



4 February 2019

Mr Solomon Rowland  
Company Secretary  
TLOU Energy Limited  
21 Alice St  
Brisbane, QLD  
4000

By email:

Dear Mr Rowland

**TLOU Energy Limited ('TOU'): Appendix 5B Query**

ASX refers to TOU's Appendix 5B quarterly report for the period ended 31 December 2018 lodged with ASX Market Announcements Platform on 23 January 2019 (the 'Appendix 5B').

ASX notes that TOU has reported:

- negative net operating cash flows for the quarter of \$3,398,000;
- cash at the end of the quarter of \$5,521,000; and
- estimated cash outflows for the next quarter of \$3,327,000.

It is possible to conclude, based on the information in the Appendix 5B that if TOU were to continue to expend cash at the rate indicated by the Appendix 5B, TOU may not have sufficient cash to continue funding its operations.

In view of that, ASX asks TOU to respond separately to each of the following questions and requests for information:

1. Does TOU expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has TOU taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does TOU expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that TOU is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that TOU's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of TOU with delegated authority from the board to respond to ASX on disclosure matters.

**When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEDT Friday, 8 February 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in TOU's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, TOU's obligation is to disclose

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the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1 and Listing Rule 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to TOU’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that TOU’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in TOU’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

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**Alex Sutton**  
Compliance Adviser, Geology, Listings Compliance (Sydney)

Our Ref: Solomon Rowland

5 February 2019

Mr Alex Sutton  
Compliance Adviser  
Geology, Listings Compliance (Sydney)  
By Email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Alex

**RE: Appendix 5B Query**

We refer to your letter to Tlou Energy Limited (ASX:TOU) dated 4 February 2019 and set out our response to each of your questions below, using the same numbering as used in your letter:

**1. Does TOU expect that it will continue to have negative operating cash flows for the time being and, if not, why not?**

*TOU expects to have negative operating cash flows for the coming periods as the company is engaged in gas exploration and early stage development.*

**2. Has TOU taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

*TOU is in discussion with external parties that are considering investing in the company either through equity or debt facilities. These discussions are at an advanced stage and the Company believes that there is a significant likelihood that this investment will be successfully completed in the near term.*

**3. Does TOU expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

*Tou expects to be able to continue its operations and meet its objectives. Operating cash flows have been higher during Q4 2018 and Q1 2019 due to the ongoing drilling program being undertaken by the Company. This work program will be completed in Q1 2019, and thereafter operating cash flows will be significantly reduced.*

**4. Please confirm that TOU is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.**

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*TOU is complying with Listing Rule 3.1 and Directors and management are not aware of any material information that has not already been released to the market.*

**5. Please confirm that TOU's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of TOU with delegated authority from the board to respond to ASX on disclosure matters.**

*The responses above have been authorised by an officer with delegated authority from the Board.*

Yours Faithfully  
**Tlou Energy Limited**

A handwritten signature in blue ink, appearing to read 'Solomon Rowland', is positioned above the printed name and title.

SOLOMON ROWLAND  
Company Secretary  
[Solomon.rowland@tlouenergy.com](mailto:Solomon.rowland@tlouenergy.com)