



TLOU ENERGY LIMITED

CORPORATE PRESENTATION

GABORONE

30 OCTOBER 2019

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ASX Releases

Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information on detailed resource statements can be found in Tlou's ASX releases. Resource statements are provided to comply with ASX guidelines but investors are urged to read supporting information in full on the website.

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Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

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This Presentation contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "plan", "will", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

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COMPETENT PERSONS STATEMENT

The gas reserves and resource estimates for the Lesedi CBM Project provided in this presentation (refer slide 14) were released to the Market on 20 February 2018 (Announcement). Tlou confirms that it is not aware of any new information or data that materially affects the information included in the Announcement and that all of the material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed. The gas reserve and resource estimates are based on and fairly represents, information and supporting documentation and were determined by Dr. Bruce Alan McConachie of SRK Consulting (Australasia) Pty Ltd, in accordance with Petroleum Resource Management System guidelines. Dr. McConachie is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in this Presentation.



COMPANY OVERVIEW

- RAPID GROWTH GAS PRODUCTION AND ELECTRICITY GENERATION COMPANY
- CLEAN NATURAL COAL BED METHANE (CBM) GAS
- POTENTIAL FOR SECONDARY SOLAR PROJECTS
- ~9,300 KM² ACREAGE IN BOTSWANA
- THREE PROJECT AREAS:
 1. LESEDI PROJECT – DEVELOPMENT
 2. MAMBA PROJECT – EXPLORATION
 3. BOOMSLANG PROJECT – EXPLORATION
- 100% OWNED AND OPERATED
- STABLE, LOW RISK JURISDICTION
- ENORMOUS GAS ASSET
- POTENTIAL ACCESS TO HUGE REGIONAL POWER DEMAND

BOARD



Martin McIver
Chairman

- 20 years experience in finance and mining services
- Currently CFO of the WorkPac group



Gabaake Gabaake
Executive Director

- Geologist, former Botswana Permanent Secretary at Ministry of Minerals Energy & Water
- Former Director of Debswana, De Beers



Anthony Gilby
CEO & MD

- Geologist, over 30 years experience
- Worked for ESSO/EXXON, LL&E, Coastal, El Paso among others
- Co-founder & MD/CEO of Sunshine Gas. Taken over in 2008 for ~A\$1.1bn



Linah Mohohlo
Non-Executive Director

- Former Bank of Botswana Governor
- Former Director of both Debswana Diamond Company, Diamond Trading Company
- Chancellor of the University of Botswana



Colm Cloonan
Finance Director

- Fellow of the Association of Chartered Certified Accountants
- 20 years experience, including power generation in Australia



Hugh Swire
Non-Executive Director

- BA Hons from Oxford, over 16 years experience in various roles
- Partner at Mahon China, former JP Morgan VP

MANAGEMENT



Solomon Rowland
General Manager

- Lawyer, over 18 years experience
- Juris Doctor from the University of Queensland



Danny Horne
Chief Operations Officer

- 30 years in the drilling industry including 18 years in the Oil & Gas/CBM Sector
- Qualified in Diesel Engineering, Diploma of Drilling (Onshore Oil & Gas)



Remigiyo Mavata
Chief Geologist

- Geologist with over 20 years African experience in multidisciplinary exploration in conventional and unconventional reservoirs
- BSc in Geology from the University of Zimbabwe



