



19 December 2022

Dear Shareholders,

Notice is hereby given that Tlou Energy Limited (AIM;ASX;BSE) (**Tlou or the Company**) will be holding its physical General Meeting (GM) on Wednesday, 18 January 2023 at 10:00am (AEST) at the offices of BDO:

**Level 10,
12 Creek Street,
Brisbane Qld 4000**

As permitted by the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of Meeting unless the shareholders have made a valid election to receive documents in hard copy. The Notice of Meeting and accompanying explanatory statement (Meeting Materials) are available to shareholders electronically and can be viewed and downloaded at www.tlouenergy.com

The Company advises that the Meeting will be held to comply with Federal and State Government's restrictions in relation to gatherings of persons during the COVID-19 directions in place at the time of the Meeting, which may be different from those in place at the time of this Notice.

The Company therefore strongly encourages Shareholders who wish to vote on the business of the meeting to do so by lodging a Proxy Form prior to the date of meeting as per the instructions on the form. Proxy Forms must be received by no later than **10.00 am (AEST) on Monday, 16 January 2023**. Shareholders can submit any questions in advance of the Meeting by emailing them to contact@tlouenergy.com by no later than 5 pm (AEST) on Thursday, 12 January 2023.

We are also offering all shareholders the opportunity to lodge their proxy vote on-line. If you would like to take advantage of this service, please follow the instructions below:

1. Click on the link below.

[SHAREHOLDER LINK](#)

2. Enter the postcode (Australian address) or country code (overseas address) relevant to each shareholding.

If you have any problems accessing the proxy voting screen(s) please contact Link Market Services Limited on 1300 554 474 or email registrars@linkmarketservices.com.au

The Company will continue to monitor guidance from the Federal and State governments for any impact on the proposed arrangements for the Meeting. If any changes are required; the Company will advise shareholders by way of announcement on the ASX and the details of the announcement will also be made available on our website.

To assist the Company in complying with any social distancing requirements, any Shareholder proposing to attend the Meeting in person are requested to register this intention with the Company by no later than 11.00am (Brisbane Time) on Monday, 16 January 2023.

To advise your intention to attend the meeting either call the offices of Tlou Energy on +61 7 3012 9793 between 9:00am and 5:00pm or email the Company Secretary @ contact@tlouenergy.com

The meeting will consider only the business detailed in the Agenda.

If you are unable to access the Meeting Materials online, please contact the Company Secretary on +61 7 3012 9793 or solomon.rowland@tlouenergy.com between 9:00am and 5:00pm (AEST) Monday to Friday, to arrange a copy.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S Rowland', is positioned above the printed name.

Solomon Rowland
Company Secretary
Tlou Energy Limited

Notice of General Meeting and Explanatory Memorandum

Tlou Energy Limited ACN 136 739 967

Date of Meeting: 18 January 2023

Time of Meeting: 10am AEST

Place of Meeting: BDO, Level 10, 12 Creek Street, Brisbane QLD 4000

Notice is given that an Annual General Meeting of Shareholders of Tlou Energy Limited ACN 136 739 967 will be held at BDO, Level 10, 12 Creek Street, Brisbane QLD 4000 on 18 January 2023 at 10.00 am (AEST).

Terms used in this Notice of Meeting are defined in the Glossary forming part of the Explanatory Statement.

The Explanatory Statement and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

The business of the Meeting affects your shareholding, and your vote is important.

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00 pm (AEDT) on 16 January 2023.

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 3 to the non-associated Shareholders. The Independent Expert has determined the transaction the subject of Resolution 3 is NOT FAIR BUT REASONABLE.

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser without delay.

Notice is hereby given that a General Meeting of Shareholders of **Tlou Energy Limited ACN 136 739 967 (Tlou or Company)** will be held at BDO, Level 10, 12 Creek Street, Brisbane QLD 4000 on 18 January 2023, commencing at 10 am (Brisbane time).

Terms used in this Notice of Meeting are defined in section 6 of the accompanying Explanatory Memorandum.

Agenda

Resolution 1: Ratification of previous issue of Placement Shares under Listing Rule 7.1A to (entities controlled by) Dr Ian Campbell

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Company ratify the issue on 4 November 2022 of 57,142,857 Shares (**Placement Shares**) previously issued under the Company's Listing Rule 7.1A issue capacity, on the terms and conditions set out in the Explanatory Statement.”*

Resolution 2: Ratification of previous issue of Placement Shares under Listing Rule 7.1 to (entities controlled by) Dr Ian Campbell

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

*“That, in accordance with Listing Rule 7.4, and for all other purposes, the Company ratify the issue on 11 November 2022 of 85,714,286 Shares (**Placement Shares**) previously issued under the Company's Listing Rule 7.1 issue capacity, on the terms and conditions set out in the Explanatory Statement.”*

Resolution 3: Approval to issue Placement Shares to IC Australia (No 2) Pty Ltd, an entity controlled by Dr Ian Campbell (or entities controlled by him)

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution of the Company:

“That, for the purposes of section 611 item 7 of the Corporations Act and for all other purposes, Shareholders approve the issue to IC Australia (No 2) Pty Ltd of 71,428,571 Shares at an issue price of \$0.035, on the terms and conditions set out in the Explanatory Statement.”

Independent Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of Shareholder approval under section 611 Item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the issue the subject of this Resolution to the non-associated Shareholders of the Company. Refer to the IER in the Annexure to this Notice.

THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE ISSUE THE SUBJECT OF THIS RESOLUTION IS NOT FAIR BUT REASONABLE TO NON-ASSOCIATED SHAREHOLDERS

Resolution 4: Approval to issue Placement Shares to Solomon Rowland

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution of the Company:

“That, in accordance with Listing Rule 7.1 and for all other purposes, the Company approve the issue of 571,429 Shares at an issue price of \$0.035, on the terms and conditions set out in the Explanatory Statement.”

Resolution 5: Approval to issue Placement Shares to Ashley Seller

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution of the Company:

“That, in accordance with Listing Rule 7.1 and for all other purposes, the Company approve the issue of 1,000,000 Shares at an issue price of \$0.035 to Ashley Seller, on the terms and conditions set out in the Explanatory Statement.”

Resolution 6: Approval to issue Placement Shares to investors introduced by Dr Ian Campbell

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution:

“That, in accordance with Listing Rule 7.1 and for all other purposes, the Company approve the issue of 79,857,143 Shares at an issue price of \$0.035 to investors introduced by Dr Ian Campbell, on the terms and conditions set out in the Explanatory Statement.”

Resolution 7: Approval to issue Placement Shares to entities controlled by a Related Party - Anthony Gilby

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 6,510,420 Shares at an issue price of \$0.035 to Anthony Gilby (or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Resolution 8: Approval to issue Placement Shares to a Related Party - Colm Cloonan

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution:

“That for the purposes ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,428,572 Shares at an issue price of \$0.035 to Colm Cloonan (or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Resolution 9: Approval to issue Placement Shares to an entity controlled by a Related Party - Martin Mclver

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution:

“That for the purposes of section 195(4) of the Corporations, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 285,714 Shares at an issue price of \$0.035 Martin Mclver (or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Resolution 10: Approval to issue Placement Shares to a Related Party - Hugh Swire

To consider and, if thought fit, to pass, with or without amendment, the following resolution, as an Ordinary Resolution:

“That for the purposes of section 195(4) of the Corporations, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares at an issue price of \$0.035 Hugh Swire (or his nominees) on the terms and conditions set out in the Explanatory Statement.”

Resolution 11 - Approval of Amendments to the Company’s Constitution

To consider and, if thought fit, to pass, with or without amendment, the following as a special resolution:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval be given that the constitution of the Company be amended in the manner set out in the Explanatory Statement, with effect from the passing of this Resolution.”

VOTING EXCLUSIONS AND PROHIBITIONS

Resolutions 1 and 2

The Company will disregard any votes cast on Resolutions 1 and 2 by any person who participated in the issue or is a counterparty to the agreement being approved, or their associates.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) any person who is expected to participate in or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition statement - section 611 Item 7 of the Corporations Act

The Company will disregard any votes in favour of Resolution 3 by *IC Australia (No 2) Pty Ltd* and its associates.

Resolutions 4, 5 and 6

The Company will disregard any votes cast in favour of Resolutions 4, 5 and 6 by or on behalf of:

- (a) any person who is expected to participate in or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or

- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 7, 8, 9 and 10

Voting exclusion statement - ASX Listing Rule 14.11

The Company will disregard any votes cast in favour of Resolutions 7, 8, 9 and 10 by or on behalf of:

- (a) the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

IMPORTANT INFORMATION ABOUT VOTING ON THE RESOLUTIONS

All Resolutions will be by poll

In accordance with clauses 13.16 and 13.17 of the Company's Constitution, the Chair intends to call a poll on each of the Resolutions proposed at the Meeting. Each Resolution considered at the Meeting will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the interests of the Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

Shareholders may vote by appointing a proxy to attend and vote on their behalf, using the enclosed Proxy Form.

By order of the Board

A handwritten signature in blue ink, appearing to read 'Solomon Rowland', is positioned above the printed name and title.

Solomon Rowland
Company Secretary

19 December 2022

Introduction

The following information is provided to Shareholders of Tlou Energy Limited ACN 136 739 967 (**Tlou** or the **Company**) in connection with the business to be considered at the General Meeting of Shareholders to be held at BDO, Level 10, 12 Creek Street, Brisbane QLD 4000 on 18 January 2023, commencing at 10.00 am (Brisbane time).

The Directors recommend that Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in section 6.

1. Resolutions 1 and 2: Ratification of Previous Issues

Resolution 1: Ratification of previous issue of Placement Shares under Listing Rule 7.1A to (an entity controlled by) Dr Ian Campbell

Resolution 2: Ratification of previous issue of Placement Shares under Listing Rule 7.1 to (an entity controlled by) Dr Ian Campbell

1.1 Introduction

On 4 November 2022, the Company announced a placement of 57,142,857 Shares at an issue price of \$0.035 to raise \$2 million (**4 November Placement**). On 11 November 2022, the Company announced a further placement of 85,714,286 Shares at an issue price of \$0.035 to raise \$3 million (**11 November Placement**).

1.2 ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid Ordinary Securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued Share capital through placements over a 12-month period after the AGM at which approval was given by Shareholders by Special Resolution (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% issue capacity under Listing Rule 7.1. The Company obtained such approval at its annual general meeting in 2022 and consequently, issued 57,142,857 Shares pursuant to the 4 November Placement using the 10% Placement Capacity.

The 4 November Placement and the 11 November Placement (jointly, **Placements**) that are the subjects of Resolutions 1 and 2 respectively, do not fit within any of the exceptions in Listing Rule 7.2 and, as they have not yet been approved by Shareholders, effectively use up:

In respect of the:

- (a) 4 November Placement: part of the Company's 10% limit under Listing Rule 7.1A; and
- (b) 11 November Placement: part of the Company's 15% Placement Facility under Listing Rule 7.1.

