



25 September 2020

**Letter to Shareholders Regarding Annual General Meeting of
Tlou Energy Limited to be held on Tuesday, 27 October 2020 at 10:00am (AEST)**

Dear Shareholders,

Tlou Energy Limited (AIM;ASX;BSE) (**Tlou or the Company**) wishes to advise that it will be holding its Annual General Meeting (AGM) on Tuesday, 27 October 2020 at 10:00am (AEST) at the offices of BDO:

**Level 10,
12 Creek Street,
Brisbane Qld 4000**

To comply with Federal and State government restrictions on social gatherings (and to otherwise ensure the safety of its shareholders and other participants), the Company may only be able to admit a limited number of persons to the Meeting.

There is a risk that shareholders intending to attend the physical meeting may not be admitted, depending on the number of Shareholders who wish to physically attend. Therefore, the Company strongly encourages all shareholders to submit their directed proxy votes in advance of the Meeting as detailed below.

The Company will continue to monitor guidance from the Federal and State governments for any impact on the proposed arrangements for the Meeting. If any changes are required; the Company will advise shareholders by way of announcement on the ASX and the details of the announcement will also be made available on our website.

In accordance with section 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Company will not be sending hard copies of the Notice of Meeting, accompanying Explanatory Statement, and the 2020 Annual Report (the **Meeting Materials**). Instead the Meeting Materials are being made available to shareholders electronically.

This means that:


- You are able to access the Meeting Materials online at the Company's website: www.tlouenergy.com
- A complete copy of the Meeting Materials has been posted on the Company's ASX announcements page.
- If you have nominated an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to the online voting platform where you will be able to access a copy of the Meeting Materials and lodge your vote electronically

In order to be able to receive electronic communications from the Company in the future, please update your shareholder details online at investorcentre.linkmarketservices.com.au and log in with your unique shareholder identification number and postcode (or country for overseas residents), that you can find on your enclosed personalised proxy form.

Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab. As a valued shareholder in the Company, we look forward to your participation in the meeting. If you prefer not to vote online, please return the attached proxy form in the return envelope provided.

If you are unable to access the Meeting Materials online please contact the Company Secretary on +61 7 3012 9793 or solomon.rowland@tlouenergy.com between 9:00am and 5:00pm (AEST) Monday to Friday, to arrange a copy.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Solomon Rowland', written in a cursive style.

Solomon Rowland
Company Secretary
Tlou Energy Limited



TLOU ENERGY LIMITED

A.B.N 79 136 739 967

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Tuesday 27 October 2020

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 Tuesday 27 October 2020 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 2020 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 2020 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 2020, 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 2020, 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 2020, 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 Martin James McIver as a Director

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

"That, Martin James McIver, 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 – Re-election of Mr Hugh William Swire as a Director

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

"That, Hugh William Swire, 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."

4. Resolution 4 – Re-election of Mrs Linah Kelebogile Mohohlo as a Director

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

“That, Linah Kelebogile Mohohlo, 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.”

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 Sunday, 25 October 2020. 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 2020;

"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: 25 September 2020

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 Sunday, 25 October 2020. 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 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), Sunday, 25 October 2020 . 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 Sunday, 25 October 2020 .

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 2020 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 2020 Annual Report. The Remuneration Report is contained in the Annual

Report and is also available on the Company’s website: 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 2021 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 2021 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 MARTIN JAMES MCIVER 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 Martin McIver therefore, retires from office in accordance with this requirement and submits himself for re-election.

Mr McIver was appointed a Non –Executive Director of the Board on 16 September 2010 and made Non – Executive Chairman of the Board on 11 February 2016. Mr McIver has over 17 years’ experience with the mining services industry.

Mr McIver brings to Tlou a strong commercial background, with sound business management and mining industry expertise. He has been involved in the establishment, development, sale and purchase of a number of mining services businesses.

He holds an MBA (international) with honours from the American Graduate School of International Management (Thunderbird), a Graduate Diploma in Applied Finance and Valuations (FINSIA/KAPLAN) and a

Bachelor of Business (Marketing) from Queensland University of Technology.

Recommendation

The Directors (with Mr McIver 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 – RE- ELECTION OF MR HUGH WILLIAM SWIRE 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 Hugh Swire therefore, retires from office in accordance with this requirement and submits himself for re-election.

Mr Hugh Swire was appointed as a director by the Board on 22 June 2017. He is a partner in Mahon China, an established investment management and advisory partnership based in Beijing. Active in China since 1985, Mahon China have over three decades of experience advising foreign companies with investments and corporate activities in China.

Hugh has expert knowledge and direct investment experience in the low carbon water, energy and technology sectors having completed and exited investments into several leading companies in the low carbon sector. Hugh travels to China regularly and using his Chinese language skills after graduating from Oxford University with a BA (Hons) in Chinese.

Recommendation

The Directors (with Mr Swire 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 4 – RE- ELECTION OF MR HUGH WILLIAM SWIRE 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. Mrs Linah Mohohlo therefore, retires from office in accordance with this requirement and submits himself for re-election.

