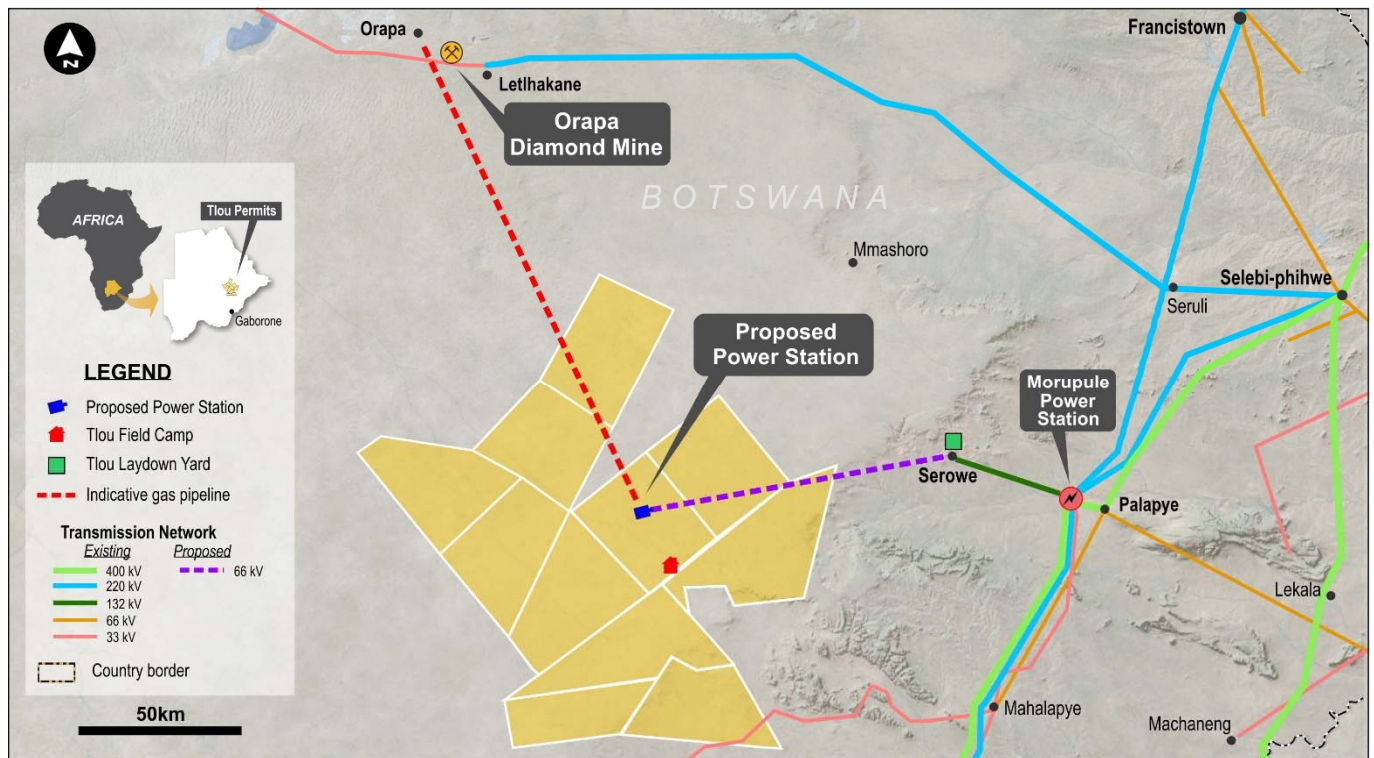


30 July 2021

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

**Operational Report - Quarter ending 30 June 2021**

Tlou Energy Limited is developing power solutions in Sub-Saharan Africa through gas-fired power, solar power and hydrogen projects. The company is listed on the ASX (Australia), AIM (UK) and the BSE (Botswana). The Lesedi Power Project ("Lesedi") is the Company's most advanced project. Tlou plans to develop gas and solar power generation assets at Lesedi with electricity to be sold into the local power grid.