Therefore, the Placements reduce the Company's capacity under Listing Rules 7.1 and 7.1A to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

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The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 or using up capacity under its 10% Placement Facility. To this end, Resolutions 1 and 2 seek Shareholder approval for the Placements under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the 4 November Placement will be excluded in calculating the Company's additional 10% issue capacity under Listing Rule 7.1A until it is next obtained, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 1 is not passed, the 4 November Placement will be included in calculating the Company's additional 10% capacity under Listing Rule 7.1A will not be available, unless and until it is approved at the General Meeting the subject of this Notice

If Resolution 2 is passed, the 11 November Placement will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 2 is not passed, the 11 November Placement will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date.

1.3 Information required under Listing Rule 7.5

For Shareholders to ratify an issue of Equity Securities under Listing Rule 7.4, the Company must provide the following information pursuant to Listing Rule 7.5 in relation to Resolutions 1 and 2:

The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected	Resolutions 1 and 2: IC Australia (No 2) Pty Ltd, an entity controlled by Dr Ian Campbell. Neither Mr Campbell nor the entities controlled by him were a related party or KMP (or Closely Related Party) of the Company at the time of the Placement.
The number and class of securities the entity issued or agreed to issue and their material terms of issue	Resolution 1: 57,142,857 fully paid ordinary shares ranking equally with all other Shares on issue. Resolution 2: 85,714,286 fully paid ordinary shares ranking equally with all other Shares on issue.
The date or dates on which the securities were issued	Resolution 1: 9 November 2022. Resolution 2: 14 November 2022.
The price or other consideration the entity has received or will receive for the issue	Resolutions 1 and 2: \$0.035 per Share
The purpose of the issue, including the use or intended use of any funds raised by the issue	Funds raised from the Placements will be used to continue development of the Company's Lesedi Power Project in Botswana and for general working capital.
A voting exclusion statement	A voting exclusion statement has been included in the attached Notice of General Meeting

1.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of Resolutions 1 and 2. The Board recommends that Shareholders vote in favour of Resolutions 1 and 2 as they will enable the Company to have flexibility in respect of future capital raising activities.

2. Resolution 3: Approval to issue Placement Shares to IC Australia (No 2) Pty Ltd, an entity controlled by Dr Ian Campbell

2.1 Introduction

Shareholders are referred to the Placements described in Section 1.1 above.

The Company intends to conduct another placement (**January Placement**) to IC Australia (No 2) Pty Ltd, an entity controlled by Dr Ian Campbell, of 71,428,571 Shares at an issue price of \$0.035, to raise \$2,500,000. As at the date of this Notice, Dr Campbell, through IC Australia (No 2) Pty Ltd, has a 19.23% relevant interest in the shares of the Company and as a result, Shareholder approval is required for the further investment now proposed, for the reasons set out below.

2.2 Corporations Act

Section 606(1) of the Corporations Act provides that a person must not (without an available exemption under the Corporations Act) acquire a relevant interest in issued voting shares of a listed company if the person acquiring the interest does so through a transaction in relation to the securities entered into by or on behalf of the person and, because of the transaction, that person's or someone else's voting power in the listed company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Under section 608(1) of the Corporations Act, a person has a relevant interest in securities if they are the holder of the securities, have power to exercise, or control the exercise of, a right to vote attached to the securities or have power to dispose of, or control the exercise of a power to dispose of, the securities. It does not matter how remote the relevant interest is, or how it arises.

An exemption applicable to the issue of any Shares to IC Australia (No 2) Pty Ltd pursuant to the January Placement is available under item 7 of section 611 of the Corporations Act.

This section broadly provides that an acquisition approved previously by a resolution passed at a general meeting of the company in which the acquisition is made, is exempt from the prohibition in section 606(1), if:

- (a) no votes are cast in favour of the resolution by:
 - (i) the person proposing to make the acquisition and their associates; or
 - (ii) the persons (if any) from whom the acquisition is to be made and their associates; and
- (b) the members of the Company were given all information known to the person proposing to make the acquisition or their associates, or known to the Company, that is material to the decision on how to vote on the resolution, including:
 - (i) the identity of the person proposing to make the acquisition and their associates;
 - (ii) the maximum extent of the increase in that person's voting power in the company that would result from the acquisition;
 - (iii) the voting power that person would have as a result of the acquisition;

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- (iv) the maximum extent of the increase in the voting power of each of that person's associates that would result from the acquisition; and
- (v) the voting power that each of that person's associates would have as a result of the acquisition.

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person, and the person's associates, have a relevant interest.

An "associate" of a company includes (among others):

- (a) a body corporate that controls the company or a body corporate controlled by the company;
- (b) a person with whom the company has, or proposes to enter into, a relevant agreement for the purposes of controlling or influencing the composition of the company's board or the conduct of the company's affairs; and
- (c) a person who is acting or proposing to act in concert in relation to the company's affairs.

As the voting power that Dr Campbell will acquire (through control of IC Australia (No 2) Pty Ltd) under the proposed January Placement will increase beyond 20%, the Corporations Act requires Shareholders to approve the January Placement pursuant to Resolution 3).

2.3 Who is IC Australia (No 2) Pty Ltd?

IC Australia (No 2) Pty Ltd (**IC2**) is an entity controlled by Dr Ian Campbell, a high-net-worth investor resident in Sydney. Through IC2, he participated in the 4 November and 11 November Placements.

Dr Ian Campbell holds all the issued share capital of IC2.

2.4 Reasons for the proposed issue of Shares to IC2

For the purposes of ASIC Regulatory Guide 74.25, the Company considers that the reasons for the proposed issue of Shares to IC2 are the following:

- (a) the issue is to be undertaken by placement to IC2 under the "sophisticated investor" provisions in section 708 of the Corporations Act; placements to sophisticated investors are ubiquitous among listed entities in the energy and resources sectors in Australia, as they are a well understood and efficient means of raising capital from persons who have significant financial resources that can be mobilised quickly and who represent potential further sources of capital to companies in whom they invest and validation of the company's strategy;
- (b) debt finance is not currently available to the Company on attractive terms (or at all) and even if available, is unlikely to be advanced to the Company in a timeframe and at a cost that suits the Company's current capital needs; and
- (c) pro rata offers to Shareholders do not suit the Company's current timeframe for raising the January Placement funds, but the Company may elect to conduct pro rata capital raisings in future.

2.5 Intentions of IC Australia (No 2) Pty Ltd

Dr Campbell has advised the Company as follows, in relation to the intentions of IC2:

- (a) **Business of the Company** - Should Resolution 3 be approved, IC2 intends to support the Company pursuing its current publicly stated strategy. IC2 has no intention of seeking any change to the business of the Company not consistent with its current publicly stated position;

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- (b) **Injection of further capital into the Company** - IC2 has no current intention to inject further capital into the Company, but may elect to participate in future equity raisings;
- (c) **Future employment of present employees of the Company** - IC2 has no current intention to seek any change to the existing employment arrangements of the Company;
- (d) **Transfers of assets between the Company and Dr Campbell or his associates** - IC2 has no intention to transfer assets between the Company and itself or its associates;
- (e) **Redeployment of the fixed assets of the Company** - IC2 has no intention to seek redeployment of any Company assets;
- (f) **Financial and dividend distribution policies of the Company** - IC2 does not propose any change to the financial and dividend distribution policies of the Company; and
- (g) **Director representation** - IC2 has the right to nominate one director to the Board of the Company, but has not exercised that right to date and has no present intention to do so. IC2 has no intention to seek any other changes to the structure of the Board of the Company.

The present intentions of IC2 set out below may change as a consequence of the passage of time or a change in circumstances of the Company or IC2.

2.6 Effect of the January Placement on the Company's financial position

The issue of the January Placement Shares (the subject of Resolutions 3-10) will raise \$3,050,365 for the Company, of which \$2,500,000 will be raised as a result of the issue contemplated in Resolution 3.

2.7 Effect of the January Placement on the Company's Capital Structure

As at the date of this Notice, the Company has 743,062,432 Shares on issue. By the January Placement, the Company proposes to issue 87,153,277 Shares (and of those, 71,428,571 to IC2 pursuant to Resolution 3). The table below sets out the effect on the Company's capital structure of the January Placement:

Potential effect of the Strategic Proposal on capital structure		
	Shares	% Share Capital (undiluted)
Shares currently on issue	743,062,432	100%
Shares on issue at completion of January Placement*	830,858,567*	100%
IC2's relevant interest in the Company at the date of this Notice	142,857,143	19.23%
IC2's maximum relevant interest in the Company at completion of January Placement	214,285,714	25.79%

* Assumes no convertible securities are exercised or converted.

** The issue of Shares to IC2 pursuant to Resolution 3 has the effect of diluting other Shareholders by 6.56%.

2.8 Consequences if the January Placement is Approved

If Resolution 3 is approved, the Company will issue to IC2 the 71,428,571 Shares represented by its portion of the January Placement and the Company will have the benefit of the \$2,500,000 cash thereby raised available for development of its Lesedi Power Project in Botswana and for general working capital.

2.9 Consequences if the January Placement is not Approved

If Resolution 3 is not approved, the Company will not issue the 71,428,571 Shares represented by IC2's portion of the January Placement and the Company will not have the benefit of the \$2,500,000 cash it would thereby have raised. In that case, the Company will have to seek other sources of capital and may have to scale back its development plans on its Lesedi Power Project in Botswana if new sources of capital are not identified within a reasonable time.

2.10 Reasons why Shareholders may consider voting in favour of the Placement (and the Strategic Proposal)

The Directors consider that Shareholders may consider voting in favour of Resolution 3, because:

- (a) Dr Ian Campbell (who controls IC2) is a long term, strategic investor whose support for the Company is regarded by the Directors as an important endorsement of the Company's strategy;
- (b) the Company is at an important stage in the development of its projects and needs additional capital to execute its Lesedi Power Project development plan; and
- (c) IC2 is offering to invest in the Company on what the Board considers reasonable terms in the current market. The Independent Expert notes that should the issue not proceed, the Company may have solvency issues and be unable to continue as a going concern. In this regard, please refer to IER in Annexure A.

2.11 Reasons why Shareholders may elect not to vote in favour of Resolution 3

The Directors consider that Shareholders may consider voting against Resolution 3:

- (a) They believe that the Company's capital requirements may be satisfied from alternative sources on better terms, while this issue is offered at a discount to fair value (as set out in the IER - refer to the Annexure to this Notice); and
- (b) they believe that the potential impact on control of the Company, represented by the resulting 6.56% dilution of other Shareholders, as set out in Section 2.7, is adverse.

More information can be found in the IER in Annexure A to this Notice.

2.12 Director Interests

The Directors do not have any interest in the January Placement, except an intention to participate on equal terms pursuant to Resolutions 7, 8, 9 and 10.

2.13 Independent Expert's Report

To assist Shareholders in their consideration of Dr Campbell's participation in the January Placement, the Board commissioned the Independent Expert to prepare an independent expert's report (**IER**) setting out the Independent Expert's opinion as to whether the issue of Shares to IC2 contemplated in Resolution 3 **is not fair and/or reasonable**. A copy of the IER accompanies this Notice at Annexure A and should be read carefully by Shareholders.

For the reasons outlined in the IER, the Independent Expert has determined a valuation range of the Shares the subject of Resolution 3 as follows:

- (a) the low and high value of Shares (pre-transaction) on a controlling basis: \$0.0417 (low) and \$0.0540 (high); and
- (b) the value per Share (post-transaction) on a minority basis: \$0.0317.

