



18 October 2021

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## Tlou Energy Limited

("Tlou" or "the Company")

### 10MW Power Purchase Agreement Signed

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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. Tlou plans to develop gas, solar and hydrogen power generation assets at Lesedi with electricity to be sold into the local power grid.

#### 10MW Power Purchase Agreement

The Company is pleased to announce that a 10MW Power Purchase Agreement (PPA) has been signed between the Company and Botswana Power Corporation (BPC). Under the terms of the PPA, BPC will purchase up to 10MW of power generated at Tlou's Lesedi power project.

The PPA is for an initial five-year term with the 10MW project being the first phase of Tlou's planned power project expansion.

The Company would like to thank to all those involved in this process and the Government of Botswana for their support of the industry.

**Tony Gilby, Tlou's Managing Director, said** *"Signing of the 10MW PPA is a major step forward for Tlou and builds on the excellent progress made to date. It has taken some time and considerable effort to get to this point as all of those involved would appreciate. This achievement puts the Company on a firm path towards development of the Lesedi power project and considerable growth potential.*

*With strong demand for reliable and cleaner power in the region, this 10MW project is expected to be the start of much larger developments by the Company.*

*This is great news for the Tlou, our shareholders and for Botswana. After a long wait we can now look forward to getting the project up and running."*

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## *Lesedi Power Project*

Lesedi is the Company's most advanced project and is located in Botswana's Central District. The project has all approvals in place to allow development to commence. The first phase will be a 10MW power project with electricity to be sold to Botswana Power Corporation. Once in full production, 10MW of generation could provide annual revenue of approximately US\$10m.

Key stages of the development are outlined below:

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

## Project Finance

The Company has agreed terms with a potential financier for an initial USD\$10m package to develop the Lesedi project. Legal agreements in relation to this proposal are being prepared. These agreements will need to be finalised and signed before the package becomes binding.

## Power Market

Botswana is currently not meeting power demand from internal generation and is reliant on imported power at an enormous cost. Without sufficient internally produced power, neighbouring countries effectively control Botswana's energy security.

Tlou plans to start with the supply of power to Botswana followed by expansion across southern Africa where demand for new sources of cleaner energy is very strong.

## Hydrogen

Tlou's Hydrogen plans are also gathering pace. A prototype hydrogen and solid carbon production unit is being built in Australia by Tlou's hydrogen partners, Synergen Met Pty Ltd, a leading hydrogen developer applying unique intellectual property in the form of plasma technology to convert methane to hydrogen and solid carbon.

## Clean Energy Demand

The demand for cleaner sources of power is growing in many jurisdictions and gas prices are rising rapidly. With Tlou's established gas reserves and resources, and the ability to develop gas, solar and hydrogen projects, Tlou is ideally positioned to take advantage of the favourable market conditions.

**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 retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the “UK MAR”) which is part of UK law by virtue of the European Union (withdrawal) Act 2018. The information is disclosed in accordance with the Company’s obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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***Forward-Looking Statements***

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