Mrs Linah Kelebogile Mohohlo was appointed as a director by the Board on 12 July 2017. Ms Linah Kelebogile Mohohlo is the former Governor of the Bank of Botswana, a position she held from 1999 to 2016. Ms Mohohlo joined the Bank of Botswana in 1976, where she served in several capacities prior to being appointed Governor, including Board Secretary, Deputy

Director of Research, Director of the Financial Market Department and Deputy Governor. Ms Mohohlo is a member of the Commission for Africa, and the Africa Progress Panel, a group of ten distinguished individuals who advocate at the highest levels for equitable and sustainable development in Africa. In May 2015, United Nations Secretary-General Ban Ki-moon appointed Mohohlo as member of the High-Level Panel on Humanitarian Financing, an initiative aimed at preparing recommendations for the 2016 World Humanitarian Summit.

Along with her contacts and expertise in the banking and finance sectors, Ms Mohohlo also brings to Tlou significant experience from the mining industry in Botswana as a board member of both Debswana Diamond Company (Pty) Ltd and Diamond Trading Company Botswana.

Ms Mohohlo holds a Bachelors Degree in Economics from The George Washington University, Washington DC, a Masters Degree in Finance and Investments from University of Exeter, UK and a Diploma in Accounting and Business Studies from the University of Botswana.

Recommendation

The Directors (with Mrs Mohohlo 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 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 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 5 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.

The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of Equity Securities and the current

number of Equity Securities for Variable "A" calculated in accordance with the formulae in Listing Rule 7.1A2. The Table also shows two examples of where Variable "A" has decreased by 50% and increased by 100%.

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, 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**

Variable "A" in ASX Listing Rule 7.1A.2		\$0.0175 Issue Price (50% decrease in Deemed Price)	\$0.035 Issue Price (Deemed Price)*	\$0.07 Issue Price (100% increase in Deemed Price)
513,277,061 Shares being the current number of Shares on issue at the date of this Notice	10% Voting Dilution	51,327,706 Shares	51,327,706 Shares	51,327,706 Shares
	Funds Raised	\$898,234.85	\$1,796,469.70	\$3,592,939.40
769,915,591 Shares being a 50% increase in the number of Shares on issue at the date of this Notice	10% Voting Dilution	76,991,559 Shares	76,991,559 Shares	76,991,559 Shares
	Funds Raised	\$1,347,352.28	\$2,694,704.56	\$5,389,409.12
1,026,554,122 Shares being a 100% increase in the number of Shares on issue at the date of this Notice	10% Voting Dilution	102,655,412 Shares	102,655,412 Shares	102,655,412 Shares
	Funds Raised	\$1,796,469.70	\$3,592,939.40	\$7,185,878.80

*The Deemed Price was the closing price of the Shares on the ASX on 16 September 2020.

**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 currently has 57,515,015 Unlisted Options exercisable at \$0.08 on or before 20 July 2022 on issue 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 \$0.035 (**Deemed Price**), being the closing price of these shares on ASX on 16 September 2020. 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) 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 2019 Annual General Meeting (AGM).

In the period between the date of the 2019 AGM and the date of this Notice of Meeting the Company has issued a total of 63,096,876 ordinary fully paid Shares.

On 20 July 2020, the Company issued 56,746,876 ordinary fully paid shares at \$0.04 on the completion of the 1 for 6 Non-Renounceable Rights Offer (Entitlement Offer) that it announced on 15 June 2020.

These shares were issued outside of the Company's capacity to do so under Listing Rule 7.1 or 7.1A. Details of the offer are contained in the Company's announcement which is available at:

<https://www.asx.com.au/asxpdf/20200615/pdf/44jmyty4ywp70z.pdf>

On 24 July 2020, the Company issued a further 6,350,000 ordinary fully paid shares at \$0.04 as the shortfall shares issued to the underwriters of the Entitlement Offer announced 15 June 2020.

These shares were also issued outside of the Company's capacity to do so under Listing Rule 7.1 or 7.1A. Details of the offer are contained in the Company's announcement which is available at:

<https://www.asx.com.au/asxpdf/20200615/pdf/44jmyty4ywp70z.pdf>

The Shares that were issued during the period from the date of the 2019 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 14.01%.

In addition to the issue of the Shares under the Entitlement Offer the Company also issued 57,515,015 Unlisted Options exercisable at \$0.08 on or before 20 July 2022. 37,515,015 of the Unlisted Options were issued as fee attaching option to the shares issued under the Entitlement Offer with 20,000,000 of the Unlisted Options being issued to the Underwriter of the Entitlement Offer as part of its fee arrangements.

If all of these Unlisted Options were exercised and converted to ordinary shares, they would represent an increase in the issued capital of the Company as

at the date 12 months from the date of this Meeting of 11.45%

- 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



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 Tuesday, 27 October 2020 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

1 Non-Binding Resolution to Adopt Remuneration Report

For Against Abstain*

☐ ☐ ☐

5 Approval of 10% Placement Capacity

For Against Abstain*

☐ ☐ ☐

2 Re-election of Mr Martin James McIver as a Director

☐ ☐ ☐

3 Re-election of Mr Hugh William Swire as a Director

☐ ☐ ☐

4 Re-election of Mrs Linah Kelebogile Mohohlo as a Director

☐ ☐ ☐


* 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 PRX2001C



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.

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 Sunday, 25 October 2020**, 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

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.**