The Independent Expert concluded that the issue contemplated in Resolution 3:

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- (a) ***is not fair***, because the consideration represented by the issue price is less than the fair value assessed; but
- (b) ***is reasonable***, because there are sufficient reasons for Tlou security holders to accept the offer in absence of any higher bid before the close of the offer.

Please refer to the IER set out in **Annexure A** to this Notice.

2.14 ASX Listing Rules 7.1 and 10.11

Resolution 3 does not seek approval under Listing Rules 7.1 and 10.11, as by Listing Rule 7.2 Exception 8 and Listing Rule 10.12 Exception 6, approval under these rules is not required where approval is obtained under Section 611 Item 7 of the Corporations Act.

2.15 Directors' recommendation

The Directors unanimously recommend that non-associated Shareholders (in other words, Shareholders other than IC2) vote in favour of the Resolution relating to the Resolution 3.

3. Resolutions 4, 5 and 6: Approval to issue Placement Shares

Resolution 4: Approval to issue Placement Shares to Solomon Rowland

Resolution 5: Approval to issue Placement Shares to Ashley Seller

Resolution 6: Approval to issue Placement Shares to investors introduced by Dr Ian Campbell

3.1 Background

The Company's January Placement is to be cornerstoned by Dr Ian Campbell (refer to Section 2.1).

In addition

- (a) Solomon Rowland, the Company's General Manager (Resolution 4);
- (b) Ashley Seller, a consultant to the Company (Resolution 5); and
- (c) certain investors introduced by Dr Ian Campbell (Resolution 6),

have indicated that they wish to participate in the January Placement on equivalent terms and conditions to those offered to Dr Campbell.

3.2 ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid Ordinary Securities it had on issue at the start of that period.

The issue the subject of Resolutions 4, 5 and 6 do not fit within any of the exceptions in Listing Rule 7.2 and, as the Company does not have capacity to issue the relevant Shares as part of the 15% limit under Listing Rule 7.1, the Company requires shareholder approval.

Listing Rule 7.1 allows the shareholders of a listed company to approve an issue of equity securities.

If Resolutions 4, 5 and 6 are passed, the Company will be able to proceed with the issue of the Shares the subject of those Resolutions to Mr Rowland, Mr Seller and investors introduced by Dr Ian Campbell respectively and the Company will have the benefit of the funds raised. Those Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

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If any of Resolutions 4, 5 or 6 is not passed, the Company may not issue the Shares to either Mr Rowland, Mr Seller or the investors to be introduced by Dr Ian Campbell (as appropriate), in which the Company will not have the benefit of the funds raised, or it may still proceed with the relevant issue under its 15% issue capacity, which will be thereby reduced for the next 12 months.

3.3 Information required under Listing Rule 7.5

For Shareholders to approve an issue of Equity Securities under Listing Rule 7.1, the Company must provide the following information pursuant to Listing Rule 7.3 in relation to Resolutions 4, 5 and 6:

The names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected	<p>Resolution 4: Solomon Rowland.</p> <p>Resolution 5: Ashley Seller.</p> <p>Resolution 6: Sophisticated or other investors except from disclosure, introduced by Dr Ian Campbell from his network, namely:</p> <ul style="list-style-type: none"> • R Valois & Associates Pty Ltd <R Valois Super Fund A/C> • G Williams & Associates Pty Limited <G & D Williams Super Fund A/C> • Kaanell Pty Ltd and • Danny K Holdings Pty Ltd. <p>The Company understands the none of these investors are Associates of Dr Campbell.</p>
The number and class of securities the entity issued or agreed to issue and their material terms of issue	<p>Resolution 4: 571,429 Shares.</p> <p>Resolution 5: 1,000,000 Shares.</p> <p>Resolution 6: 1,232,143 Shares, as follows:</p> <ul style="list-style-type: none"> • R Valois & Associates Pty Ltd <R Valois Super Fund A/C>: 1,500,000 Shares; • G Williams & Associates Pty Limited <G & D Williams Super Fund A/C>: 1,000,000 Shares; • Kaanell Pty Ltd: 1,000,000 Shares; and • Danny K Holdings Pty Ltd: 1,428,572 Shares.
The date or dates on which the securities will be issued	The Shares will be issued no later than 3 months after the date of the meeting.
The price or other consideration the entity has received or will receive for the issue	\$0.035 per Share.
The purpose of the issue, including the use or intended use of any funds raised by the issue	Funds raised from the placement will be used to fund development of the Company's Lesedi Power Project in Botswana and for general working capital.
A voting exclusion statement	A voting exclusion statement has been included in the attached Notice of General Meeting

3.4 Directors' Recommendation

None of the Directors have a material personal interest in the subject matter of this Resolution. The Board recommends that Shareholders vote in favour of Resolutions 4, 5 and 6, as they will enable the Company to have flexibility in respect of future capital raising activities.

4. Resolutions 7, 8, 9 and 10: Approval to issue January Placement Shares to Related Parties

Resolution 7: Approval to issue Placement Shares to a Related Party - Anthony Gilby

Resolution 8: Approval to issue Placement Shares to a Related Party - Colm Cloonan

Resolution 9: Approval to issue Placement Shares to a Related Party - Martin McIver

Resolution 10: Approval to issue Placement Shares to a Related Party - Hugh Swire

4.1 Introduction

The Company's January Placement is to be cornerstoned by Dr Ian Campbell (refer to Section 2.1). In addition, the Company's Directors, Mr Anthony Gilby, Mr Colm Cloonan, Mr Martin McIver and Mr Hugh Swire (**Related Party Participants**) have offered to participate in the January Placement on equivalent terms and conditions to those offered to Dr Campbell.

Each of Resolutions 7, 8, 9 and 10 seeks approval for the issue (**Issue**) of the relevant Shares to the Director concerned (each, a **Related Party Participant**).

4.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

Related party is widely defined under the Corporations Act and includes directors of a company. Financial benefit is defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate.

The participation by the Related Party Participants will result in the issue of Shares, which constitutes giving a financial benefit and each Related Party Participant is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Related Party Participants, because the Shares will be issued to the Related Party Participants at the same price and on the same terms as the Shares that were issued to non-related party participants in the January Placement and as such, the giving of the financial benefit is on arm's length terms.

Pursuant to ASIC Regulatory Guide 76, the non-interest Director make the following disclosure concerning the proposed placements to the related parties identified:

- (a) **How the terms of the overall transaction compare with those of any comparable transactions between parties dealing on an arms' length basis in similar circumstances**

The terms of each of the placements to each of the Related Party Participants are identical with those of comparable transactions between parties dealing on an arms' length basis in similar circumstances,

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because they are on the same terms as those agreed between the Company and investors the subject of Resolutions 4, 5 and 6;

- (b) **The nature and content of the bargaining process, including whether the entity followed robust protocols to ensure that conflicts of interest were appropriately managed in negotiating and structuring the transaction**

During the bargaining process, the Company was represented by the non-interested Director, Mr Gabaake, to avoid conflicts of interest and the relevant placements have otherwise been modelled on and are on terms consistent with components of the January 2023 Placement to unrelated investors.

- (c) **The impact of the transaction on the company (e.g. the impact of dealing on those terms on the financial position and performance of the company) and non-associated members**

The non-interested Director considers that the proposed placements to Related Party Participants will benefit the Company (and hence, non-associated Shareholders) primarily by the immediate investment of cash to be dedicated to executing the Company's strategy, but additionally, by demonstrating that the Related Party Participants are willing to invest their own funds on the same terms as non-related investors, indicating an alignment of the interests of the Related Party Participants and Shareholders and conviction about the Company's strategy.

- (d) **Any other options that may be available to the entity**

As stated in Section 2.4, the non-interested Directors are not aware of any other funding alternatives reasonably available to the Company in the timeframe and at a cost equivalent to or better than the January Placement, the primary benefit of which is immediate further investment into the Company by IC2 as a an efficient source of capital and an endorsement of the Company's strategy.

- (e) **Expert advice received by the entity on the transaction**

In relation to the January Placement, of which the placements to Related Party Participants is a subsidiary component, the Company has procured the Independent Expert's Report described in Section 2.13.

As a financial benefit given on arm's length terms is one of the exceptions contemplated in paragraph (a) above, the approval of Shareholders contemplated in the explanation above is not required.

4.3 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) 10.11.1 - a related party;
- (b) 10.11.2 - person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

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The proposed issues (**Issues**) fall within Listing Rule 10.11.1 and do not fall within any of the exceptions in Listing Rule 10.12. They therefore require the approval of the Shareholders under Listing Rule 10.11.

If each of Resolutions 7, 8, 9 and 10 is passed, the Company will be able to proceed with the issue of Shares to the Related Party Participant the subject of the Resolution passed, within 1 month after the date of the Meeting. In this event, by operation of Listing Rule 7.2 Exception 14, the Issue to the Related Parties will not be included in the 15% calculation of the Company's Equity Security issue capacity.

If any of Resolutions 7, 8, 9 and 10 is not passed, the Company may not proceed with the issue of the Shares to the Related Party Participant in respect of whom the Resolution was not passed and the Company will not raise the capital represented by that portion of the Placement.

4.4 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

Name of person to whom securities will be issued	<p>Resolution 7 - entities controlled by Anthony Gilby, namely Gilby Resources Pty Ltd <Gilby Investment A/C>, Gilby Super Pty Ltd <Gilby Super Fund A/C> and Sares 2 Pty Ltd <Sares 2 Unit A/C></p> <p>Resolution 8 - Colm Cloonan</p> <p>Resolution 9 - entity controlled by Martin McIver, namely Oliver Ventures Pty Ltd atf the Arizona Family Trust.</p> <p>Resolution 10 - Hugh Swire.</p>
Which category in Listing Rules 10.11.1–10.11.5 the person falls within and why	Each of Mr Gilby, Mr Cloonan, Mr McIver and Mr Swire falls under Listing Rule 10.11.1, as each is a Director.
Number and class of securities to be issued	<p>Resolution 7 – 6,510,420 Shares, as follows:</p> <ul style="list-style-type: none"> • Gilby Resources Pty Ltd <Gilby Investment A/C>: 1,174,895 Shares; • Gilby Super Pty Ltd <Gilby Super Fund A/C>: 4,412,639 Shares; and • Sares 2 Pty Ltd <Sares 2 Unit A/C>: 922,886 Shares. <p>Resolution 8 – 1,428,572 Shares.</p> <p>Resolution 9 – 285,714 Shares.</p> <p>Resolution 10 - 1,142,857 Shares.</p>
Summary of the material terms of the securities	Fully paid ordinary shares ranking equally with all other Shares on issue.
Date of issue	The Shares will be issued within 1 month of the Meeting, if approved by Shareholders.
Issue Price	The Shares will be issued for \$0.035 per Share.
Purpose of the issue	<p>The Issue forms part of the Placement, which raised funds for:</p> <p>(a) ongoing development of the Company's Lesedi Power Project in Botswana; and</p>

	(b) general working capital.
Current remuneration of the related party to whom the securities will be issued	<p>Per the Company's 2022 Annual Report:</p> <p>(a) Anthony Gilby's total cash remuneration for the 2022 financial year was \$158,910 inclusive of statutory superannuation;</p> <p>(b) Colm Cloonan's total cash remuneration for the 2022 financial year was \$153,623 inclusive of statutory superannuation; he also received Performance Rights valued at \$154,800;</p> <p>(c) Martin McIver's total cash remuneration for the 2022 financial year was \$48,400 inclusive of statutory superannuation; and</p> <p>(d) Hugh Swire's total cash remuneration for the 2022 financial year was \$44,000 inclusive of statutory superannuation.</p>
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

4.5 Directors' Recommendation

The Directors, with Mr Gilby, Mr Cloonan, Mr McIver and Mr Swire abstaining, recommend that Shareholders vote in favour of Resolution 7, 8, 9 and 10.