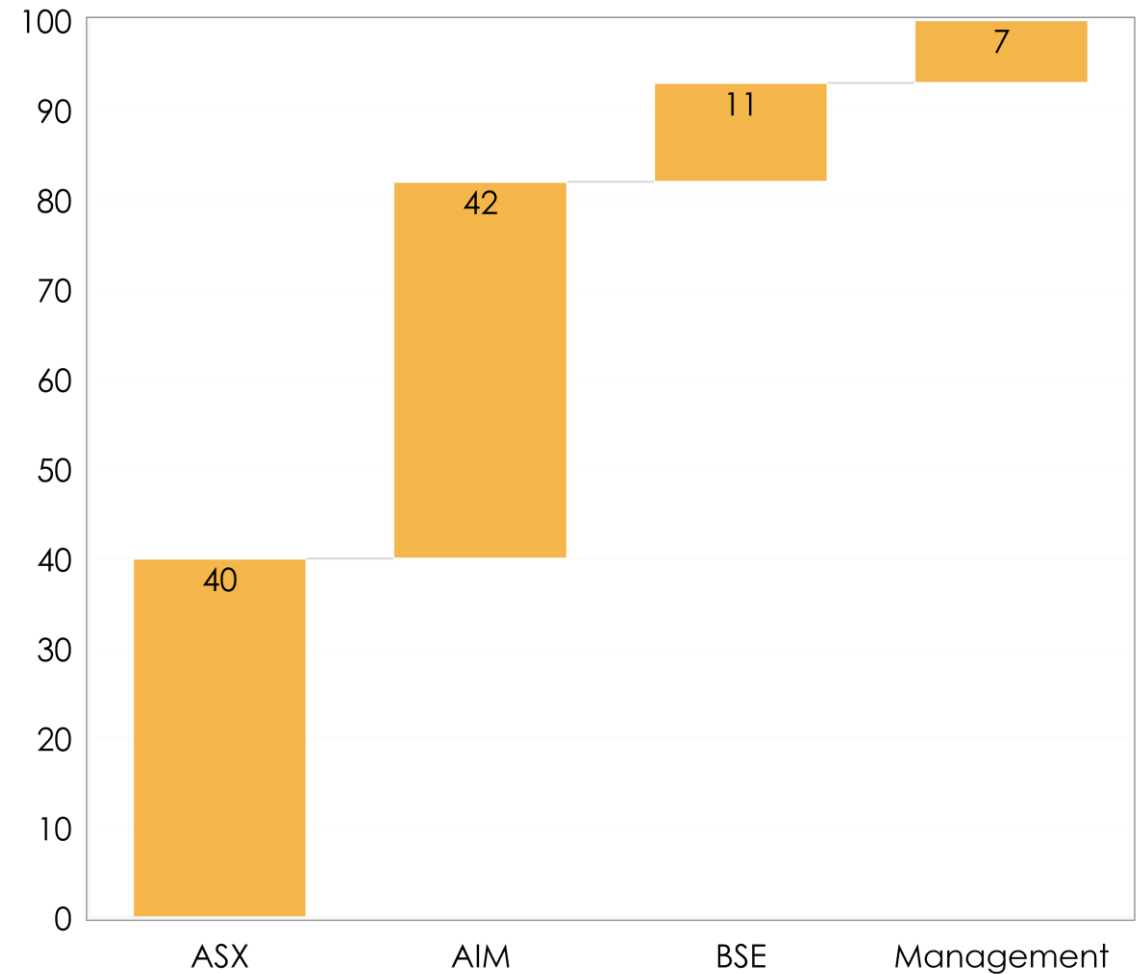
Oreeditse Okaile (Reg)
Geologist

- Over 12 Years experience working as a Geologist (CBM/Coal/Base Metals)
- BSc from University of Botswana

