchange Committee for listing on the Main Board of the BSE this week. Listing on the BSE is expected to occur by mid-December 2017.

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The Subscription is being managed by Integra Advisory Partners Pty Ltd with Motswedi Securities (Pty) Ltd in Botswana acting as Sponsoring Broker to the Subscription and BSE Listing.

Application will be made by Tlou for the admission of the Subscription Shares to commence trading once the Subscription Agreements have become unconditional. Tlou will provide an update to the market once this occurs and advise the timetable for the planned BSE listing and admission and allotment of the Subscription shares.

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.

****ENDS****

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Company Information

TLOU ENERGY LIMITED

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 ~8,300Km² 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.