5. Resolution 11 - Approval of Amendments to the Company's Constitution

5.1 Background

In keeping with recent developments, the Company proposes to amend the Constitution as set out below. The amendments are proposed to bring the provisions of the Constitution in line with recent technological updates and will assist the Company to streamline communications with Shareholders, as well as to utilise various electronic platforms and tools to hold and conduct Shareholder meetings.

Section 136 of the Corporations Act allows a company to:

- (a) adopt a new constitution after registration; and
- (b) modify or repeal its constitution,

by passing a special resolution. Accordingly, this Resolution 11, seeks shareholder approval to amend the existing Constitution by special resolution.

5.2 Proposed Amendments

The Company seeks Shareholder approval for the purposes of section 136(2) of the Corporations Act, and for all other purposes, to amend the Constitution as follows:

- (a) inserting new definition of "Virtual Meeting Technology" in clause 1.1, as follows:

"Virtual Meeting Technology" means, in terms of section 253Q of the Corporations Act, an instantaneous audio-visual communication device or similar form of technology which, by itself or in conjunction with other arrangements:

- (a) *gives the persons entitled to attend the meeting, as a whole, a reasonable opportunity to participate in proceedings in the main place without being physically present in the same place;*

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- (b) *enables the chairman to be aware of proceedings in the other place(s); and*
 - (c) *enables the members in the separate meeting place(s) to vote on a show of hands or on a poll.”*
- (b) Adding a new clause 36 (based on the renumbering brought about by these amendments cumulatively) , as follows:

36 Hybrid and Virtual Meetings

Despite anything in this constitution:

- (a) *Virtual Meeting Technology may be used in holding a general meeting either on its own without a main place of attendance (virtual meeting) or by linking several meeting places to the main place of the general meeting (hybrid meeting).*
 - (b) *The chairman may arrange for any persons attending the general meeting (including persons whom the chairman considers cannot be accommodated in the place where the meeting is notified to take place) to attend the meeting from one or more separate places using any Virtual Meeting Technology.*
 - (c) *If a separate place is linked to the notified place of a general meeting by Virtual Meeting Technology, a member present at the separate place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the notified place.*
 - (d) *Where the general meeting is held by Virtual Meeting Technology without a main place of attendance, the place of meeting is deemed to be the registered office of the Company and the time of meeting is taken to be time at the registered office of the Company.*
 - (e) *If, before or during the general meeting, any technical difficulty occurs affecting Virtual Meeting Technology and impairing Members’ rights under section 253Q of the Corporations Act, the chairman may adjourn the general meeting until the difficulty is remedied.*
 - (fi) *Where the general meeting is held by Virtual Meeting Technology, a resolution put to the vote at the general meeting must be decided on a poll.*
 - (g) *Nothing in this clause is to be construed to limit the powers conferred on the chair by law.”*
- (c) Inserting new clause 30, as follows:

30 Electronic notices of meeting

Unless the law provides otherwise and despite anything in this constitution:

- (a) *a notice of a general meeting and instrument of proxy need not be provided physically in writing;*
 - (b) *a notice of a general meeting and instrument of proxy may be provided to Members using one or more technologies to communicate the contents; and*
 - (c) *a notice of a general meeting and instrument of proxy may be provided to Members using one or more technologies to communicate details of an online location where they can be viewed or downloaded.”*

5.3 Effect of amendments

The recent legislative updates made to the Corporations Act provide that companies may use technology to allow members to attend general meetings virtually only if a wholly virtual meeting is expressly permitted by the constitution. The new clause 36 will allow the Company to hold wholly virtual meetings of members.

The *Corporations Amendment (Meetings and Documents) Act 2022* (Cth) permits a notice of meeting and any other information provided with that notice, to be communicated using technology. For example, an entity may send its shareholders an email setting out or attaching a notice of meeting and other material relating to that notice of meeting (for example, a proxy form). Alternatively, an entity may send an email to its shareholders with a link to where the notice and other materials can be viewed or downloaded. In circumstances where the entity does not have the email address for certain shareholders, the entity may send a letter or postcard setting out a URL for viewing or downloading the notice and other materials.

Shareholders may elect to receive documents in a physical form or electronically and the Company must provide that member with the documents in the form based on the Shareholder's election (unless it falls under ASIC's emergency power to grant relief).

It is desirable that the Company continues to have the ability to make notices of meeting and proxy forms available in this manner. Clause 36 will facilitate this.

5.4 Directors Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

Notes

Chair voting intentions

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions, subject to compliance with the Corporations Act.

Voting Entitlement

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7 pm (Brisbane time) on 16 January 2023. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy, representative and voting entitlement instructions

Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the Corporations Act.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be **lodged by** any of the following methods:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

BY MAIL

Tlou Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FAX

Fax it to Link Market Services Limited on fax number (02) 9287 0309;

BY HAND

Deliver it to Link Market Services Limited during business hours (Monday to Friday, 9:00 am - 5:00 pm):
Level 12
680 George Street
Sydney NSW 2000

Your completed proxy form (and any necessary supporting documentation) must be lodged online or

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received by Link Market Services no later than 10.00 am (Brisbane time) 16 January 2023 being 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this notice.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

- | | |
|-----------------------------|---|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding:
may sign. | Where the holding is in more than one name, any one of the security holders may sign. |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act does not have a Company Secretary, a Sole Director can also sign alone. |

Otherwise, this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

6. Glossary

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in the Corporations Act.

ASX means the ASX Limited.

Chair means the chairperson of the Meeting.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (a) a child of the member's spouse; or
- (b) a dependant of the member or the member's spouse; or
- (c) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (d) a company the member controls; or
- (e) a person prescribed by the regulations for the purposes of the definition of closely related party.

Company means Tlou Energy Limited ACN 136 739 967.

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors or Board means the board of directors of the Company from time to time.

Eligible Entity has the meaning given to that term in the Listing Rules.

Equity Securities has the meaning given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

IC2 means IC Australia (No 2) Pty Ltd.

IER or Independent Expert Report means the report prepared by the Independent Expert set out in the Annexure to this Notice.

Independent Expert means Advisory Partner Connect Pty Ltd a Corporate Authorised Representative of AP Lloyds Pty Ltd ACN 643 090 359 Australian Financial Services Licence ("AFSL") 526061.

Key Management Personnel or KMP has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Market Price has the meaning given to that term in the Listing Rules.

Meeting means the General Meeting to be held on 18 January 2023 as convened by the accompanying Notice of Meeting.

Notice of Meeting or Notice means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

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Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders.

Ordinary Securities has the meaning given to that term in the Listing Rules.

Resolutions means the resolutions set out in the Notice of Meeting.

Security has the meaning given in the Listing Rules.

Security Holder means a holder of a Security of the Company.

Shares means fully paid ordinary shares in the Company from time to time.

Shareholder means a shareholder of the Company.

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Trading Day has the meaning given to that term in the Listing Rules.

Annexure A



Tlou Energy Limited
Independent Expert's Report
16 December 2022

Financial Services Guide

About us

Advisory Partner Connect Pty Ltd (“**Advisory Partner**”) a Corporate Authorised Representative of AP Lloyds Pty Ltd ACN 643 090 359 Australian Financial Services Licence (“**AFSL**”) 526061 has been engaged by Tlou Energy Limited (ASX:TLOU) (“**Tlou**”) or (“**the Company**”) to provide financial product advice in the form of an independent expert report (“**the Report**”) to express our opinion whether or not the offer of the exempt acquisition – \$AUD2.5 million capital raising, \$AUD 0.035 per share (“**the Proposed Transaction**”) is fair and reasonable. Our Report sets out our opinion as to the Fair Market Value of the shares in Tlou. The Corporations Act 2001 (Cth) requires us to provide this Financial Services Guide (“**FSG**”) in connection with the attached Report prepared for Tlou. You are not the party who engaged us to prepare this Report and we are not acting for any person other than Tlou. This FSG provides important information designed to assist Non-Associated Shareholders in forming their views of the Proposed Transaction and in understanding any general financial advice provided by Advisory Partner in this Report. Our Report is not intended to comprise personal retail financial product advice to retail investors or market-related advice to retail investors. This FSG contains information about our engagement by the directors of Tlou to prepare this Report in connection with the Proposed Transaction, the financial services we are authorised to provide, the remuneration we (and any other relevant parties) may receive in connection with the Engagement, and details of our internal and external dispute resolution systems and how these may be accessed.

Financial services we are authorised to provide

Advisory Partner, the holder of Australian Financial Services Licence number 526061, is responsible to you for the services provided under this FSG. Our Australian Financial Services Licence authorises us to provide the following services to both retail and wholesale clients, financial product advice in relation to securities, fixed income and derivatives.

General financial product advice

This Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. Where the advice relates to the application for or acquisition of a financial product, you should also obtain and read carefully the relevant offer document or explanatory memorandum provided by the issuer or seller of the financial product before making a decision regarding the application for or acquisition of the financial product.

Remuneration, commissions and other benefits

Advisory Partner charges fees for its services and will receive a fee of \$20,000 (excluding GST) for its work on this Report. These fees have been agreed on, and will be paid solely by Tlou, which has engaged our services for the purpose of providing this Report. Advisory Partner may seek reimbursement of any out of pocket expenses incurred in providing these services. Our advisers are directors and employees of Advisory Partner who are paid salaries and dividends by Advisory Partner and may also receive bonuses and other benefits from Advisory Partner. Our advisers may alternatively be paid by means of commission determined by a percentage of revenue written by the adviser.

Associations and relationships

Other than as set out in this FSG or this Report, Advisory Partner has no association or relationship with any person who might reasonably be expected to be capable of influencing them in providing advice under the Engagement. Advisory Partner, its officers and employees and other related parties have not and will not receive, whether directly or indirectly, any commission, fees, or benefits, except for the fees to be paid to Advisory Partner for services rendered in producing this Report. Advisory Partner, its directors and employees do not have an interest in securities, directly or indirectly, which are the subject of this Report. Advisory Partner may perform paid services in the ordinary course of business for entities, which are the subject of this Report.

Risks associated with our advice

This Advisory Partner advice is provided in connection with the attached Report relating to the Proposed Transaction. The Report comprises general product advice and does not comprise personal retail financial product advice to retail investors or market-related advice to retail investors. The Report is an expression of Advisory Partner’s opinion as to whether the Proposed Transaction is fair and reasonable. However, Advisory Partner’s opinion should not be construed as a recommendation as to whether or not to approve the Proposed Transaction. Approval or rejection of the Proposed Transaction is a matter for individual Shareholders based on their own circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. Shareholders who are in any doubt as to the action they should take in relation to the Proposed Transaction should consult their own independent professional advisers. Further information on the risks, assumptions and qualifications associated with the advice is contained within the Report.