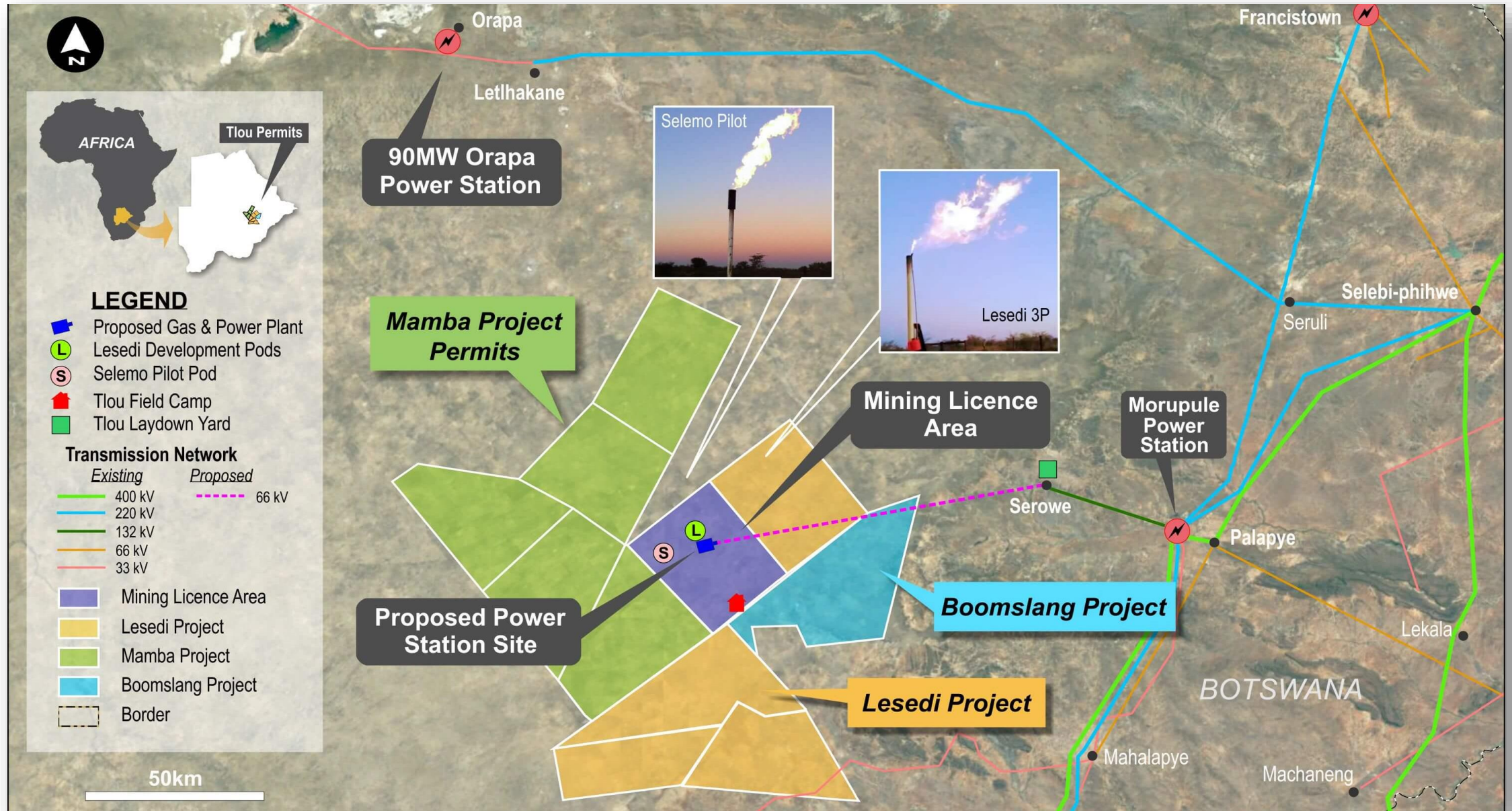
SHARE REGISTRY

- ORIGINAL LISTING: ASX:TOU
- OTHER LISTINGS: AIM: TLOU
BSE: TLOU
- ISSUED SHARE CAPITAL 450,180,185
TOP 20 HOLDERS ~52%
- LARGEST SHAREHOLDERS:
BPOPF ~10.5%
(BOTSWANA PUBLIC OFFICERS PENSION FUND)
ANTHONY GILBY GROUP ~4.8%

