

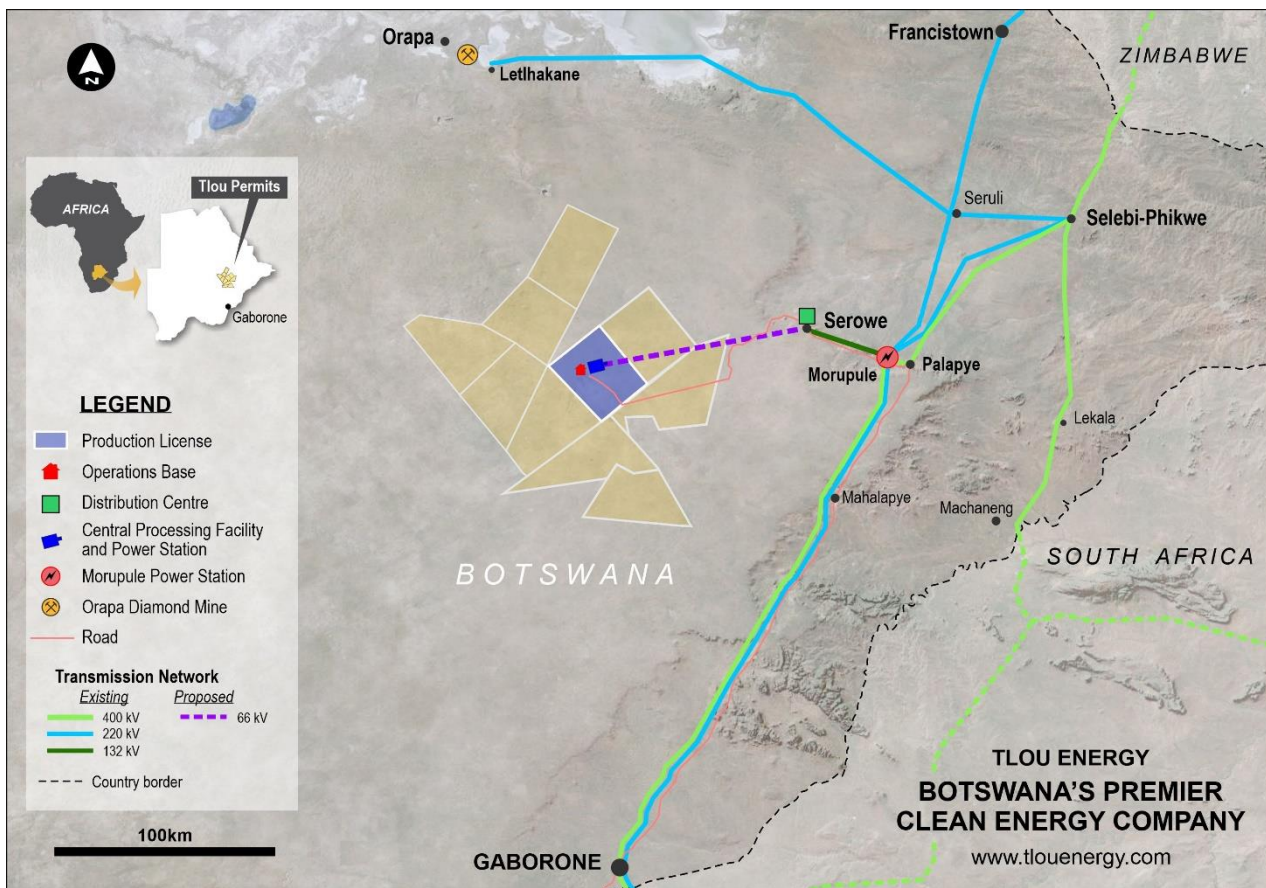
26 October 2022

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

Operational Report - Quarter ended 30 September 2022

Highlights

- Transmission line construction progressing
- Lesedi 4 production well continues to produce gas and the Lesedi 3 well has been shut in
- Cash position of ~A\$5.9m (unaudited) at the end of the quarter



Projects

The Company has three project areas in Botswana.

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

Lesedi Project

The Lesedi Project consists of three Prospecting Licences (PL) and a Production Licence. The first stage of development is a 10MW power generation facility which will be located in the Company's Production Licence area.

Gas-to-Power project

Electricity generated at the Lesedi 10MW gas fired power facility will be sold under a Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC), the national power utility in Botswana. Once in full production 10MW of generation could provide annual revenue of approximately US\$10m.

The project is being developed in two parts, (i) the Lesedi site development and (ii) the transmission line interconnect between the Lesedi site and the existing power grid.

Transmission Line Construction

To connect to Botswana's power grid, a 100 km transmission line is being built from the Lesedi project area to join the grid near the town of Serowe. Construction is being done by Zismo Engineering Pty Ltd (Zismo) and is expected to be completed around mid-2023. Progress at the end of September was 16%. Zismo plans to source a second drill rig for excavation and pole planting to increase the rate of progress along the line. In addition to the transmission line, substations at either end of the line are due to be constructed. This is expected to be completed in the second half of 2023. Sale of electricity can start thereafter.

Lesedi Development Operations

The Company has acquired land in the Lesedi project area where work is underway on a purpose-built operations facility including accommodation and associated infrastructure required for the initial 10MW development and to allow for rapid project expansion thereafter.

The Lesedi site development is being undertaken by Tlou through its consultant contractor African Gas Services (AGS). Tlou and AGS are undertaking the design and procurement services for the development of the Lesedi Power Project. AGS is also undertaking the management and construction of the power plant, the gas field development and gas gathering network.

Layout design and surveying of the gas central processing facility is also complete. Generation site clearing has commenced and requests for quotation for generation assets have been sent to suppliers.

Gas production

Tlou has two production wells Lesedi 3 and Lesedi 4. Lesedi 4 continues to produce gas. During the quarter the Company decided to shut in the Lesedi 3 well as sufficient data exists from this well and there is no need to incur further production costs at this time. The well can be brought back into production as required.

Lesedi 3 and Lesedi 4 have been dewatering in isolation and gas flow rates are expected to continue to increase particularly when additional wells are drilled and can assist with dewatering of the reservoir. Additional wells are required to produce sufficient gas for development of the 10MW project.

The status of the Lesedi 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 037/2000 | September 2022 | Renewal application submitted |

Mamba Project

The Mamba project consists of five PL's covering an area of approximately 4,500 Km². 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 seismic surveying and 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 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

Prospecting Licence, PL011/2019 designated "Boomslang", is approximately 1,000 Km² and is situated adjacent to the Company's existing licences. To date, the Company has not carried out ground operations in the Boomslang area.

The status of the Boomslang licence is as follows:

| Licence | Expiry | Status |
|-------------|-----------|---------|
| PL 011/2019 | June 2024 | Current |

Cash Position

At the end of the quarter the Company had ~A\$5.9m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$157k 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.

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.

By Authority of the Board of Directors

Mr. Anthony Gilby
Managing Director

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About Tlou

Tlou is developing energy solutions in Sub-Saharan Africa through gas-fired power and planned solar power and hydrogen projects. The Company is listed on the ASX (Australia), AIM (UK) and the BSE (Botswana). The Lesedi Gas-to-Power Project ("Lesedi") is 100% owned and is the Company's most advanced project. Tlou's competitive

advantages include the ability to drill cost effectively for gas, operational experience and Lesedi's strategic location in relation to energy customers. All major government approvals have been achieved.

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.