Compensation arrangements

The law requires Advisory Partner to have arrangements in place to compensate certain persons for loss or damage they suffer from certain breaches of the Corporations Act by Advisory Partner or its representatives. Advisory Partner has internal compensation arrangements as well as professional indemnity insurance that satisfy these requirements.

Complaints

As an Australian Financial Services Licence holder, we are required to have an internal complaints-handling mechanism. All complaints can be addressed to us at Level 18, 324 Queen Street, Brisbane City QLD 4000. You may contact us on T +61 7 3106 3399 or F +61 7 3054 0438, E:admin@advisorypartner.com.au. If we are not able to resolve your complaint to your satisfaction within 30 days of first lodging it with us, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA). You will not be charged for using the AFCA service. To contact the AFCA: Tel: 1800 931 678 or make a complaint at <https://www.afca.org.au/make-a-complaint>.

Privacy & use of information

We do not collect personal information on individual clients and are bound by the Advisory Partner Privacy Policy in the way that it governs personal information collected on clients. If you have any questions on privacy please see our privacy policy on our website.

16 December 2022
Solomon Rowland
Tlou Energy Limited
210 Alice Street
Brisbane City QLD 4000

Dear Sirs

INDEPENDENT EXPERT'S REPORT – TLOU ENERGY LIMITED

Introduction

On 4 November 2022, Tlou Energy Limited ("**Tlou**" or the "**Company**") announced that Dr Ian Campbell, a high-net-worth investor based in Sydney invested, through his wholly owned company IC Australia (No 2) Pty Ltd, \$2,000,000 pursuant to a placement of 57,142,857 new ordinary shares at an issue price of \$0.035 per share.

On 11 November 2022, Dr Ian Campbell invested a further \$3,000,000 pursuant to a placing of 85,714,286 new ordinary shares of no-par value at an issue price of \$0.035 per share. The \$5,000,000 in funds raised are proposed to be used for development of Tlou's Lesedi Power Project in Botswana. Both placements will result in Dr Ian Campbell's entity holding 19.23% of the Company.

On 15 December 2022, Tlou announced a further subscription agreement for Dr Ian Campbell to invest \$2,500,000, pursuant to a placing of 71,428,571 new ordinary shares of no-par value at an issue price of A\$0.035 per share ("**New Shares**").

Tlou has indicated that this further funding could fast track project development including the anticipated high impact drilling campaign scheduled for 2023.

The directors have requested Advisory Partner Connect Pty Ltd ("**Advisory Partner**") to prepare an independent expert report (the "**Report**" or "**IER**") to express our opinion whether or not the offer to invest \$2.5 million at \$0.035 per share ("**the Proposed Transaction**") is fair and reasonable and to assist *the non-associated shareholders* ("**the Non-Associated Shareholders**") to make a decision on the Proposed Transaction. The Report will accompany the Notice of Meeting for Annual General Meeting, to be prepared by Directors of Tlou ("**Directors**").

Purpose of the Report

Section 606 of the Corporations Act 2001 ("**the Act**") ("**Section 606**") does not allow a person to acquire a relevant interest in shares such that they would control 20% or more of the voting shares in a company without making a takeover offer.

Section 611 of the Act ("**Section 611**") provides an exemption to Section 606 if the Proposed Transaction is approved by a resolution of the shareholders at a general meeting called for that purpose.

As previously mentioned, Dr Ian Campbell currently has a 19.23% holding in the Company, through his wholly owned company IC Australia (No 2) Pty Ltd, after the \$2,000,000 and \$3,000,000 placements. Following the Proposed Transaction, Dr Ian Campbell's holding will increase to 25.79%. There are no other Shareholders related to Dr Campbell in Tlou.

Section 611 of the Act requires shareholders to be given all relevant information known to the person making the acquisition, their associates or the company, which is material to the proposal.

Whilst, Section 611 of the Act does not explicitly state that an expert opinion is required in relation to such acquisitions the Australian Security and Investment Commission's ("ASIC") Regulatory Guide 74 "Acquisitions Agreed to by Shareholders" ("RG 74") states that it is the company's directors' obligations to provide shareholders with full and proper disclosure to enable them to assess the merit of the proposal under which a person would acquire a substantial interest in the company, and to decide whether to agree by resolution to the proposed acquisition.

Accordingly, Directors have engaged Advisory Partner for the preparation of IER as mentioned above.

Summary Opinion

In our opinion, the Proposed Transaction is **Not Fair but Reasonable** for the Non-Associated Shareholders of Tlou whose votes are not to be disregarded.

Fairness Assessment

The basis of our evaluation and reasoning of our conclusions are detailed in this Report. Our opinion is based solely on information available as at the date of this Report. In forming our opinion to the fairness of the Proposed Transaction, we have valued the pre-transaction value on a control basis and the diluted post-transaction value on a minority basis, summarised below:

Summary Opinion - Fair Value

Summary Fairness of Offer	LOW	HIGH
Value per share on a Controlling Basis Pre Transaction	0.0417	0.0540
Value per share on a Minority Basis Post Transaction	0.0317	0.0317
Premium or Discount	-0.0100	-0.0223
Percentage Premium or Discount	-23.97%	-41.35%

Source: AP Analysis

Advisory Partner assessed the low and high value of Tlou pre-transaction on a controlling basis to be \$0.0417 and \$0.0540, respectively.

By comparison, the assessed value of Tlou diluted post-transaction on a minority basis is \$0.0317.

As demonstrated above, the value of Tlou diluted post-transaction on a minority basis is less than the value of Tlou pre-transaction on a controlling basis and as a result, the Proposed Transaction is considered not fair.

Reasonableness

Regulatory Guide 111 "Content of Expert Reports" ("RG 111") establishes that an offer can be 'reasonable' if despite being 'not fair'. Advisory Partner believe that the Proposed Transaction is 'reasonable' as there are sufficient reasons for Tlou security holders to accept the offer in absence of any higher offer before the close of the offer.

RG 111.15 mentions that an offeror may also offer a price which is 'not fair' where the target is in financial distress. This is because the fair value of the target securities should be determined on the basis of a knowledgeable and willing, but not anxious, seller that is able to consider alternative options to the capital raising (e.g. an orderly realisation of the target's assets).

In the audit report at 30 June 2022, the auditor noted that the consolidated financial statements have been prepared on going concern basis. The Directors have concluded that as a result of the current circumstances there exists a material uncertainty that may cast significant doubt regarding the consolidated entity's and the Company's ability to continue as a going concern and therefore the consolidated entity and Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

To further assist the Non-Associated Shareholders in their decision-making process we have summarised the following:

- The likely advantages and disadvantages associated with the Proposed Transaction; and
- Alternatives, including the position of Non-Associated Shareholders if the Proposed Transaction does not proceed. The Non-Associated Shareholders of Tlou should read the full Report, where their matters are explained in more details.

Advantages of Approving the Proposed Transaction

Set out below is a summary of the key advantages to the Non-Associated Shareholders:

- **Solvency**
If the Proposed Transaction does not proceed, the Company may have solvency issues and be unable to continue as a going concern. Further cash is required for Tlou to continue to meet its Botswana operational objectives.
- **Tlou's Lesedi Power Project**
The Proposed Transaction will allow Tlou to continue their development of the Lesedi Project.

Disadvantages of Approving the Proposed Transaction

Set out below is a summary of the key disadvantages to the Non-Associated Shareholders:

- **Dilution of shares**
Tlou's shareholder's ownership will be diluted through the issuance of 71,428,571 additional shares. The Proposed Transaction will result in 'IC Australia (No 2) Pty Ltd', controlled by Dr Ian Campbell holding approximately 25.79% of Tlou, which will be the largest percentage held of issued ordinary capital in Tlou. Further, the top 10 shareholders will increase from the current 49.19% held of issued ordinary capital to 52.59%. On the contrary, Other Shareholders will decrease from 50.81% to 47.41% ownership of the issued ordinary capital.
- **Capital is raised at a discount**
The Capital will be issued at a price of \$0.035, which is a 20.97% discount to the \$0.0442 spot price on the 14th December 2022. Further the assessed low and high value of Tlou pre-transaction on a controlling basis is \$0.0417 and \$0.0540, respectively. By comparison, the assessed value of Tlou diluted post-transaction on a minority basis is \$0.0317.

Other Considerations

- **Availability of alternative transaction**
Given the fact, there were placements on the 4th November 2022 and 11th November 2022 and no other alternative transaction occurred, it is unlikely that an alternative transaction will emerge in these circumstances. Further, Tlou has constantly been looking to source further capital and has completed a roadshow throughout the UK, without receiving any funding.

Shareholder circumstances

Advisory Partner has not considered the effect of the Proposed Transaction on the particular circumstances of individual Non-Associated Shareholders. Some individual Non-Associated Shareholders may place a different emphasis on various aspects of Proposed Transaction from that adopted in this Report. Accordingly, individuals may reach different conclusions as to whether or not the Proposed Transaction is in their individual best interests. The decision of an individual Non-Associated Shareholder in relation to the Proposed Transaction may be influenced by their particular circumstances (including their taxation position) and accordingly, Non-Associated Shareholders are advised to seek their own independent advice.

Other matters

This Report has been requested by the Tlou Directors to assist the Non-Associated Shareholders in their decision to accept or reject the Proposed Transaction.

This Report should not be used for any other purpose and Advisory Partner does not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

Advisory Partner acknowledges that this Report may be lodged by the Directors with the Australian Stock Exchange ("ASX").

Conclusion

Based on the above, we have concluded that the Proposed Transaction is "not fair" having assessed the consideration paid is lower than the value of a Tlou share, yet "reasonable" as we are of the opinion that the advantages of the Proposed Transaction outweigh the disadvantages to the Non-Associated Shareholders of Tlou.

This opinion should be read in conjunction with the full text of this report which sets out our findings.

Yours faithfully



Brett Plant
Director

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1.0 Outline of the Proposed Transaction

1.1 Introduction and Background

On 4 November 2022, Tlou announced that Dr Ian Campbell, a high-net-worth investor based in Sydney raised \$2,000,000 pursuant to a placing of 57,142,857 new ordinary shares of no-par value at an issue price of \$0.035 per share. This placement of shares resulted in Dr Campbell holding 8.69% of the Company. The funds were proposed to be used for development of Tlou's Lesedi Power Project including construction of substations to connect to the existing electricity grid in Botswana.

On 11 November 2022, Dr Ian Campbell raised a further \$3,000,000 pursuant to a placing of 85,714,286 new ordinary shares of no-par value at an issue price of \$0.035 per share. The \$5,000,000 in funds raised are proposed to be used for development of Tlou's Lesedi Power Project in Botswana. This placement of shares resulted in Dr Campbell's entity holding 19.23% of the Company. Accordingly, Dr Campbell now has the right to nominate one director to the board of the Company subject to any regulatory requirements. The funds were once again proposed to be used for development of Tlou's Lesedi Power Project in Botswana.

On 15th December 2022, Tlou announced a further subscription agreement for Dr Ian Campbell to raise \$2,500,000, pursuant to a placing of 71,428,571 new ordinary shares of no-par value at an issue price of A\$0.035 per share. The proposed use of funds received are outlined below:

Use of Funds Table			
Source:	\$m	Uses:	\$m
Existing Cash (At 14th December)	7.0	Botswana Operations:	
Capital Raised (Net)	3.0	Up to 2 x Single Horizontal Pilot Pods (Lesedi Area) + Substations and Generation plant / Operations support	8.2
		Offer Costs General & Administrative Costs	1.8
Total	10.0		10.0

Source: Tlou Management

Dr Campbell has indicated to the Company that he intends to remain a long-term strategic investor and has expressed a willingness to potentially provide further financial support to the Company over and above his recent contributions.