% Shareholding

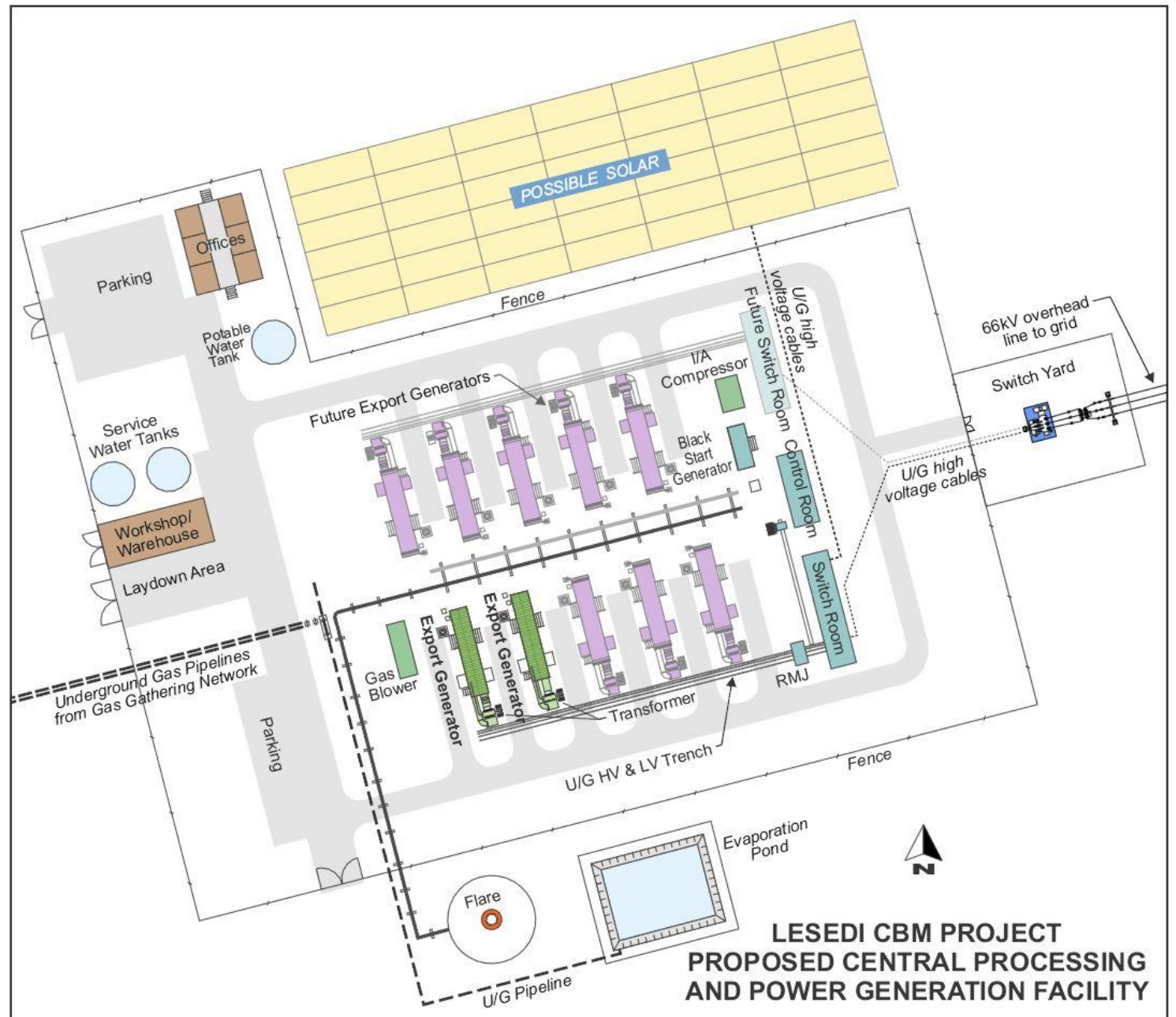


PROJECT MAP



DEVELOPMENT PLAN

- **DEVELOP INITIAL 10MW OF POWER:**
 - ❖ TARGETS FIRST REVENUE WHILE MINIMIZING INITIAL CAPEX REQUIREMENT
 - ❖ SUFFICIENT GAS RESERVES ALREADY IN PLACE
 - ❖ ACHIEVES GRID CONNECTION AND FACILITATES SIMPLE EXPANSION
 - ❖ EASILY INTEGRATED (HIGH MARGIN, LOW RUNNING COST) SOLAR GENERATION

