



# TLOU ENERGY LIMITED

A.B.N 79 136 739 967

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

Thursday 17 October 2019

**Time of Meeting**

10.00am (Brisbane Time)

**Place of Meeting**

BDO

Level 10, 12 Creek Street

Brisbane Qld 4000

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# TLOU ENERGY LIMITED

A.B.N 79 136 739 967

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Tlou Energy Limited A.B.N 79 136 739 967 ("the Company") will be held at the BDO, Level 10, 12 Creek Street, Brisbane Qld 4000 on Thursday 17 October 2019 at 10.00am (Brisbane time) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

## AGENDA

### ITEMS OF BUSINESS

#### Financial Statements and Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2019 together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

#### 1. Resolution 1 – Non-Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2019 be adopted."*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### **For the purposes of Resolution 1:**

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by or on behalf of:

- a member of the Key Management Personnel (KMP) of the Company; or
- a Closely Related Party of a KMP, whether the votes are cast as a shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote if it is cast as a proxy by a KMP, details of whose remuneration are included in the remuneration report for the year ended 30 June 2019, or a Closely Related Party of such a KMP:

- for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP; and
- the vote is not cast on behalf of a KMP details of whose remuneration are included in the remuneration report for the year ended 30 June 2019, or a Closely Related Party of a KMP.

Further, the Company will not disregard a vote if it is cast by a KMP, details of whose remuneration are not included in the remuneration report for the year ended 30 June 2019, or a Closely Related Party of such a KMP:

- as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

#### **IMPORTANT NOTE:**

- **You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.**
- **Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the resolutions the subject of this Meeting (even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company), subject to compliance with the Corporations Act.**

#### 2. Resolution 2 – Re-election of Mr Colm James Cloonan as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, Colm James Cloonan, who retires in accordance with Article 46(c) of the Constitution and, being eligible for re-election, be re-elected as a Director with effect from the close of this Annual General Meeting."*

#### 3. Resolution 3 – Ratification of the Issue of Shares Issued on 11 April 2018

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 12,000,000 ordinary fully paid shares at A\$0.10 on 11 April 2019 to institutional and sophisticated investors on the terms and conditions set out in Explanatory Memorandum is ratified."*

**For the purposes of Resolution 3:**

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who participated in the issue of ordinary shares the subject of this Resolution 3 and any of its associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.**

**4. Resolution 4 – Ratification of the Issue of Shares Issued on 26 April 2019**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 29,066,650 ordinary fully paid shares at BWP0.75 or A\$0.10 on 26 April 2019 to institutional and sophisticated investors on the terms and conditions set out in Explanatory Memorandum is ratified."*

**For the purposes of Resolution 4:**

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this resolution by or on behalf of any person who participated in the issue of ordinary shares the subject of this Resolution 4 and any of its associates.

However, the Company will not disregard a vote if:

- (c) it is cast by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.**

**5. Resolution 5 – Approval of 10% Placement Capacity**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval be given for the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue or the agreement to issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

**For the Purposes of Special Resolution 5:**

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this special resolution by or on behalf of any person who may participate in the issue of Equity Securities the subject of this Resolution 5 and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed (**Participating Party**), and any associate of the Participating Party.

However, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**IMPORATANT NOTE:** At the date of this Notice, it is not known who will participate in the proposed issue of Equity Securities the subject of this special resolution and the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities. Therefore, no existing Shareholder votes will be excluded under the voting exclusion in this Notice. **You may be liable for breach of the voting restrictions in the Corporations Act if you cast a vote that the Company disregards.**

\* \* \* \* \*

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered. Shareholders should read the Explanatory Memorandum in full.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy

is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the Power itself, must be received by the Company at the above address, or by facsimile and by 10.00am (Brisbane time) on Tuesday 15 October 2019. If facsimile transmission is used, the Power of Attorney must be certified.

How undirected proxies held by the Chairman of the meeting will be voted:

If you appoint the Chairman of the Meeting as your proxy and you do not specify in the Proxy Form the manner in which you wish the Chairman to vote on the Resolutions to be considered at the Meeting, the Chairman intends to vote in favour of all Resolutions 1 through to 5. If you do not direct the Chairman how to vote on Resolutions 1, you expressly authorise the Chairman to exercise your proxy on this Resolution even though it is connected directly or indirectly with the remuneration of members of Key Management Personnel, which includes the Chairman.

If you appoint the Chairman of the Meeting as your proxy and wish to direct the Chairman how to vote on some or all of the Resolutions to be considered at the Meeting, you must complete the directed proxy part of the Proxy Form (Step 2 on the Proxy Form). The Chairman encourages all Shareholders who submit proxies to direct their proxy how to vote on each resolution.