1.2 Outcome of the Proposed Transaction

Should the Non-Associated Shareholders of Tlou approve the Proposed Transaction:

Post Proposed Transaction Capital Structure

Shareholder Name	Number of Ordinary Shares Held	Percentage Held of Issued Ordinary Capital
IC Australia (No 2) Pty Ltd	214,285,714	25.79%
FNB Nominees (Pty) Ltd Re: AG BPOPF Equity	47,230,769	5.68%
Investor Group – Anthony Gilby	34,489,580	4.15%

Source: Tlou Energy Limited 2022 Annual Report, A\$3 million Placement ASX Announcement & A\$2 Million Placement ASX Announcement

The top 10 shareholders and total issued capital post Proposed Transaction are detailed below.

Post Proposed Transaction Top 10 Shareholders

Shareholder Name	Number of Ordinary Shares Held	Percentage Held of Issued Ordinary Capital
IC Australia (No 2) Pty Ltd	214,285,714	25.79%
FNBB Nominees Re: Vunani BPOPF	47,230,769	5.68%
Hargreaves Lansdown (Nominees) Limited <15942>	35,391,165	4.26%
Interactive Investor Services Nominees Limited <SMKTISAS>	32,143,415	3.87%
Hargreaves Lansdown (Nominees) Limited <VRA>	27,522,027	3.31%
Jim Nominees Limited <JARVIS>	21,434,053	2.58%
Vidacos Nominees Limited <IGUKCLT>	15,327,478	1.84%
Gilby Super Pty Ltd	15,299,570	1.84%
HSDL Nominees Limited <MAXI>	14,161,423	1.70%
Barclays Direct Investing Nominees Limited <Client1>	14,136,477	1.70%
Top 10 Shareholders	436,932,091	52.59%
Other Shareholders	393,926,476	47.41%
Total Issued Shares	830,858,567	100.00%

Source: Tlou Energy Limited 2022 Annual Report, A\$3 million Placement ASX Announcement & A\$2 Million Placement ASX Announcement

The top 10 shareholders will hold approximately 52.59% of Tlou following the Proposed Transaction whilst the remaining shareholders will hold parcels of 47.41% of the total shares on issue.

'IC Australia (No 2) Pty Ltd' is controlled by Dr Ian Campbell currently and will hold approximately 25.79% of Tlou following the Proposed Transaction.

2.0 Scope and Limitation

2.1 Legislative requirements

The Proposed Transaction is subject to Section 611 of the Act.

Section 606 does not allow a person to acquire a relevant interest in shares such that they would control 20% or more of the voting shares in a company without making a takeover offer.

Section 611 provides an exemption to Section 606 if the Proposed Transaction is approved by a resolution of the shareholders at a general meeting called for that purpose.

Section 611 requires shareholders to be given all relevant information known to the person making the acquisition, their associates or the company, which is material to the proposal.

Whilst, Section 611 does not explicitly state that an expert opinion is required in relation to such acquisitions the ASIC RG 74 states that it is the company's directors' obligations to provide shareholders with full and proper disclosure to enable them to assess the merit of the proposal under which a person would acquire a substantial interest in the company, and to decide whether to agree by resolution to the proposed acquisition.

This obligation may be satisfied by commissioning an independent expert's report on whether the Proposed Transaction is "fair and reasonable" to the non-associated shareholders.

2.2 Purpose of the report

Advisory Partner has been appointed by the directors of Tlou to prepare an independent expert's report expressing our opinion as to whether or not the Proposed Transaction is 'fair and reasonable' to the Non-Associated Shareholders of Tlou. The Non-Associated Shareholders are those shareholders in Tlou whose votes are not to be disregarded in voting on the resolutions relating to the Proposed Transaction.

This report is to accompany the Notice of Meeting for the Annual General Meeting required to be provided to the Non-Associated Shareholders and has been prepared to assist the directors in fulfilling their obligation to provide the Non-Associated shareholders with full and proper disclosure to enable them to assess the merit of the Proposed Transaction and to decide whether to agree by resolution to the Proposed Transaction.

This report should not be used for any other purpose and Advisory Partner does not accept any responsibility for use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of our report, in whole or in part, should be reproduced without the written consent of Advisory Partner, as to the form and context in which it may appear.

For the purposes of our opinion, the term "fair market value" is defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious purchaser, and a knowledgeable, willing, but not anxious vendor, acting at arm's length.

2.3 Scope

The scope of the procedures we will undertake in forming our opinion on whether the Proposed Transaction is in the best interests of the Non-Associated Shareholders will be limited to those procedures we believe are required in order to form our opinion. Our procedures, in the preparation of the report, will not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards issued by the Australian Auditing and Assurance Standards Board ("AUASB") or its

predecessors. Accordingly, Advisory Partner does not warrant that its inquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose.

In preparing this Report, we have relied on the financial information provided by various officers of Tlou. We have not been engaged to audit the information provided. We have undertaken critical analysis of the information provided by the officers and other parties. Advisory Partner believes the information provided to be reliable, complete and not misleading and has no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming our opinion. Where Advisory Partner has relied on the views and judgement of Management the information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Tlou has agreed to indemnify Advisory Partner and their partners, directors, employees, officers and agents (as applicable) against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided by Tlou, which is false and misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

Advisory Partner is a Corporate Authorised Representative of AP Lloyds Pty Ltd ACN 643 090 359 Australian Financial Services Licence 526061. As a Corporate Authorised Representative of an Australian Financial Services Licence, we are required to provide a Financial Services Guide in situations where we may be taken as providing financial product advice to retail clients. A copy of Advisory Partner Financial Services Guide is set out in the beginning of this Report.

2.4 Basis of evaluation

In forming our opinion as to whether or not the Proposed Transaction is fair and reasonable for the Non-Associated Shareholders of Tlou, we have considered the following.

RG 74 sets out our guidance on the takeover exception for acquisitions approved by members contained in item 7 of s611 of the Act.

RG 74 requires that shareholders approving a resolution pursuant to Item 7 of Section 611 of the Corporations Act be provided with a comprehensive analysis of the proposal, including whether or not the proposal is fair and reasonable to the Non-Associated Shareholders. The Directors may satisfy their obligations to provide such an analysis by either:

- Commissioning an independent expert’s report; or
- Undertaking a detailed examination of the proposal themselves and preparing a report for the Non-Associated Shareholders.

The Act does not define the expressions “fair” and “reasonable”. However, guidance is provided by the Regulatory Guides issued by ASIC, which establish certain guidelines in respect of independent expert’s reports required under the Act or commissioned voluntarily. In particular, RG 111 has been considered.

RG 111 draws a distinction between “fair” and “reasonable”. An offer is fair if the consideration is equal to or greater than the value of the securities subject to the offer. The comparison must be made assuming 100% ownership of the target company irrespective of the percentage holding of the party making the acquisition or its associates in the target company.

RG 111 considers an offer to be “reasonable” if:

- The offer is “fair”; or
- Despite not being “fair”, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher offer.

RG 111 sets out some of the factors that an expert might consider in assessing the reasonableness of an offer including:

- The party's pre-existing voting power in the target company;
- Other significant security holding blocks in the target;
- The liquidity of the market in the target's securities;
- Taxation losses, cash flow or other benefits arising through achieving 100% ownership of the target;
- Any special value of the target;
- The likely market price if the offer is unsuccessful; and
- The value to an alternative offer and likelihood of an alternative offer being made.

In our opinion, the Proposed Transaction will be fair if the value is greater than the market value of the securities in Tlou, inclusive of an appropriate premium for control.

In considering whether the Proposed Transaction is reasonable, other factors that have been considered include:

- Current financial performance and forecast performance;
- The likelihood of an alternative offer and alternative transactions;
- The likely market price of Tlou shares in the absence of the offer; and
- Other advantages and disadvantages for Tlou's Non-Associated Shareholders of approving the Proposed Transaction.

We have not considered special value in forming our opinion. Special value is the amount which a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the asset not available to likely purchasers generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchasers.

2.5 Reliance on Information

This Report is based upon financial and other information provided by Tlou. Advisory Partner has considered and relied upon this information. Advisory Partner believes the information provided to be reliable, complete and not misleading, and has no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Proposed Transaction is fair and reasonable.

Tlou has agreed to indemnify Advisory Partner, and the directors, partners and employees of Advisory Partner and any related entity against any claim arising out of misstatements or omissions in any material supplied by the Tlou, its subsidiaries, directors or employees, on which Advisory Partner has relied.

Advisory Partner does not warrant that its inquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation. Preparation of this Report does not imply that Advisory Partner has audited in any way the financial accounts or other records of the Company.

It is understood that the accounting information provided to Advisory Partner was prepared in accordance with generally accepted accounting principles and except where noted, prepared in a manner consistent with the method of accounting used by the Company, in previous accounting periods.

An important part of the information base used in forming an opinion of the kind expressed in this report are the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

2.6 Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Accordingly, changes in those conditions may result in any valuation opinions becoming quickly outdated and in need of revision. Advisory Partner reserves the right to revise any valuation, or other opinion, in the light of material information existing at the date of this Report that subsequently becomes known to Advisory Partner.

2.7 Sources of Information

Appendix A to this Report sets out details of information referred to and relied upon by Advisory Partner during the course of preparing this Report and forming our opinion.

2.8 Assumptions

In forming our opinion, the following has been assumed:

- All relevant parties have complied, and will continue to comply, with all applicable laws and regulations and existing contracts and there are no alleged or actual material breaches of the same or disputes (including, but not limited to, legal proceedings), other than as publicly disclosed and that there has been no formal or informal indication that any relevant party wishes to terminate or materially renegotiate any aspect of any existing contract, agreement or material understanding, other than as publicly disclosed;
- That matters relating to title and ownership of assets (both tangible and intangible) are in good standing, and will remain so, and that there are no material legal proceedings, or disputes, other than as publicly disclosed;
- Information in relation to the Proposed Transaction provided to the Non-Associated Shareholders or any statutory authority by the parties as part of the Notice of Meeting is complete, accurate and fairly presented in all material respects;
- If the Proposed Transaction is accepted, it will be implemented in accordance with the Notice of Meeting and Resolution; and
- The legal mechanisms to implement the Proposed Transaction are correct and effective.

3.0 Business Environment

In arriving at our valuation opinion, we have considered the outlook for the Australian economy and the relevant industry affecting Tlou's operations.

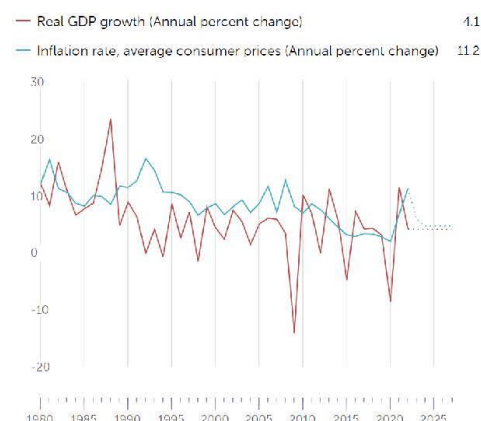
3.1 Economic Analysis

Inflation remains high in all major advanced economies except Japan. While pressures from supply chain disruptions and elevated commodity prices have eased, core inflation has not yet shown clear signs of moderating. Services inflation – which tends to be quite persistent – has risen in many economies. Labour markets remain tight, although employment growth has slowed, and leading indicators of labour demand have come off a little.