## Project Areas

The Company has three project areas in Botswana:

- Lesedi Project – *Gas & Solar Development, Exploration & Evaluation*
- Mamba Project – *Exploration & Evaluation*
- Boomslang Project – *Exploration & Evaluation*

### *Lesedi Project Area, Botswana*

Licences: Production Licence 2017/18L, Prospecting Licences 001 & 003/2004 and 35 & 37/2000

Ownership: Tlou Energy Limited 100%

The Lesedi project covers an area of approximately 3,800 Km<sup>2</sup> and consists of four Prospecting Licences (PL) and a Production Licence. The Production Licence area is currently the focal point for the Company's operations and includes the Lesedi production wells or 'pods'.

Lesedi is the Company's most advanced project. The Company plans to commence work on the development of the Lesedi project as soon as possible. Key stages to achieving first revenue are as follows:

- Construction and installation of an overhead transmission line and substations to connect Lesedi to the existing power grid
- Installation of generation assets at Lesedi
- Commissioning and testing
- Sale of first power

In order to complete the above, the Company is currently working on two key aspects of the project. Firstly, negotiating a 10MW Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC) and, secondly, securing project finance.

During the quarter, negotiations in relation to both the PPA and funding have significantly advanced. The Company is bound by confidentiality and therefore cannot expand further at this point in time, however it is looking forward to bringing both of these key matters to a conclusion as soon as possible. However, as stated previously, the timing is unfortunately outside Tlou's control.

The initial development of Lesedi is planned to be up to 10MW of gas-fired power. A 10MW project could generate annual revenue of approximately US\$10m. Once the first 10MW is in place, the project can rapidly expand.

The status of the Lesedi area licences is as follows:

Licence	Expiry	Status
Production Licence 2017/18L	August 2042	Current
PL 001/2004	Renewal application submitted	Awaiting renewal confirmation
PL 003/2004	Renewal application submitted	Awaiting renewal confirmation
PL 035/2000	September 2022	Current
PL 037/2000	September 2022	Current

### *Mamba Project Area, Botswana*

Licences: Prospecting Licences 237-241/2014

Ownership: Tlou Energy Limited 100%

The Mamba project consists of five Prospecting Licences covering an area of approximately 4,500 Km<sup>2</sup>. The Mamba area is situated adjacent to Lesedi. In the event of a gas field development by Tlou, the Mamba area provides the Company with flexibility and optionality.

The Mamba project is in the exploration and evaluation phase with further operations required on these licences. The next stage of exploration is likely to be core hole drilling, with the drilling of core wells using Tlou's drilling rig already planned. Positive results from operations at Mamba could expand the reserves footprint across Tlou's project areas.

In the event of successful development at Mamba, it is envisioned that this area would be developed as a separate project from Lesedi, again with the potential for gas-fired power, solar power and hydrogen production.

The status of the Mamba area licences is as follows:

Licence	Expiry	Status
PL 237/2014	September 2021	Current
PL 238/2014	September 2021	Current
PL 239/2014	September 2021	Current
PL 240/2014	September 2021	Current
PL 241/2014	September 2021	Current

### *Boomslang Project Area, Botswana*

Licence: Prospecting Licence 011/2019

Ownership: Tlou Energy Limited 100%

Prospecting Licence, PL011/2019 designated "Boomslang", is valid for an initial term of three years. The licence area is approximately 1,000 Km<sup>2</sup> and is situated adjacent to the Company's existing licences.

