

14 April 2021

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

**Tenders awarded for Transmission Line and Substation construction**

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Tlou Energy Limited is an ASX, AIM and BSE listed company focused on delivering cleaner electricity in Botswana and southern Africa using gas and solar power. The Company's first proposed development is the Lesedi Power Project ("Lesedi") which includes the construction of a power station and sale of electricity in Botswana. In addition, the Company has two large exploration areas designated Mamba and Boomslang.

**Key Points:**

- **Overhead Transmission Line Tender awarded to Botswana-based Zismo Engineering (Pty) Ltd**
- **Substation Tender awarded to South African-based OptiPower**

**Tender Award**

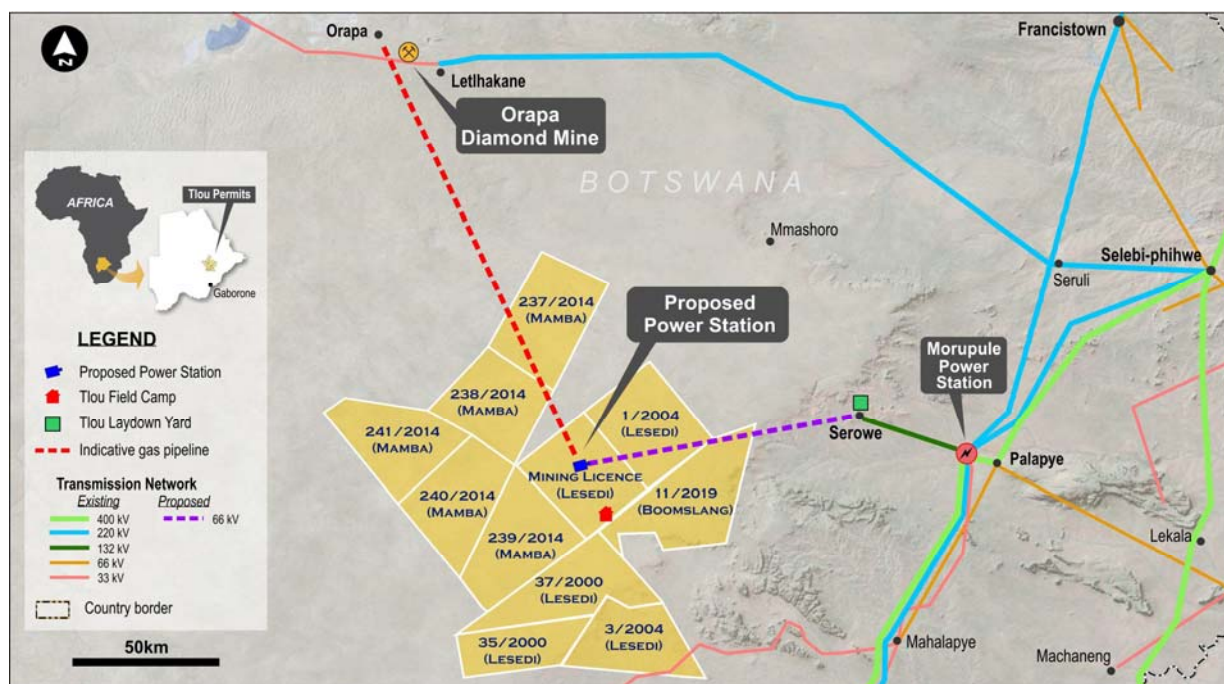
Tenders have been awarded to Zismo Engineering (Pty) Ltd ("Zismo") for the construction of the overhead lines and to OptiPower for construction of substations at Lesedi and Serowe. The Company looks forward to finalising the contracts with both groups and subsequent commencement of construction.

- **Zismo** is a Botswana based Electrical Engineering, Contracting, Automation and Refurbishment Company. Further information is available at <http://zismoengineering.com>.
- **OptiPower** is a division of Murray & Roberts Ltd. Based in South Africa, OptiPower's core business includes the construction of substations, power lines and fibre optic networks. See <https://optipower.co.za> for further details.

**Project Construction**

The Lesedi project is located approximately 100 Km from the existing electricity grid in Botswana. The first stage of development will be the erection of wooden poles fitted with an overhead 66kV transmission line. Substations will be installed at Lesedi and Serowe. The Lesedi substation will integrate the generation assets with the transmission line and the Serowe substation will tie in with Botswana Power Corporation's existing infrastructure.

The transmission line route has been surveyed and full environmental approval is already in place. The line will predominantly cross flat, arid terrain with the last ~5 Km being through the outskirts of the Serowe township.



The transmission line and substations are vital elements of the first phase of the Lesedi project development. Key stages to achieve first revenue are as follows:

1. Construction of the transmission line to connect Lesedi to the existing power grid;
2. Installation of substations at the Lesedi site and at Serowe to integrate with the grid;
3. Installation of generation assets at Lesedi;
4. Commissioning and testing;
5. Sale of first power.

## Supply and Demand

Construction of the transmission line is a very significant step forward as it enables Tlou's gas field and solar potential to supply power into a potentially enormous market.

Local and regional power consumption is high, with supply currently unable to meet demand. In 2019, ~28% (1,101 GWh) of Botswana's power was imported at a cost of ~P861m (~USD \$75m). Furthermore, demand both within Botswana and in neighbouring countries is steadily growing. Tlou has the potential to access the electricity market outside of Botswana via the Southern African Power Pool once connected to the Botswana grid.

Tlou's independently certified gas reserves and contingent resources, if used to generate electricity, could alleviate some of this demand. Tlou's 3C Contingent Resources of ~3 trillion cubic feet (TCF) have the potential to provide hundreds of MW's of power, subject to gas recovery rates.

**Tlou's Managing Director Tony Gilby said:** *"We are delighted with the response to our tender and look forward to working with our new local contractor Zismo and OptiPower, to connect our Lesedi power project to the grid at Serowe. The proposed transmission line is the key to unlocking our*

*independently certified gas reserves and contingent resources as well as our solar potential. The local and broader market is significantly short on sources of cleaner energy and Tlou's projects aim to be a significant supplier over time.*

*Our objective remains on track to start production with a measured approach in order to minimise risk and cost of capital. Once the initial gas and solar production is up and running, modular and low risk expansion is the objective.*

*The as-yet un-tapped gas that the Company has proven to exist within its 100% owned ~9,000 square kilometres represents an enormous cleaner energy resource for the region. When combined with Tlou's solar generation plans, which are predicated on producing solar power from a region with known high solar incidence, this should continue to provide significant upside for shareholders and Botswana alike.*

*With funds in place to commence construction, we intend to start work on the ground as soon as possible and thereby begin to unlock Tlou's potential."*

#### **By Authority of the Board of Directors**

Mr. Anthony Gilby

Managing Director

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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#### **Company Information**

Tlou Energy is focused on delivering power solutions to Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is currently developing projects using gas and plans to combine this with solar power to provide a cleaner 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 coal-fired electricity with a cleaner and more environmentally friendly alternative.

In addition to plans for cleaner 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 Billion Cubic Feet (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 to 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.