Growth in the global economy is expected to slow significantly in the year ahead, to rates well below those seen prior to the pandemic. The post-pandemic recovery in services consumption has largely run its course in most advanced economies, and central banks are increasing policy interest rates rapidly in order to combat high inflation. High energy prices are also likely to continue to weigh on growth, especially in Europe. Growth in China is expected to remain modest, given a range of significant headwinds including a weak property sector and the authorities' approach to managing COVID-19 outbreaks.

3.2 Botswana

As of end-2021, Botswana had recovered to its pre-crisis output level thanks to a strong rebound in demand for diamonds, a successful vaccination campaign, and policy support. Fiscal and current account deficits both narrowed sharply, and foreign reserves stabilized but buffers are yet to be fully rebuilt.



Source: International Monetary Fund, Botswana 2022- Press release

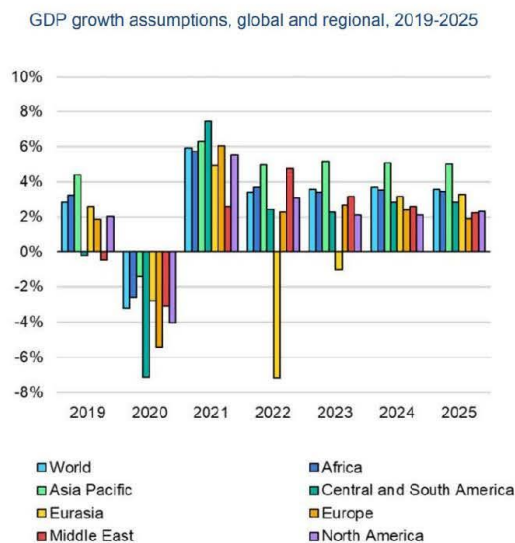
Inflation exceeded the central bank's medium-term objective range, while unemployment rose close to record highs. Growth is expected to moderate to 4¼ percent in 2022 and settle at its potential rate of 4 percent from 2023. The broad-based recovery is predicated on strong growth momentum from 2021H2, higher diamond prices and copper production, international tourist arrivals, rainfall, and accommodative monetary conditions. These factors are partly offset by the effects of the war in Ukraine, the planned fiscal consolidation, and some erosion in real incomes from higher food and energy costs.

The Bank of Botswana is tightening monetary policy and the government is moving ahead with fiscal consolidation focused on the wage bill, subventions, and SOE reforms that will help rebuild buffers. Structural reforms aim to accelerate economic diversification, reduce the government's economic footprint, and

enhance the business environment. Measures focus on public service efficiency, digitalization, and value chain development plans.

3.3 Gas Market Industry

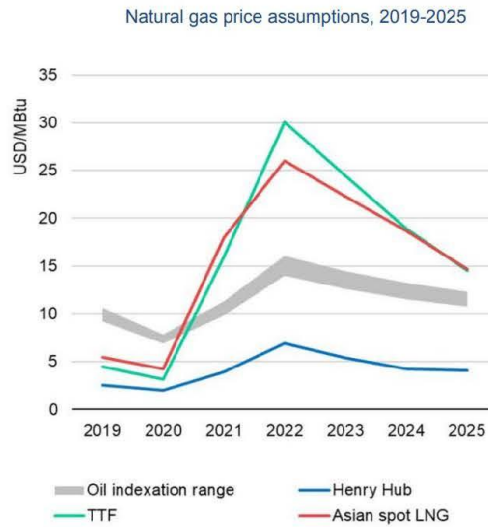
The global natural gas market began 2022 with expectations of modest demand growth, but that all changed with Russia's invasion of Ukraine. The high price and tight supply environment that built up during the second half of 2021 further intensified following Russia's invasion of Ukraine, leading to fuel switching and demand destruction. Today's record prices and supply disruptions are damaging the reputation of natural gas as a reliable and affordable energy source, casting uncertainty on its prospects, particularly in developing countries where it had been expected to play a growing role in meeting rising energy demand and energy transition goals.



Global gas consumption is forecast to contract slightly in 2022, with limited growth over the next three years, resulting in a total increase of about 140 bcm between 2021 and 2025. That is less than half the 370 bcm increase seen in the previous five years and well short of the exceptional jump in demand of close to 175 bcm seen in 2021. The Asia Pacific region and the industrial sector are the main engines of growth, accounting for 50% and 60% of the growth to 2025 respectively, although both are subject to downward risks from high prices and potentially lower economic growth.

Europe's surging demand for LNG to replace Russian pipeline gas supply has led to an exceptionally tight global market. Record high European gas prices have turned the continent into a premium market for LNG. Europe's LNG needs are expected to outpace supply capacity additions in 2022, and to account for more than 60% of the net growth in global LNG trade through 2025.

Global LNG trade is forecast to grow at an annual average rate of just under 4% during 2021-2025, well below the 7% rate recorded over the previous five years. Long-distance pipeline trade is set to decline by an average 1.9% per year, principally driven by declining Russian flows to Europe.



Source: International Energy Agency, Gas Market Report: Q3 – 2022

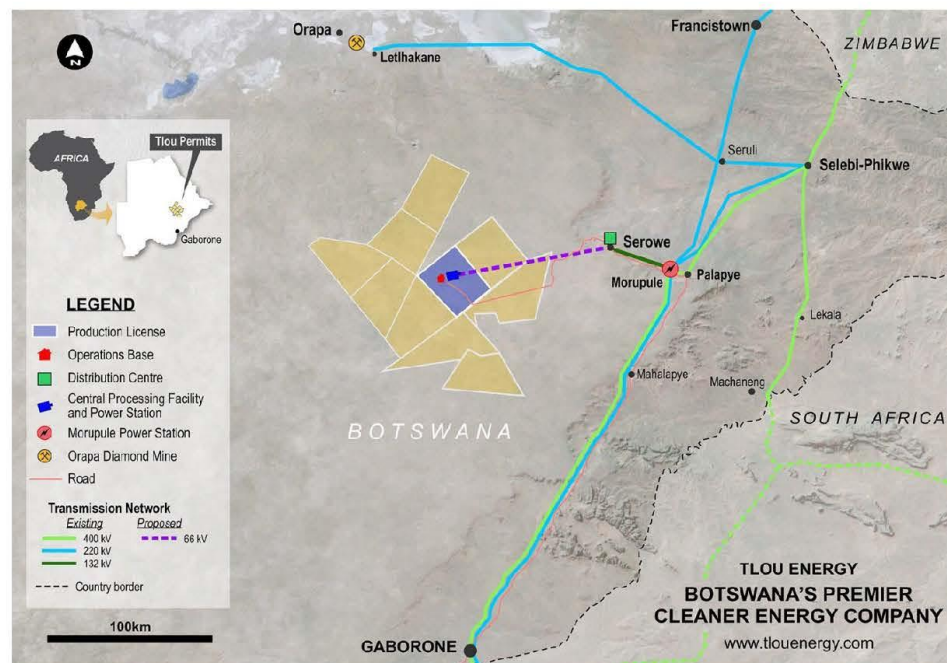
Additional energy transition policies would need to be implemented in mature markets to further accelerate the decline of gas consumption. Such measures would also ease pressure on prices globally and help price-sensitive emerging markets access supplies that can contribute to delivering short-term improvements in carbon intensity and air quality by quickening their move away from coal.

4.0 Tlou Company Profile

4.1 Company overview

Tlou explores for, evaluates, and develops coalbed methane (“CBM”) resources in Southern Africa. The company owns 100% interests in the Lesedi CBM project, Mamba, and Boomslang projects. It is also involved in development of gas-fired power, solar power, and hydrogen projects. Tlou was incorporated in 2009 and is based in Brisbane, Australia.

The Company is listed on the ASX, London’s AIM market (“AIM”) and the Botswana Stock Exchange (“BSE”).



Source: Tlou Energy Limited website

Tlou has a gas field in Botswana. The first stage of development is a 10MW project with electricity to be sold to Botswana Power Corporation (“BPC”), the national power utility in Botswana. A Power Purchase Agreement (“PPA”) is in place with BPC, along with full environmental approval and a long-term production licence valid until 2042, which provides security of tenure for the Company.

Construction of a 66kV transmission line to connect the Lesedi Gas Project to the existing power grid has begun and expected to be completed in 2023. Post development of the first 10MW, the Company plans immediate expansion with the 66kV line capable of supporting up to 25MW of power.

Further expansion is anticipated via the supply of power to the Orapa Diamond Mine. Plans are in place to develop a solar project in parallel with the gas-to-power project. Tlou has a binding Heads of Agreement with Synergen Met to develop a hydrogen and solid carbon prototype. The Synergen Met process transforms Tlou’s gas to hydrogen and solid carbon or graphite.

4.2 Interests in Prospecting Licences (PL) and Mining License (ML)

As at the date of this Report, Tlou had an interest in or is awaiting renewal of the following licences:

Licence	Region	Operator	Interest %*
PL 1/2004	Lesedi Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 3/2004	Lesedi Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 37/2000	Lesedi Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 237/2014	Mamba Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 238/2014	Mamba Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 239/2014	Mamba Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 240/2014	Mamba Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 241/2014	Mamba Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
PL 011/2019	Boomslang Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%
ML 2017/18L	Lesedi Project (Botswana)	Tlou Energy Botswana Pty Ltd	100.0%

Source: Tlou Energy Limited 2022 Annual Report

* The interest shown in each of the licences represents the percentage that Tlou Energy Limited holds in the corporate holder of the licence.

4.3 Subsidiaries

Tlou has an interest in 11 subsidiaries. The consolidated financial statements in section 4.8 incorporate the assets, liabilities and results of the following subsidiaries outlined below.