#### **IMPORTANT VOTING RESTRICTIONS**

If you are entitled to vote, and you wish to appoint a proxy, you should be aware that if your proxy is a person who is not entitled to vote in their own right, the person may (subject to the Corporations Act) still vote as your proxy but your proxy's vote on your behalf will only be valid if, subject to the comments above in respect of undirected proxies held by the Chairman, you direct your proxy on the Proxy Form how to vote and the proxy does vote as directed.

#### **OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

#### **DEFINITIONS**

For the purposes of this Notice (including each of the Resolutions), the following definitions apply:

**"AIM"** means AIM, the market of that name operated by the London Stock Exchange plc;

**"Annual Report"** means the annual report of the Company for the year ended 30 June 2019;

**"Associate"** has the meaning given in the Listing Rules;

**"ASX"** means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**"AUD" or "A\$"** means Australian dollars;

**"Board"** means the Board of Directors of Tlou Energy Limited;

**"BSE"** means Botswana Stock Exchange;

**"BWP"** means Botswana Pula;

**"Chair" or "Chairman"** means the person appointed to chair the Meeting of the Company convened by this Notice.

**"Closely Related Party"**, in relation to a member of the KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with the Company (or its controlled entities), any company the member controls and any person prescribed by the *Corporations Regulations 2001 (Cth)*;

**"Company" or "Tlou Energy"** means Tlou Energy Limited A.B.N. 79 136 739 967;

**"Constitution"** means the Company's Constitution, as amended from time to time;

**"Corporations Act"** means *Corporations Act 2001 (Cth)*;

**"Directors"** means the Directors of the Company;

**"Equity Securities"** has the meaning given to that term in the Listing Rules;

**"Explanatory Memorandum"** means the explanatory memorandum accompanying this Notice;

**"Key Management Personnel" or "KMP"** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company or its controlled entities, whether directly or indirectly. Members of the KMP include directors (both executive and non-executive) and certain senior executives;

**"Listing Rules"** means the Listing Rules of the ASX;

**"Meeting"** means the meeting convened by the Notice;

**"Notice"** means this Notice of Annual General Meeting;

**"Resolution"** means a resolution contained in this Notice;

**“Share”** means a fully paid ordinary share in the capital of the Company;

**“Shareholder”** means a holder of Shares in the Company; and

#### By order of the Board



**SOLOMON ROWLAND**

Company Secretary

Dated: 13 September 2019

#### How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice or by submitting their proxy appointment and voting instructions by facsimile.

#### Voting in person (or by attorney)

- Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's Share Register and attendance recorded. Attorneys should bring with them an original or certified copy of the Power of Attorney under which they have been authorised to attend and vote at the meeting.

#### Voting by a Corporation

- A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

#### Voting by Proxy

- A Shareholder entitled to attend and vote is permitted to appoint not more than two (2) proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.

- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible (and subject to the Corporations Act) to support each of the resolutions proposed in this Notice (even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel).
- To be effective, proxies must be lodged by 10.00am (Brisbane time) on Tuesday 15 October 2019. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  1. by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice to:

Tlou Energy Limited

c/- Link Market Services Limited  
Locked Bag A14  
Sydney South  
NSW 1235  
Australia

or

2. by faxing a completed proxy form to:-

Tlou Energy Limited, on  
02 9287 0309 (within Australia); or  
+61 2 9287 0309 (outside Australia)

or

3. by visiting:

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and  
logging in using the control number found  
on the front of your accompanying proxy  
form.

- The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the Power itself, must be received by the Company at the above address, or by facsimile and by 10.00am (Brisbane Time), Tuesday 15 October 2019. If facsimile transmission is used, the Power of Attorney must be certified.

#### **Shareholders who are entitled to vote**

- In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00pm (Sydney time) on Tuesday 15 October 2019.

# TLOU ENERGY LIMITED

A.B.N 79 136 739 967

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Tlou Energy Limited ("**Tlou Energy**" or the "**Company**").

THIS EXPLANATORY MEMORANDUM SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL ADVISER PRIOR TO VOTING.

Terms used in this Explanatory Memorandum are defined in the Notice.