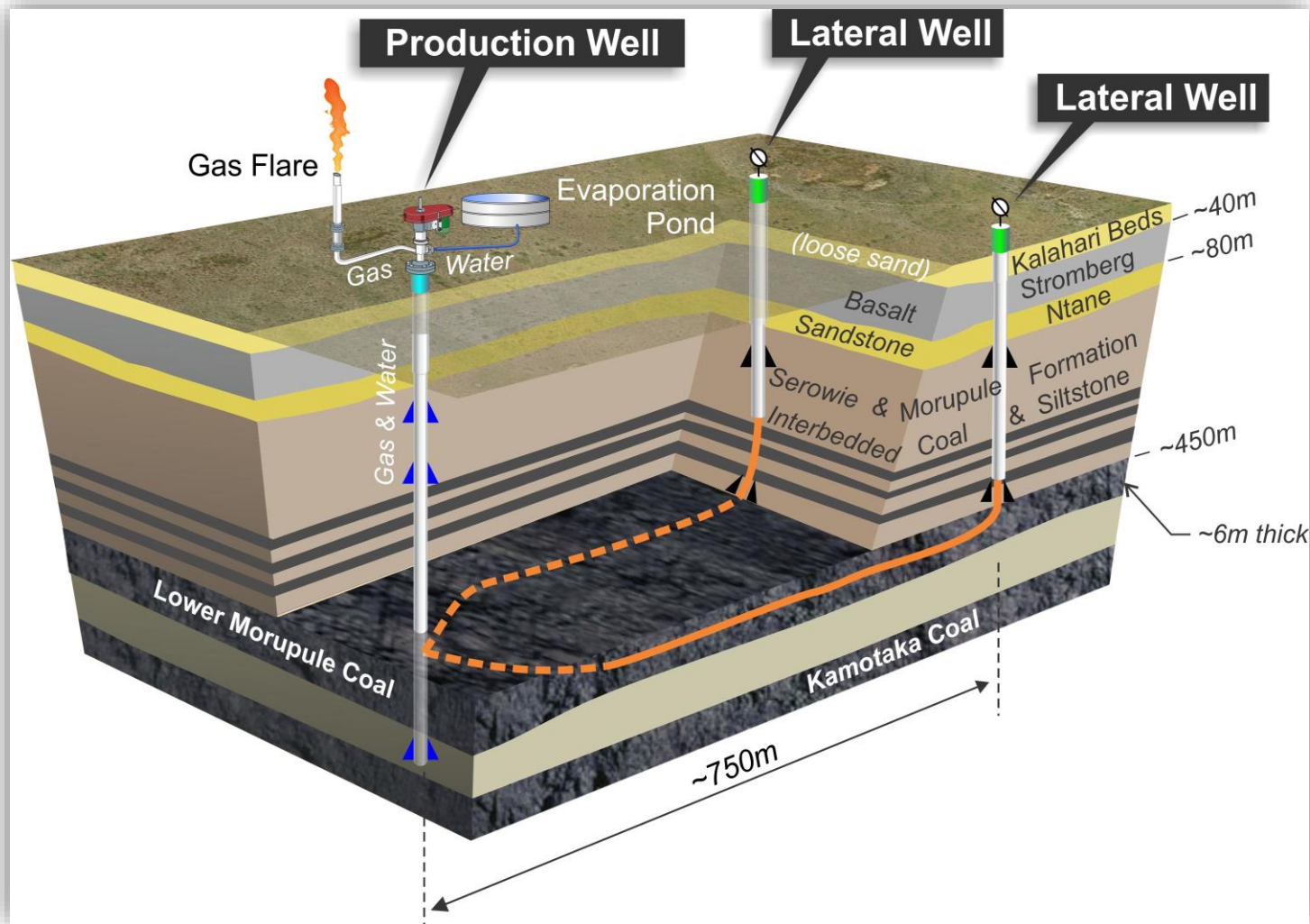


LESEDI GAS-TO-POWER PROJECT

- KEY MILESTONES ALREADY ACHIEVED
 - INDEPENDENTLY CERTIFIED GAS RESERVES
 - MINING LICENCE GRANTED
 - INITIAL WELLS DRILLED AND PRODUCING GAS
 - CENTRAL PROCESSING FACILITY (CPF) DESIGN COMPLETE
 - ENVIRONMENTAL APPROVAL
 - LANDHOLDER AGREEMENTS
- EXPERIENCED OPERATIONS TEAM
- TRANSMISSION LINES PLANNED TO CONNECT TO POWER GRID
- POWER PURCHASE AGREEMENT BEING NEGOTIATED
- ONCE OPERATIONAL, PROJECT PROVIDES SCALABLE TEMPLATE FOR GROWTH ACROSS PORTFOLIO



CBM EXTRACTION METHOD



- NATURAL GAS FROM COAL
- HORIZONTAL DRILLING TECHNIQUES
- PROVEN TECHNOLOGY
- MINIMUM FOOTPRINT ALLOWING AGRICULTURAL USE OF LAND TO CONTINUE
- NO FRACKING REQUIRED
- CBM CAN REPLACE HIGH CARBON PRODUCING POWER GENERATION
- ELECTRICITY TO BE FED INTO THE NATIONAL GRID

HOW HAVE WE GOT HERE?

2009	2012	2014	2016	2017	2018	2019
<ul style="list-style-type: none">• Operations Commenced	<ul style="list-style-type: none">• First Contingent Gas Resources	<ul style="list-style-type: none">• First CBM Gas produced by Tlou	<ul style="list-style-type: none">• First Gas Reserves• Upstream Environmental approval	<ul style="list-style-type: none">• Mining Licence granted	<ul style="list-style-type: none">• Increased Gas Reserves and Contingent Resources	<ul style="list-style-type: none">• Downstream Environmental approval• Development wells completed



... AND WHERE ARE WE GOING?



