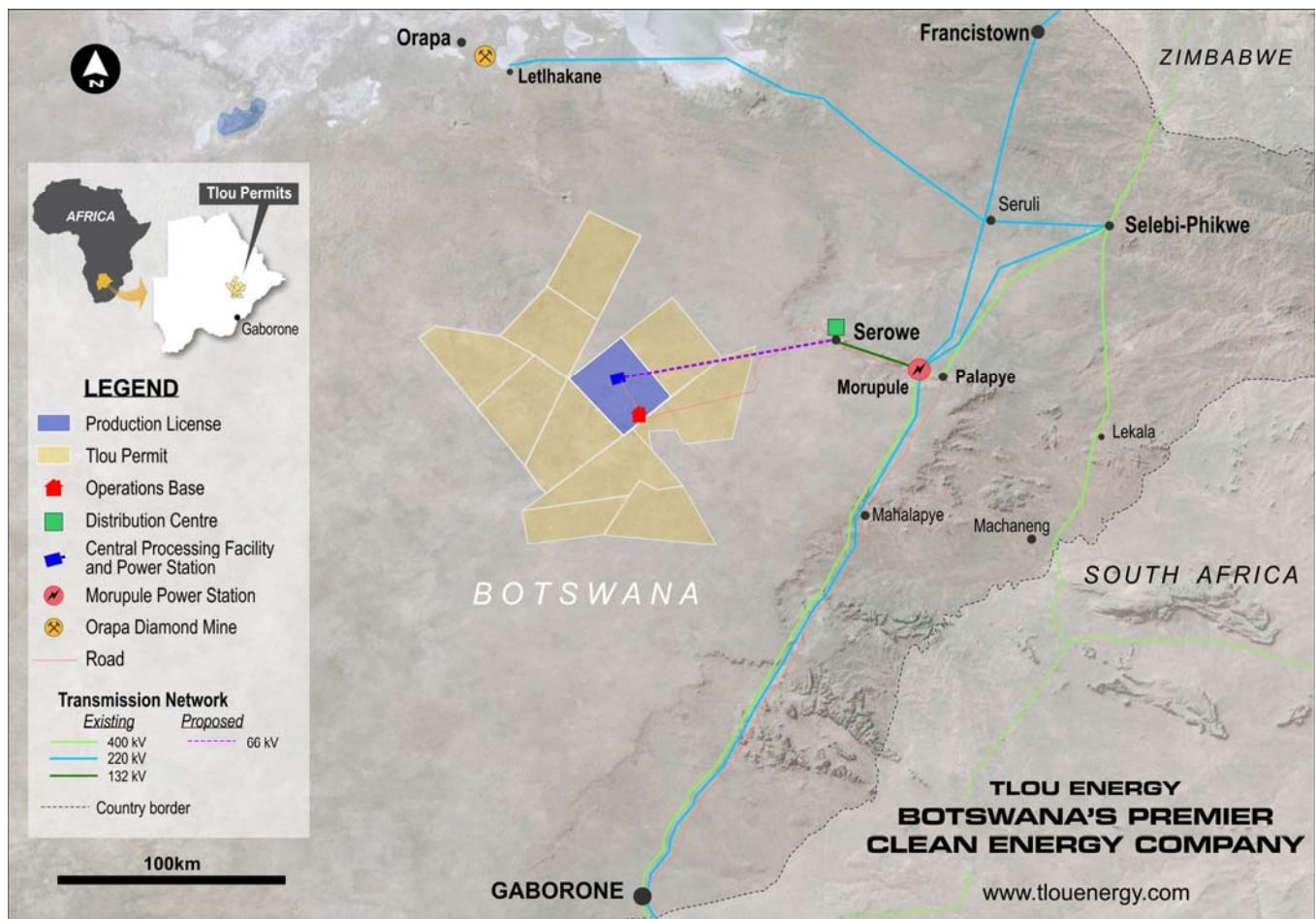


24 January 2022

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

**Operational Report - Quarter ended 31 December 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 power grid.



## Project Areas

The Company has three project areas in Botswana:

- Lesedi Project – *Gas & Solar Power, Hydrogen production*
- 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 licenses covers an area of approximately 3,800 Km<sup>2</sup> and consists of four Prospecting Licences (PL) and a Production Licence. The Lesedi Power project is located in the Company's Production Licence area (~800 km<sup>2</sup>).

