

TLOU ENERGY LIMITED**22 August 2019****Tlou Energy Limited**
("Tlou" or "the Company")**Lesedi Pods Achieve Sustained Gas Flows**

Tlou Energy Limited, the ASX, AIM and BSE listed company focused on delivering power in Botswana and southern Africa through the development of coal bed methane (CBM) is delighted to announce that sustained gas flow rates have been achieved at both the Lesedi 3 and Lesedi 4 production pods.

Highlights

- Lesedi 3 and 4 have each achieved an initial sustained gas flow of approximately 20 thousand cubic feet per day (Mcf);
- Rates are anticipated to increase steadily, leading to a peak and commercial flow rate;
- First electricity sales are targeted for next year.

Production Update

The Lesedi gas production pods are performing strongly. As planned, water rates in both pods have continued to decline, with both Lesedi 3 and 4 production pods having successfully commenced flowing sustained rates of gas.

Following completion of the first phase of production testing, including initial dewatering, reaching critical gas desorption point and commencing gas production, the pods are now producing sustained gas flows with initial rates of approximately 20 Mcfd from each pod. As with most new CBM developments this rate is anticipated to steadily increase, following further reduction of pressure in the coal and additional dewatering, with the aim to reach a peak and commercial gas flow rate.

Lesedi 4 was drilled approximately one month after the Lesedi 3 pod, with a similar approach taken at both pods to drawdown pressure to allow gas to flow in a controlled manner. The processes being



Lesedi 4P – August 2019

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followed at both Lesedi gas production pods are expected to lead to long-term sustained gas flows which should build further over time.

The Company is very encouraged by production data and well performance to date and look forward to providing further updates in due course.

With CBM projects not yet established in this region, Tlou could pioneer CBM development in the area. Successful results from this project could potentially impact a whole new CBM basin in Botswana and be a significant boost not only for Tlou, but for the whole region, with the potential for Tlou to possibly supply power within Botswana and also into neighbouring countries via the Southern African Power Pool.

Roadmap to First Electricity Sales

The Company is pleased to outline its forward plan which, subject to financing and operational results, targets finalising a Power Purchase Agreement (PPA) and development financing later this year, with first electricity sales potentially in the fourth quarter of next year.

TLOU ENERGY FORWARD PLAN August 2019

3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	Post 4Q20
<ul style="list-style-type: none"> • Gas flows from Lesedi 3P & 4P • Mamba Project drilling 	<ul style="list-style-type: none"> • Finalise PPA • Generation Licence Award • Close development financing from Botswana 	<ul style="list-style-type: none"> • Seismic (~200km) • Reserve upgrade 	<ul style="list-style-type: none"> • Start Poles & Wires • Southern African Power Pool (SAPP) application 	<ul style="list-style-type: none"> • Generators & civils at Central Processing Facility • Boomslang Project EIS approval • Boomslang drilling 	<ul style="list-style-type: none"> • Target first electricity sales • SAPP membership approved 	<ul style="list-style-type: none"> • Expansion to 10MW+

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.

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Company Information

Tlou Energy is focused on delivering Gas-to-Power solutions in Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is developing projects using coal bed methane (CBM) natural gas. Botswana has a significant energy shortage and generally relies on imported power and diesel generation to fulfil its electricity requirements.

As 100% owner of the most advanced gas project in the country, the Lesedi CBM Project, Tlou Energy provides investors with access to a compelling opportunity using domestic gas to produce power and displace expensive diesel and imported electricity.

The Company is listed on the Australian Securities Exchange, London's AIM market and the Botswana Stock Exchange and is led by an experienced Board, management and advisory team including individuals with successful track records in the CBM industry.

Since establishment, the Company has significantly de-risked the project in consideration of its goal to become a significant gas-to-power producer. The Company flared its first gas in 2014 and has a 100% interest over its Mining Licence and ten Prospecting Licences covering an area of ~9,300 Km² in total.

The Lesedi and Mamba Projects already benefit from significant independently certified 2P gas Reserves of ~41 BCF. In addition, 3P gas Reserves of ~427 BCF and Contingent Gas Resources of ~3,043 BCF provide significant additional potential. The Company's newest licence area designated "Boomslang", is situated adjacent to the Company's Lesedi project, and is located on-trend with the results observed to date at the Lesedi project and is considered to be highly prospective.

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The Company is planning an initial scalable gas-to-power project. Following successful implementation of this first scalable project, the Company looks forward to evaluating longer-term prospects for the delivery of electricity generated from CBM in Botswana to neighbouring countries.

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