* Subject to operational results and financing



TLOU ENERGY

*... generating electricity
from CBM in Botswana*



INDEPENDENT GAS RESERVES CERTIFICATION⁽¹⁾

0.35 BCF (1P)

40.8 BCF (2P)

426.6 BCF (3P)

			Gas Reserves ⁽¹⁾			Gas Contingent Resources ⁽²⁾			
Location	Project	Tlou Interest	1P (BCF)	2P (BCF)	3P (BCF)	1C (BCF)	2C (BCF)	3C (BCF)	Gas Prospective Resource (BCF) ³
Karoo Basin Botswana	Lesedi CBM (Lower Morupule coal) (ML 2018/18L, PL001/2004)	100%	0.34	25.2	252	4.6	45.6	331	-
Karoo Basin Botswana	Lesedi CBM (all coal seams) (ML 2018/18L, PL001/2004) ⁴	100%	0.34	25.2	252	4.6	214	3,043	-
Karoo Basin Botswana	Mamba CBM (Lower Morupule coal) (PL238/2014- PL241/2014)	100%	0.01	15.5	175	n/a	n/a	n/a	-
Karoo Basin Botswana	PL003/2004, PL035/2000, PL037/2000	100%	-	-	-	-	-	-	8,596 ⁶

Notes:

Gas Resource numbers have been rounded to the nearest tenth for amounts less than 100 BCF, otherwise to the nearest whole number. Refer to Competent Persons Statement in the disclaimer slide of this presentation.

1) Tlou's Gas Reserves have not been adjusted for fuel or shrinkage and have been calculated at the wellhead (which is the reference point for the purposes of Listing Rule 5.26.5).

2) Contingent Gas Resources are (100%) Unrisked Gross and are derived from the SRK certification at 31 March 2015 for all coal seams (as previously announced by Tlou on 9 April 2015) with adjustment for the gas volumes which have now been certified by SRK in the Gas Reserves category.

3) ASX Listing Rule 5.28.2 Statement relating to Prospective Resources:

The estimated quantities of petroleum gas that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

4) The Gas Reserves and Contingent Gas Resources for all coal seams in PL001/2004 and ML 2018/18L shown in the table above includes the numbers for the Lower Morupule coal seam which are shown in the first row of the table.

5) The most recent Reserves assessment by SRK did not include a review and assessment of additional Contingent Resources in the Lesedi Project Area or Contingent Resources in the Mamba Project area.

6) Prospective Gas Resources are (100%) Unrisked Gross and are derived from a report to Tlou from Netherland, Sewell and Associates Inc (NSAI) dated 16th February 2012 regarding certification for all coal seams located in the remaining prospecting licences (as previously announced by Tlou in its prospectus dated 20 February 2013). Prospective Resources are those quantities estimated at a given date to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources are undiscovered, whereas Contingent Resources are discovered but not yet commercial.

GAS RESERVES EXPLAINED

- **CONTINGENT RESOURCES** – ESTIMATED GAS IN THE GROUND
- **GAS RESERVES** – GAS THAT MAY POSSIBLY BE COMMERCIALY EXTRACTED
- CONTINGENT RESOURCES MOVE TO RESERVES THROUGH SUCCESSFUL EXPLORATION



POTENTIAL EXPANSION AND REVENUE

➤ CBM SUITABLE FOR RAPID EXPANSION

➤ POTENTIAL FOR SIGNIFICANT REVENUE FROM EXPANDED PROJECTS

10 MW project for **25 years**
~\$10m annual revenue²



Gas Reserves required:
~28 BCF¹



Current 2P reserves:
~41 BCF

100 MW project for **25 years**
~\$100m annual revenue²



Gas Reserves required:
~274 BCF¹



Current 3P reserves:
~427 BCF

300 MW project for **25 years**
~\$300m annual revenue²



Gas Reserves required:
821 BCF¹



Current 3C contingent resources
~3,043 BCF¹ factor

1. Billion Cubic Feet, based on an estimate of 1 MW of power being produced from 300,000 standard cubic feet of gas per day.

2. Potential revenue based on 90% operating capacity and ~USD \$0.13 per kWh.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

TLOU ENERGY IS VERY COMMITTED TO SUPPORTING INDIVIDUALS AND ORGANISATIONS LOCALLY AND PROVIDES SUPPORT WHERE POSSIBLE.



