

Chairman's address - AGM

It gives me great pleasure to deliver the Chairman's address at Tlou's ninth AGM as a listed entity.

The past year has been a positive one for Tlou, with the company hitting a number of significant milestones which will help us reach our future goal of being the first CBM project in Botswana to move into production.

The most advanced project in the Company's pipeline is the Lesedi Power Project which once finalised will generate 10MW of gas-fired and solar power. Recent progress has seen the company reach significant project milestones including;

- Sustained gas flows
- Signing a 10MW Power Purchase Agreement with the Botswana Power Corporation ("BPC")
- Securing an electricity generation licence from the Botswana Energy Regulatory Authority
- Awarding preferred tenders for the construction of the overhead powerlines and substations to connect Lesedi to the BPC grid

We remain committed to building shareholder wealth through progressing the Lesedi CBM project towards first revenue while continuing to develop at low cost the Mamba and Boomslang Project areas.

Following recent global developments surrounding the production and use of hydrogen fuel, this year the Company has expanded its clean energy strategy to also include hydrogen production. As part of the Company's strategy, Tlou signed into a binding Heads of Agreement with Synergen Met Pty Ltd, a leading hydrogen developer applying unique intellectual property in the form of plasma technology to convert methane to hydrogen. The HOA involves the construction and commissioning of a hydrogen and solid carbon prototype to be installed at the Lesedi Project.

Synergen Met have built a first-generation working prototype developed in conjunction with the University of Queensland in Australia, that has produced hydrogen and NaCN (Sodium Cyanide) for commercial applications. Design work has now commenced in order to modify the unit to produce hydrogen and solid carbon using Tlou's existing gas flows. The prototype will be constructed and tested in Queensland prior to transportation to Tlou's Lesedi Project in the first half of 2022.

A successful hydrogen strategy for Tlou is envisaged to:

- Create a potentially new market for the Company's gas
- Utilise Tlou's existing gas flow which is currently being flared
- Diversify Tlou's saleable products and customer base
- Result in huge expansion potential beyond a successful prototype to other standard gas assets in the region
- Progress Tlou towards net zero emissions

It is exciting to see the contribution that Tlou has already made to the region, and with its projects continuing to develop, it looks set to continue its work towards providing sustainable and secure energy solutions to Botswana and southern Africa.

Finally, and most importantly, I would like to take this opportunity to recognise the continuing support of our shareholders, without whom our project would not be possible.

Thank you.