

7 February 2022

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

Award of 10MW Generation Licence and Project Update

Tlou is developing clean energy solutions for Botswana and the sub-Saharan region.

Key points

- **Transmission Line construction set to commence**
- **10MW Generation Licence awarded**

Transmission Line

Tlou is pleased to announce that work is set to commence on the transmission line and substations to connect the Lesedi power project ("Lesedi") to the electricity grid.

As announced late last year, funding has been secured for the construction of the transmission line and substations from our largest shareholder (Botswana Public Officers Pension Fund) and since that time the relevant contractors have been updating their tenders to reflect any cost adjustments since their original submissions. This process is largely complete and following final signatures the work is set to commence.

Project Construction

The Lesedi project is located approximately 100Km from the existing electricity grid. The development will include the erection of wooden poles fitted with an overhead 66kV transmission line. In addition, substations will be installed at Lesedi and close to 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 in place. The line will predominantly cross flat, arid terrain with the last ~5 Km being through the outskirts of the Serowe township.

As previously announced, experienced contractors are being used for the project with construction of the overhead lines by Zismo Engineering (Pty) Ltd ("Zismo") and by OptiPower for the construction of substations.

- **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.

10MW Generation Licence

The Company recently received a 10MW Electricity Generation License from the Botswana Energy Regulatory Authority (BERA).

The licence has a term of 15 years and is for the generation of 10MW of power at the Lesedi project for sale to Botswana Power Corporation (BPC).

Project Timetable

A series of key milestones have been achieved in the past year allowing the Company to progress into the development phase and towards first revenue. A tentative timetable towards this target is set out below. This is not an exhaustive list and is subject to change and funding.

Proposed Timetable (TL = Transmission Line; SS = Substations; H2 = Hydrogen)

Date	Detail
1Q22	TL & SS – Mobilisation of plant & equipment, site establishment, procurement and engineering
2Q22	H2 – Hydrogen & Solid Carbon Prototype unit to be completed
	TL & SS – Commence installation of electricity poles
	Gas-to-power – Ground works on Central Processing Facility
3Q22	H2 – Hydrogen & Solid Carbon Prototype to arrive at Lesedi
	SS – Civil works, steel structures assembly, installation, and earthing
	Solar – Purchase and installation of Solar PV
4Q22	SS –Electrical and mechanical works
	TL – Stringing, tension, and regulation
	Gas-to-power – Purchase of power generators
	H2 – Initial results from the Hydrogen & Solid Carbon Prototype
1H23	TL & SS – Practical completion
	TL & SS – Testing and commissioning
2H23	TL & SS – Handover to Tlou
	Gas-to-power – Sale of first electricity to BPC

Lesedi Gas production

The Lesedi gas production wells continue to steadily perform. The Lesedi 3P (“L3”) production pod was shut-in for approximately 18 months during the pandemic and was recently brought back into production following the resumption of full operations. Since resumption, L3 has already recommenced flowing gas which is a very positive indicator and the Lesedi 4P (“L4”) production pod also continues to flow sustained gas. Cumulative flow rates are encouraging and we look forward to providing substantive numbers to the market as soon as practicable.

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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