Shoshong Constituency Foundation Trust (SCFT)

- SCFT aims to bring local investment and jobs to the region
- Lesedi project located in Shoshong
- Shoshong Constituency MP, Honourable Phillip Makgalemele is an ardent supporter of the Project



The Broadcasters Organisation

- Youth organisation, to promote academic excellence in primary schools
- 300 primary schools working with the organisation
- Destiny Shapers National Awards (DSNA), annual event aimed at promoting academic excellence among students and teachers



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

OTHER INITIATIVES SUPPORTED BY TLOU ARE OUTLINED BELOW.



Moralane Village Community Development Initiative

- Consultation with local village and other stakeholders to identify:
 - Job Creation
 - Poverty Eradication
 - Youth Empowerment
- Development of entrepreneurial business ventures founded on local skills and supported by resources that are easily available in the locality



Y-Care Charitable Trust

- Non-profit organization raising funds for less privileged communities and individuals
- Funds channeled through NGO's working with:
 - Youth / Children
 - Health
 - Environment
 - Arts and cultural issues



ENVIRONMENTAL IMPACT STATEMENT (EIS)

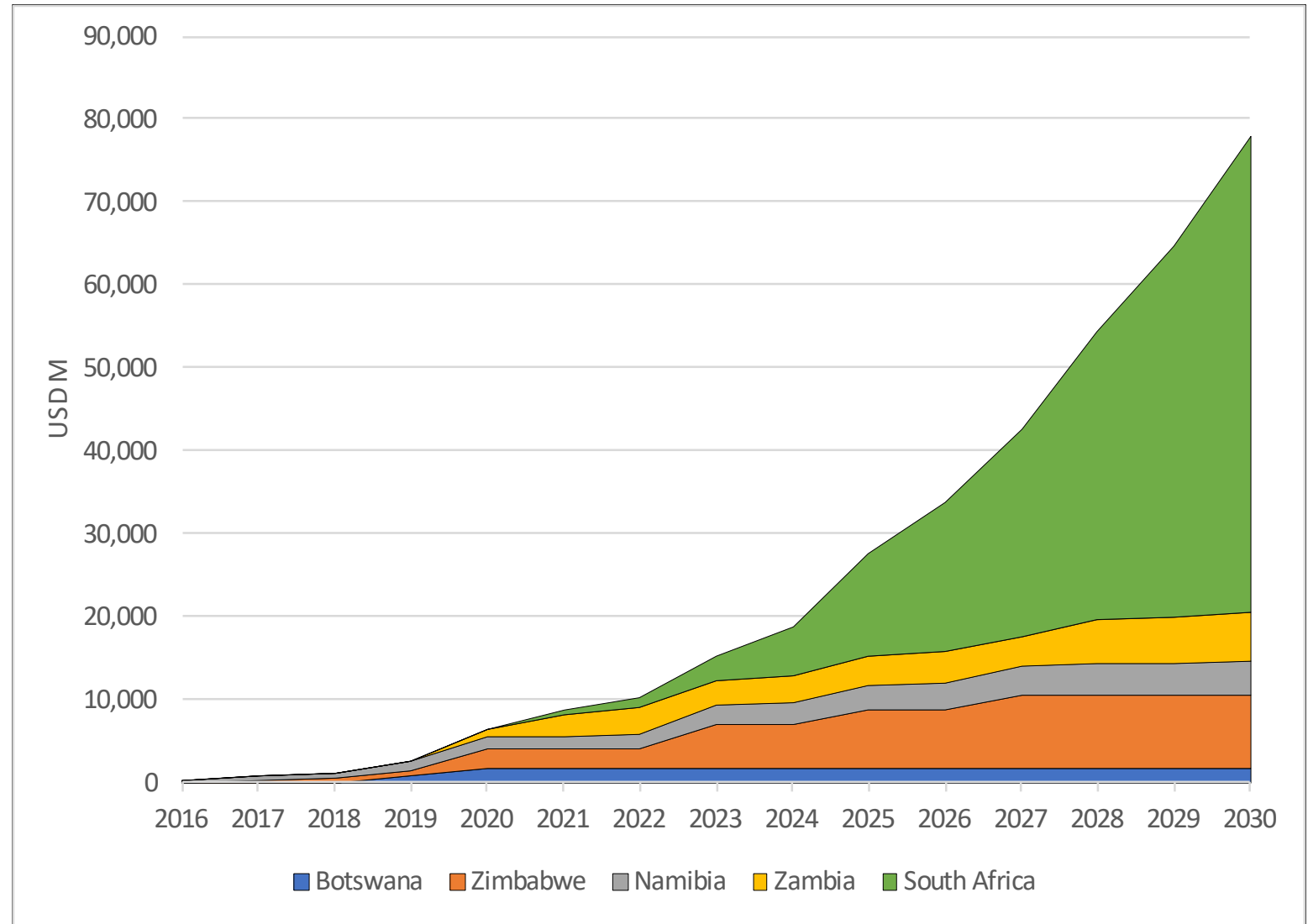
TLOU ENERGY IS COMMITTED TO PROVIDING CONTINUOUS ENVIRONMENTAL AND SOCIAL MONITORING OF ITS OPERATIONS TO ASSURE STAKEHOLDERS OF ITS SUSTAINABLE OPERATIONS THAT AIM TO PRESERVE THE ENVIRONMENT.