### FINANCIAL STATEMENTS AND REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial statements of the Company for the financial year ended 30 June 2019 together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Audit Report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; *and*
- the independence of the Auditor in relation to the conduct of the audit.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as

disclosed in the Company's 2019 Annual Report. The Remuneration Report is contained in the Annual Report and is also available on the Company's website: [www.tlouenergy.com](http://www.tlouenergy.com)

This Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the report, then:

if comments are made on the report at the Annual General Meeting, the Company's remuneration report for the financial year ending 30 June 2019 will be required to include an explanation of the board's proposed action in response or, if no action is proposed, the board's reasons for this; and

if, at the Company's 2020 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders at the next Annual General Meeting a resolution proposing that a general meeting (Spill Meeting) be called to consider the election of directors of the Company (Spill Resolution). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

### *Recommendation*

The Remuneration Report forms part of the Directors' Report, made in accordance with a unanimous resolution of the Directors. Each of the Directors recommends the report to Shareholders for adoption.

### RESOLUTION 2 – RE- ELECTION OF MR COLM JAMES CLOONAN AS A DIRECTOR

The Company's Constitution provides that a director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years, following that director's last election or appointment. Mr Cloonan therefore, retires from office in accordance with this requirement and submits himself for re-election.

Mr Cloonan was appointed an Executive Director of the Board on 11 February 2016 and was elected to the Board by shareholders at the Company's 2016 Annual General Meeting held 10 November 2016.

Mr Cloonan is a Fellow of the Association of Chartered Certified Accountants (FCCA) with 20 years' experience in various finance roles.

Colm joined Tlou in 2009 at the very early stages of the Company's activities and has been with the Company through all phases of its operations and development to date. Colm has worked in Europe and Australia in a range of finance roles including audit

and business services, as well as providing financial and management accounting services to clients in various industries including power generation in Australia.

**Recommendation**

The Directors (with Mr Cloonan abstaining) unanimously recommend that you vote in favour of the resolution. The Chair of the Meeting intends to vote available proxies in favour of this resolution.

**RESOLUTION 3 – RATIFICATION OF THE ISSUE OF SHARES ISSUED 11 APRIL 2019**

In a placement that was completed on 11 April 2019 the Company raised a total of approximately A\$1.2 million through the issue of 12,000,000 ordinary shares at A\$0.10 per share, of which 12,000,000 ordinary shares were issued without shareholder approval under ASX Listing Rule 7.1A.

Subject to certain exceptions and conditions, ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period provided it secures Shareholder approval to do so at its Annual General Meeting. The Company obtained approval under Listing Rule 7.1A at its 2018 Annual General Meeting.

ASX Listing Rule 7.4 permits the ratification by shareholders of previous issues of securities made without shareholder approval, provided the issue did not breach the 10% threshold in ASX Listing Rule 7.1A.

In accordance with ASX Listing Rules 7.4 and 7.5, the Company advises that:

- (a) Resolution 3 has been included so that shareholders may approve and ratify pursuant to ASX Listing Rule 7.4 the issue of a total of 12,000,000 ordinary shares to those parties detailed below;
- (b) The shares were issued and allotted to various sophisticated and professional investors unrelated to the Company;
- (c) The net proceeds of the 11 April Placement together with existing cash were applied by the Company to provide working capital for ongoing activities including continued gas flow testing and efforts to secure a power purchase agreement;
- (d) The shares issued rank pari passu with, and on the same terms, as the existing fully paid ordinary shares on issue in the Company;
- (e) None of the allottees are related parties of the Company; and
- (f) The shares were issued at A\$0.10 per share.

Accordingly, as the issue of Shares did not breach ASX Listing Rule 7.1A, the Company wishes to refresh its capacity to issue without specific approval by seeking approval under ASX Listing Rule 7.4 for the issue of those shares. The effect of obtaining Shareholder

approval will be that the shares issued will be treated as having been made in accordance with ASX Listing Rule 7.1 and, as a result, will be included for the purposes of determining variable “A” in the formulae in Listing Rules 7.1 and 7.1A.

**Recommendation**

The Directors consider it prudent that the Company retain the flexibility of being able to issue shares without shareholder approval and the ratification of these shares will give the Company that ability in respect to the shares issue in the 11 April 2019 placement and recommend that Shareholders vote in favour of the proposed resolution.

**RESOLUTION 4 – RATIFICATION OF THE ISSUE OF SHARES ISSUED 26 APRIL 2019**

In a placement that was completed on 26 April 2019 the Company raised approximately BWP21.8 million or A\$2.9 million through the issue of 29,066,650 ordinary shares at A\$0.10 (BWP0.75) per share, of which 29,066,650 ordinary shares were issued without shareholder approval under ASX Listing Rule 7.1A.

Subject to certain exceptions and conditions, ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period provided it secures Shareholder approval to do so at its Annual General Meeting. The Company obtained approval under Listing Rule 7.1A at its 2018 Annual General Meeting.