The Lesedi 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.

During the quarter the Company signed a 10MW Power Purchase Agreement (PPA) with 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 Company also signed a Convertible Note Agreement with Botswana Public Officers Pension Fund (BPOPF).

The principal terms of the Convertible Note Agreement are as follows:

- Amount: BWP 50m
- Maturity: 5 years
- Interest rate: 7.75% per annum
- Conversion: Conversion to shares at a 10% discount to the 90-day VWAP

The funds are planned to be used to finance construction of transmission line infrastructure to connect the Lesedi Project to the power grid, installation of generation assets, and ancillary costs to facilitate power generation and sale of electricity.

The status of the Lesedi area licences is as follows:

Licence	Expiry	Status
Production Licence 2017/18L	August 2042	Current
PL 001/2004	September 2023	Current
PL 003/2004	September 2023	Current
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 PL's 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. 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, 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 2023	Current
PL 238/2014	September 2023	Current
PL 239/2014	September 2023	Current
PL 240/2014	September 2023	Current
PL 241/2014	September 2023	Current

### *Boomslang Project Area, Botswana*

Licence:           Prospecting Licence 011/2019

Ownership:      Tlou Energy Limited 100%

Prospecting Licence, PL011/2019 designated "Boomslang", 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 in 2021. A renewal application for the Boomslang licence was submitted in December 2021.

The status of the Boomslang area licence is as follows:

Licence	Expiry	Status
PL 011/2019	March 2022	Renewal application submitted

## Hydrogen

The Company's hydrogen technology partner Synergen Met Pty Ltd ("SM"), a specialist in plasma torch and pyrolysis technology, has informed the Company that during the quarter, preliminary engineering for their hydrogen-carbon production process was completed. The plasma torch will be tested and configured to optimise hydrogen and solid carbon production.

The use of plasma technology for hydrogen production will be a first for the sub-Saharan region and could be advantageous for the production of low emission, clean energy across the region as well as in the related fields of waste-to-energy and waste disposal.

Tlou and SM intend to use the hydrogen produced from the prototype to generate electricity and possibly for transport fuel. Solid carbon will be made available for regional consumers that require the product. World markets for hydrogen and solid carbon black are predicted to expand considerably over the short and medium term.

SM considers that their process meets the definition of green hydrogen production via their plasma torch gas pyrolysis design.

## Crypto Mining

During the quarter the Company held discussions with an international crypto mining organisation to use Tlou's electricity to mine crypto currencies such as Bitcoin. The Company is evaluating the merits of this possibility which could lead to another avenue to generate income from Tlou's gas. The potential exists to generate revenue from this project while the grid connection infrastructure is being built.

## Cash Position

At the end of the quarter the Company had \$4.28m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of \$129k for the quarter (shown in item 6.1 of the attached Quarterly Cashflow Report) relates to directors salaries and fees (including tax and superannuation payments made on their behalf) and office rent.

### By Authority of the Board of Directors

Mr. Anthony Gilby  
Managing Director

\*\*\*\*

For further information regarding this announcement please contact:

<b>Tlou Energy Limited</b>	+61 7 3040 9084
Tony Gilby, Managing Director	
Solomon Rowland, General Manager	
<b>Grant Thornton (Nominated Adviser)</b>	+44 (0)20 7383 5100
Harrison Clarke, Colin Aaronson	
<b>Shore Capital (Broker)</b>	+44 (0)20 7408 4090
Toby Gibbs, John More	
<b>Public Relations</b>	
Ashley Seller	+61 418 556 875

### *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. Save as required by any applicable law or regulation, Tlou Energy Limited undertakes no obligation to update any forward-looking statements.