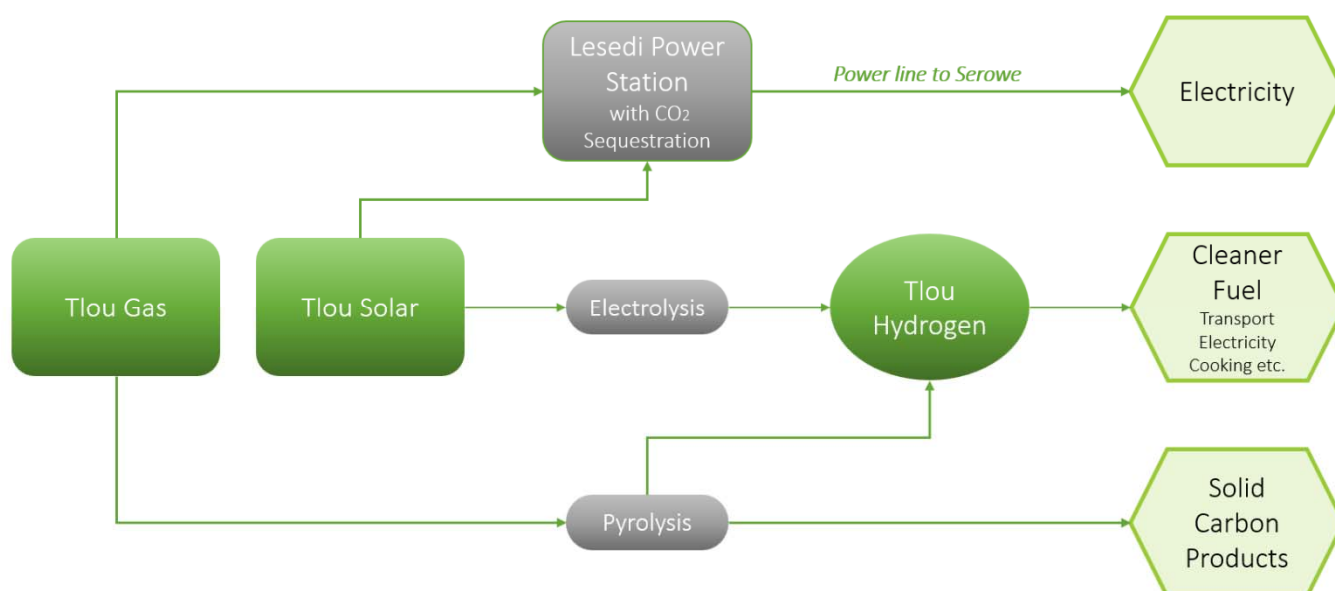
To date, the Company has not carried out ground operations in the Boomslang area having only received environmental approval to commence exploration activities earlier this year.

The status of the Boomslang area licence is as follows:

Licence	Expiry	Status
PL 011/2019	March 2022	Current

## Hydrogen

In addition to gas-to-power development, the Company is planning solar generation, as well as the production of carbon-neutral hydrogen. During the quarter, the Company entered into negotiations with a potential hydrogen project partner. Tlou is well-positioned to produce hydrogen in a relatively short time frame. The Company has large and proven resources to develop these products, including methane for carbon and hydrogen, readily available water for hydrogen and oxygen, and CBM / solar power to drive the process.



## Orapa Gas Supply Tender

The Mamba project area is the Company's closest to the Orapa power plant, which provides power to the Orapa diamond mine – one of the largest diamond mines in the world. Earlier this year, Botswana Power Corporation issued a tender for supply and delivery of natural gas to the Orapa 90MW power plant. During the quarter, Tlou made a submission in relation to this tender.

### By Authority of the Board of Directors

Mr. Anthony Gilby

Managing Director

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For further information regarding this announcement please contact:

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## Company Information

Tlou Energy is focused on delivering power solutions to Botswana and sub-Saharan 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 to provide a cleaner base load power source. The Company is also looking into the production of hydrogen and solid carbon products. The objective with all of Tlou's planned power production is carbon neutrality.

In addition to plans for cleaner energy, the Company is 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. Project acreage spans approximately 9,300 Km<sup>2</sup> in total. The Company has environmental approvals in place, generation licences for gas and solar, an initial 2MW power purchase agreement, grid connection agreement as well as a production licence valid to 2042.

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 will evaluate longer-term prospects for the delivery of additional electricity to the region.

## 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.