- APPROVED EIS IN PLACE FOR ALL STAGES OF PLANNED DEVELOPMENT:
 - EXPLORATION ACTIVITIES
 - GAS WELLFIELD DEVELOPMENT AND PROCESSING FACILITIES
 - DOWNSTREAM INFRASTRUCTURE
- EIS INVOLVED EXTENSIVE ENGAGEMENT WITH
 - LOCAL POPULATION
 - KEY GOVERNMENT DEPARTMENTS
 - LAND BOARDS
 - GOVERNMENT CORPORATIONS
- PROJECT WILL HAVE MINIMAL IMPACT ON AGRICULTURAL LAND
- PROJECT CAN CREATE SIGNIFICANT LOCAL DIRECT AND INDIRECT EMPLOYMENT

REGIONAL POWER MARKET

- US\$80BN IN NEW GENERATION CAPACITY REQUIRED
- INCREASING DEMAND FOR CLEAN POWER
- AGEING POWER STATIONS
- POWER TARIFFS RISING ACROSS THE REGION
- A SIGNIFICANT FUTURE OPPORTUNITY FOR TLOU'S GAS-TO-POWER PROJECTS



ESTIMATED CUMULATIVE INVESTMENT IN NEW GENERATION CAPACITY, 2016-2030

CBM – A PATHWAY TO ENERGY SECURITY

SUCCESSFUL CBM DEVELOPMENT COULD FACILITATE ENERGY SECURITY FOR BOTSWANA USING CLEAN NATURAL CBM GAS

❖ EXISTING ISSUES IN BOTSWANA:

- ❖ BOTSWANA POWER STATIONS NOT OPERATING AT FULL CAPACITY
- ❖ DIESEL FIRED POWER COSTS UNSUSTAINABLE
- ❖ ORAPA 90MW POWER PLANT NEEDS TO BE CONVERTED TO CBM
- ❖ IMPORTED POWER STILL REQUIRED AND FORECAST TO CONTINUE
- ❖ ESKOM (SOUTH AFRICA) THE PRIMARY SOURCE OF BOTSWANA'S IMPORTED POWER
- ❖ ESKOM STRUGGLING TO MEET DEMAND DUE TO AGING POWER STATIONS
- ❖ ESKOM PROPOSING TO INCREASE TARIFFS BY 80% TO OFFSET HUGE LOSSES
- ❖ BOTSWANA SIGNIFICANTLY EXPOSED TO TARIFF INCREASES OR LOSS OF SUPPLY

PROJECT BENEFITS

- **FOR INVESTORS**

- ❖ THE LEADING CBM PROJECT IN THE REGION
- ❖ SIGNIFICANTLY DE-RISKED
- ❖ ENABLES BOTSWANA TO INVEST IN A PROJECT OF LOCAL SIGNIFICANCE
- ❖ POTENTIALLY SIGNIFICANT UPSIDE AS THE PROJECT MOVES INTO DEVELOPMENT AND GENERATES FIRST REVENUE
- ❖ MUCH LARGER PROJECTS PLANNED POST THE INITIAL 10MW

- **FOR BOTSWANA**

- ❖ CREATES VITAL DIRECT AND INDIRECT EMPLOYMENT AND TRAINING FOR LOCALS
- ❖ ENERGY SECURITY BY REMOVING THE NEED TO IMPORT EXPENSIVE POWER
- ❖ DEVELOPS A NEW INDUSTRY TO DIVERSIFY THE ECONOMY
- ❖ DELIVERS FURTHER ROYALTIES AND TAXES TO THE GOVERNMENT



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