ASX Listing Rule 7.4 permits the ratification by shareholders of previous issues of securities made without shareholder approval, provided the issue did not breach the 10% threshold in ASX Listing Rule 7.1A.

In accordance with ASX Listing Rules 7.4 and 7.5, the Company advises that:

- (g) Resolution 4 has been included so that shareholders may approve and ratify pursuant to ASX Listing Rule 7.4 the issue of a total of 29,066,650 ordinary shares to those parties detailed below;
- (h) The shares were issued and allotted to various sophisticated and professional investors unrelated to the Company;
- (i) The net proceeds of the Placement were applied by the Company to provide working capital for ongoing activities including continued gas flow testing and efforts to secure a power purchase agreement;
- (j) The shares issued rank pari passu with, and on the same terms, as the existing fully paid ordinary shares on issue in the Company;
- (k) None of the allottees are related parties of the Company; and
- (l) The shares were issued at A\$0.10 (BWP0.75) per share.



Accordingly, as the issue of Shares did not breach ASX Listing Rule 7.1A, the Company wishes to refresh its capacity to issue without specific approval by seeking approval under ASX Listing Rule 7.4 for the issue of those shares. The effect of obtaining Shareholder approval will be that the shares issued will be treated as having been made in accordance with ASX Listing Rule 7.1 and, as a result, will be included for the purposes of determining variable “A” in the formulae in Listing Rules 7.1 and 7.1A.

### **Recommendation**

The Directors consider it prudent that the Company retain the flexibility of being able to issue shares without shareholder approval and the ratification of these shares will give the Company that ability in respect to the shares issue in the 26 April 2019 placement and recommend that Shareholders vote in favour of the proposed resolution.

### **RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company’s 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a Special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, which is detailed below.

#### **Description of ASX Listing Rule 7.1A**

##### *a) Shareholder approval*

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting.

##### *b) Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue only one type of Equity Securities quoted on ASX being ordinary shares.

#### *Formula for calculating 10% Placement Facility*

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

“A” is the number of shares on issue 12 months before the date of the issue or agreement:

- i. plus the number of fully paid shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- ii. plus the number of partly paid shares that became fully paid in the 12 months;
- iii. plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX Listing Rules 7.1 and 7.4;
- iv. less the number of fully paid shares cancelled in the 12 months.

**Note:** “A” has the same meaning in ASX Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rule 7.1 or 7.4.

#### **ASX Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice, the Company has on issue 450,180,185 ordinary shares and at the date of this Notice provided the ordinary Resolutions 3 and 4 are passed has a capacity to issue:

- 1) 61,211,914 Equity Securities under ASX Listing Rule 7.1; and
- 2) subject to Shareholders approving this Resolution 3, 45,018,018 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, which is detailed above.

### **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the Volume Weighted Average Price of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

### **10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- 2) the date of the approval by shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(“10% Placement Period”).

### **ASX Listing Rule 7.1A**

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities in any existing quoted class, under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company’s 15% placement capacity under ASX Listing Rule 7.1.

Resolution 5 is a Special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person,

by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) are cast in favour of the resolution.

### **Specific information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- a) The Equity Securities will be issued at an issue price of not less than 75% of the Volume Weighted Average Price for the Company’s Equity Securities over the 15 Trading Days immediately before:

- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
- 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.

- b) If Resolution 5 is passed by Shareholders as a Special Resolution and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders’ voting power in the Company will be diluted as shown in the below table. There is a risk that:

- 1) the market price for the Company’s Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company’s Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**ASX Listing Rule 7.3A.2 – Dilution Table\*\***

<b>Variable "A" in ASX Listing Rule 7.1A.2</b>		<b>\$0.045 Issue Price (50% decrease in Deemed Price)</b>	<b>\$0.09 Issue Price (Deemed Price)*</b>	<b>\$0.18 Issue Price (100% increase in Deemed Price)</b>
450,180,185 Shares being the current number of Shares on issue at the date of this Notice	<b>10% Voting Dilution</b>	45,018,018 Shares	45,018,018 Shares	45,018,018 Shares
	<b>Funds Raised</b>	\$2,025,810	\$4,051,621	\$8,103,243
675,270,278 Shares being a 50% increase in the number of Shares on issue at the date of this Notice	<b>10% Voting Dilution</b>	67,527,028 Shares	67,527,028 Shares	67,527,028 Shares
	<b>Funds Raised</b>	\$3,038,716	\$6,077,432	\$12,154,865
900,360,370 Shares being a 100% increase in the number of Shares on issue at the date of this Notice	<b>10% Voting Dilution</b>	90,036,037 Shares	90,036,037 Shares	90,036,037 Shares
	<b>Funds Raised</b>	\$4,051,621	\$8,103,243	\$16,206,486

\*The Deemed Price was the closing price of the Shares on the ASX on 19 August 2019.

