



20 February 2020

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**Tlou Energy Limited  
("Tlou" or "the Company")**

**Power Purchase Agreement Update**

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Tlou Energy Limited is an ASX, AIM and BSE listed company focused on generating power in Botswana for supply into the local and regional power market.

The Company has received written confirmation from the Ministry of Mineral Resources, Green Technology and Energy Security (the Ministry) of its support for the ongoing tender process. The Company looks forward to working with BPC and the Ministry to finalise the Power Purchase Agreement in due course.

Further details of the correspondence received is as follows:

**DEVELOPMENT OF A MAXIMUM OF 100MW QF COAL BED METHANE (CBM)  
FUELLED POWER PLANTS IN BOTSWANA BY TLOU ENERGY**

The above subject matter refers.

The Government of Botswana is committed to seeing the successful negotiation with your company on the Power Purchase Agreement (PPA) for the supply of electricity from your coal bed methane (CBM) project.

We are at an advanced stage of finalizing the contract for the engagement of the Transactional Advisors/consultants that will assist with the negotiations of the project agreements. Recognising that this has taken a long time, and to demonstrate government's commitment, we have agreed to get into discussions for a temporary Power Purchase Agreement that would enable your organization to provide power on a pilot/proof of concept approach while negotiations for the full PPA are ongoing.

Botswana Power Corporation (BPC) has been charged with the responsibility of driving the discussion and signing an agreement with your company, subject to the necessary approvals in the BPC structures.

Thank you for the fruitful meeting we had with your company and BPC early this week, to commence the discussions on the temporary supply arrangement

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.

**By Authority of the Board of Directors**

Mr. Anthony Gilby  
Managing Director

**Company Information**

Tlou Energy is focused on delivering Power solutions in Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is currently developing projects using coal bed methane (CBM) natural gas and plans to combine this with solar power to provide a clean base load power source.

Botswana has a significant energy shortage and generally relies on imported power and diesel generation to fulfil its power requirements. Tlou's Lesedi Power Project provides investors with access to a compelling opportunity to displace expensive, carbon intensive diesel and imported electricity with a local clean, green and environmentally friendly alternative.

In addition to plans for clean energy, the Company is also committed to developing community projects in Botswana adding real value to peoples' lives in a region with sparse services and where few opportunities exist for the local population. This includes work to assist communities to become self-sustaining, develop business opportunities, improve access to education, and create opportunities for self-employment and wealth creation.

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.

The project is significantly de-risked. The Company produced its first gas in 2014, has a Mining (or development) Licence valid to 2042 and 10 Prospecting (or exploration) Licences. The Company's project acreage covers a vast area spanning approximately 9,300 Km<sup>2</sup> in total.

Tlou's '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 is planning an initial scalable power project. Following successful implementation of this first scalable project, the Company looks forward to evaluating longer-term prospects for the delivery of additional electricity in Botswana and to neighbouring countries.

## **Forward-Looking Statements**

This announcement may contain certain forward-looking statements. Actual results may differ materially from those projected or implied in any forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results. No representation is made that any of those statements or forecasts will come to pass or that any forecast results will be achieved. You are cautioned not to place any reliance on such statements or forecasts. Those forward-looking and other statements speak only as at the date of this announcement. Tlou Energy Limited undertakes no obligation to update any forward-looking statements.