\*\*All Voting Dilution and Funds Raised numbers in the table have been rounded down to nearest whole number.

The above table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable “A” calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the Deemed Price.

The table has been prepared on the following assumptions:

- i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- ii) No unlisted options or Performance Rights are exercised into Shares before the date of the issue of the Equity Securities under ASX Listing Rule 7.1A. The Company has no options and 7,225,000 Performance Rights on issue under the Performance Rights Plan as at the date of this Notice.
- i) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- ii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the Annual General Meeting.
- iii) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and does not consider issues under the 15% placement capacity under ASX Listing Rule 7.1.
- iv) The issue of Equity Securities under the 10% Placement Facility consists only of ordinary shares in the Company. The table does not demonstrate the effect of listed or unlisted options or Performance Rights being issued under ASX Listing Rule 7.1A.
- v) The issue price for ordinary shares in the Company is deemed for the purposes of the table to be \$0.09 (**Deemed Price**), being the closing price of these shares on ASX on 19 August 2019. This price is indicative only and does not consider the 25% discount to market that these shares may be issued at.

vi) ‘A’ is the current number of fully paid ordinary shares on issue, and assumes full placement capacity available.

c) The Company will only issue and allot the Equity Securities pursuant to the 10% Placement Capacity within 12 months of the date of this Annual General Meeting. Further the approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

d) The Company may seek to issue the Equity Securities for the following purposes:

- 1) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
- 2) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company’s current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

e) The Company’s allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- 1) the methods of raising funds that are available to the Company, including but not limited to, placement, rights issue or other issue in which existing security holders can participate;
- 2) the effect of the issue of the Equity Securities on the control of the Company;
- 3) the financial situation and solvency of the Company; and
- 4) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this

Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company were to pursue an acquisition and were it to be successful in acquiring new resource assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new resource assets or investments.

**f) Previous approval under ASX Listing Rule 7.1A:**

The Company obtained approval under Listing Rule 7.1A at its 2018 Annual General Meeting (AGM).

In the period between the date of the 2018 AGM and the date of this Notice of Meeting the Company has issued a total of 41,066,650 ordinary fully paid Shares.

On 11 April 2019, the Company issued in its capacity to do so under Listing Rule 7.1A, 12,000,000 fully paid ordinary Shares at A\$0.10 per share to selected institutional and sophisticated investors. Funds raised from the issue of the new shares amounted to A\$1.2 million. The issue price of the new shares represented approximately a 5% premium to the closing market price on the date of 5 April 2019, being \$0.095.

The proceeds of the Placement together with existing cash was applied by the Company to provide working capital for ongoing activities including continued gas flow testing and efforts to secure a power purchase agreement.

On 26 April 2019, the Company issued 29,066,650 fully paid ordinary Shares at A\$0.10 per share to selected Botswana based institutional and sophisticated investors. Funds raised from the issue of the new shares amounted to BWP21.8 million or A\$2.9 million. The issue price of the new shares represented approximately a 4% premium to the closing market price on the date of 15 April 2019, being \$0.095.

Of the 29,066,650 fully paid ordinary shares issued on 26 April 2019 the Company utilised its remaining capacity under Listing Rule 7.1A for 28,911,534 of the shares and utilised part of its capacity under Listing Rule 7.1 to issue the remaining 155,116 shares.

The proceeds of the Placement together with existing cash was applied by the Company to provide working capital for ongoing activities including continued gas flow testing and efforts to secure a power purchase agreement.

The Shares that were issued during the period from the date of the 2018 AGM to the date of this

Notice of Meeting as detailed in paragraph f) represented an increase in the total issued share capital of the Company at the commencement of the 12 months preceding the date of this Meeting of approximately 10.01%.

- g) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

***Recommendation***

The Directors consider that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should such an issue be required. Accordingly, each of the Directors recommends that Shareholders vote in favour of Resolution 5. The Chair of the Meeting intends to vote available proxies in favour of this resolution.



**TLOU ENERGY**

ABN 79 136 739 967

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Tlou Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a member(s) of Tlou Energy Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY



**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Brisbane time) on Thursday, 17 October 2019 at offices of BDO, Level 10, 12 Creek Street, Brisbane Qld 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an ☒.**

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Non-Binding Resolution to Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Colm James Cloonan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Ratification of the Issue of Shares Issued on 11 April 2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Ratification of the Issue of Shares Issued on 26 April 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**TOU PRX1901C**



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Tuesday, 15 October 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Tlou Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**