Subsidiaries of Tlou Energy Limited

Subsidiary Name	Country of Incorporation	Class of Shares	Equity Holding %
Tlou Energy Botswana (Proprietary) Ltd	Botswana	Ordinary	100%
Technoleads International Inc	Barbados	Ordinary	100%
Tlou Energy Exploration (Proprietary) Limited	Botswana	Ordinary	100%
Sable Energy Holdings (Barbados) Inc	Barbados	Ordinary	100%
Tlou Energy Resources (Proprietary) Limited	Botswana	Ordinary	100%
Copia Resources Inc	Barbados	Ordinary	100%
Tlou Energy Corp Services Botswana (Proprietary) Limited	Botswana	Ordinary	100%
Madra Holdings (Barbados) Inc	Barbados	Ordinary	100%
Tlou Energy Solutions (Proprietary) Limited	Botswana	Ordinary	100%
Pula Holdings Inc	Barbados	Ordinary	100%
Tlou Energy Generation Proprietary Limited	Botswana	Ordinary	100%

Source: Tlou Energy Limited 2022 Annual Report

4.4 Key Personnel

The Directors and officers of Tlou are detailed below:

Directors and Officers of Tlou

Name & Position	Description
Anthony R. Gilby CEO, MD & Director	Mr. Anthony R. Gilby, has been the Managing Director and Chief Executive Officer of Tlou Energy Limited since March 2012. Mr. Gilby was a Founder and served as Managing Director and Executive Director at Sunshine Gas Pty Limited. He began his career as a wellsite geologist for Delhi Petroleum in the Cooper Basin. He held Subsequent positions with Delhi Petroleum and then ESSO (post ESSO's acquisition of Delhi Petroleum), which included roles in exploration geology and geophysics as well as petrophysics. He is a Member of the Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists. He was a founding director Chartwell Energy Limited until its merger with Comet Ridge Ltd. Mr. Gilby was awarded a Bachelor of Science (First Class Honours) degree in Geology from the University of Adelaide in 1984, also winning the University Medal in Geology.
Colm James Cloonan Finance Director & Director	Mr. Cloonan, FCCA has been Finance Director of Tlou Energy Limited since February 11, 2016. Mr. Cloonan served as the Chief Financial Officer of Tlou Energy Limited from January 16, 2014 to February 11, 2016 and served as its Deputy Chief Executive Officer from January 6, 2016 to February 11, 2016. Mr. Cloonan served as Group Financial Controller of Tlou Energy Limited until January 2014 and has been its Director since February 11, 2016. Mr. Cloonan studied accountancy at the Galway-Mayo Institute of Technology in Ireland and is a Fellow of the Association of Chartered Certified Accountants.
Gabakee G. Gabakee Executive Director	Mr. Gabaae, B.Sc., M.Sc serves as Permanent Secretary in the Ministry of Minerals, Energy and Water Resources, Botswana. Mr. Gabaae served as the Chief Executive Officer and Acting Managing Director of Tlou Energy Limited since January 1, 2016 until January 1, 2017. He started his career in 1986 in the Ministry of Minerals, Energy and Water Resources, Botswana as an Assistant Hydrogeologist in the Department of Geological Survey. He served as African Regional Manager at Tlou Energy Limited. He has held various senior positions in Botswana, including Director of Water Affairs; Deputy Permanent Secretary responsible for transport in the Ministry of Works and Transport; Permanent Secretary in the Ministry of Local Government. He holds a B.Sc. in Geology from the University of Botswana and an M.Sc. in Groundwater Hydrology from the University College of London in the United Kingdom.
Solomon Rowland GM & Company Secretary	Mr. Solomon has been Company Secretary of Tlou Energy Limited since August 19, 2015 and served its Legal Counsel since March 2013. He is General Manager of Tlou Energy Limited. Mr. Rowland served as Assistant Company Secretary at Tlou Energy Limited since March 2013. He is a commercial lawyer with experience in various private, government and in-house legal roles. He has experience in Commercial, Advocacy, Administrative and Planning and Environment Law. He is a Lawyer with experience in the legal profession. He worked for Crown Law representing various Queensland Government Departments in a range of legal matters. During his time in government, he was involved in advising government departments on commercial, corporate governance and policy matters as well as representing the State in various Courts, Tribunals and Commissions of Inquiry. Mr. Rowland holds a Juris Doctor from the University of Queensland.

4.5 Capital Structure

As at 25th November 2022, Tlou had 743,062,432 shares on issue. The top 10 shareholders and total issued ordinary shares of Tlou as of 25th November 2022 are summarised below.

Top 10 Shareholders - 25th November 2022

Shareholder Name	Number of Ordinary Shares Held	Percentage Held of Issued Ordinary Capital
IC Australia (No 2) Pty Ltd	142,857,143	19.23%
FNBB Nominees Re: Vunani BPOPF	47,230,769	6.36%
Hargreaves Lansdown (Nominees) Limited <15942>	35,391,165	4.76%
Interactive Investor Services Nominees Limited <SMKTISAS>	32,143,415	4.33%
Hargreaves Lansdown (Nominees) Limited <VRA>	27,522,027	3.70%
Jim Nominees Limited <JARVIS>	21,434,053	2.88%
Vidacos Nominees Limited <IGUKCLT>	15,327,478	2.06%
Gilby Super Pty Ltd	15,299,570	2.06%
HSDL Nominees Limited <MAXI>	14,161,423	1.91%
Barclays Direct Investing Nominees Limited <Client1>	14,136,477	1.90%
Top 10 Shareholders	365,503,520	49.19%
Other Shareholders	377,558,912	50.81%
Total Issued Shares	743,062,432	100.00%

Source: Tlou Energy Limited 2022 Annual Report

The top 3 substantial shareholders and the sums of all their related entities as at 25th November 2022 are outlined below. Note, the entity 'IC Australia (No 2) Pty Ltd' is controlled by Dr Ian Campbell. Currently, IC Australia (No 2) Pty Ltd holds 19.23% of Tlou's issued ordinary capital.

Substantial Shareholders - 25th November 2022

Shareholder Name	Number of Ordinary Shares Held	Percentage Held of Issued Ordinary Capital
IC Australia (No 2) Pty Ltd	142,857,143	19.23%
FNB Nominees (Pty) Ltd Re: AG BPOPF Equity	47,230,769	6.36%
Investor Group – Anthony Gilby	34,489,580	4.64%
Top 3 Shareholders	224,577,492	30.22%

Source: Tlou Energy Limited 2022 Annual Report

The range of shares held in Tlou as at 25th November 2022 is as follows:

Range of Shares Held – 25th November 2022

Holdings	No. of Holders	Units	% of Issued Ordinary Capital
1 - 1,000	51	9,678	0.00%
1,001 - 5,000	30	101,959	0.01%
5,001 - 10,000	81	649,333	0.09%
10,001 - 50,000	203	5,160,125	0.69%
50,001 - 100,000	109	8,573,697	1.15%
100,001 - Maximum	326	728,567,640	98.05%
Total	800	743,062,432	100.00%

Source: Tlou Energy Limited 2022 Annual Report

As at 25th November 2022, Capital IQ Pro indicates that 65.68% of the total 743,062,432 shares issued are Free Float, thus there are 488,043,405 Free Float shares.

As at 24th November 2022, Management of Tlou (“Management”) have advised that the issued share split across the three exchanges is as follows:

Shareholder Ownership by Exchange

Exchange	Allocated Shares	Percentage Held of Issued Ordinary Capital
ASX	408,810,297	55%
AIM	283,226,087	38%
BSE	51,026,048	7%
Total	743,062,432	100.00%

Source: Tlou Management

Management also noted that the ASX is the original exchange listing and that all shares are issued on the ASX. The shares are then allocated to an AIM and BSE control account where shareholders can trade on the relevant exchange control accounts. As such, it is possible to purchase shares on one exchange (Say ASX) and sell the same shares on a different exchange (Say AIM or BSE).

4.6 Options and Performance Rights

At 30 June 2022, the following options for ordinary shares in Tlou were on issue. 6,250 of these options were converted to ordinary shares in July 2022. All the remaining options expired on 20 July 2022.

Options on Issue

Issued to:	Grant Date	Exercise Price (\$)	Expiry Date	30/06/2022	30/06/2021
Shareholders	20/07/2020	0.08	20/07/2022	37,509,400	37,509,400
Service providers	20/07/2020	0.08	20/07/2022	20,000,000	20,000,000

Source: Tlou Energy Limited 2022 Annual Report

At 30 June 2022, the following performance rights were on issue.

Performance Rights on Issue

Reference	Date of Approval	No. of Performance Rights	Share Price At Approval Date (\$)	Vesting Price (\$)
(i)	17/10/2018	2,225,000	0.11	0.17
(ii)	17/10/2018	2,225,000	0.11	0.22
(iii)	10/11/2016	2,275,000	0.14	0.28
(iv)	24/11/2021	3,000,000	0.06	0.10
(v)	24/11/2021	3,000,000	0.06	0.17

Source: Tlou Energy Limited 2022 Annual Report

The conditions of the respective performance rights are noted below.

Performance Condition of Performance Rights on Issue

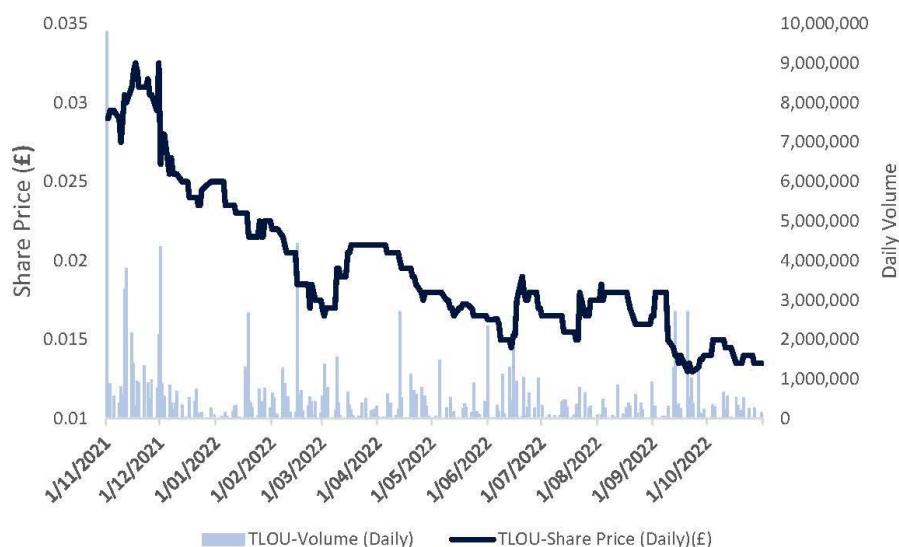
Reference	Performance Condition
(i)	The closing price of Shares being 50% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.
(ii)	The closing price of Shares being 100% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.
(iii)	The closing price of Shares being 100% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.
(iv)	The closing price of the Shares being 50% or more above the price at the date of shareholder approval or AUD\$0.10 whichever is the greater, in the Company for a period of 10 consecutive trading days.
(v)	The closing price of the Shares being 100% or more above the price at the date of approval or AUD\$0.165 whichever is the greater, in the Company for a period of 10 consecutive trading days.

Source: Tlou Energy Limited 2022 Annual Report

4.7 Share Price Analysis

As previously mentioned, Tlou is listed on the ASX, AIM and BSE. We have conducted our share price analysis based on data available from AIM as this is the most actively traded exchange of Tlou's shares. We have analysed Tlou's daily share close price and volume traded during the period from 1 November 2021 to 31 October 2022 (1 year).

Share Price Analysis



Source: Capital IQ and AP Analysis

A comprehensive list of events disclosed by Tlou's company announcements during the past year which may have impacted Tlou's share price movements and trading volumes are set out on the following page. Announcements which may have corresponded to a significant impact (> 10%) on shares prices and trading volumes are highlighted. Note that all prices are expressed in British Pound Sterling ("GBP") ("£").

Tlou Announcements November 2021 – November 2022

Date	Announcement	Share Price: Day Prior to Announcement	Share Price: Announcement Day	% Change
3-Nov-21	Jobkeeper Payments Notice	0.029	0.030	1.7%
11-Nov-21	Hydrogen Production Project	0.029	0.031	5.2%
24-Nov-21	AGM 2021 Proxy Voting Summary/Chairman's Address to Shareholders/Results of Meeting	0.031	0.032	1.6%
1-Dec-21	Lesedi Project Finance Update	0.033	0.026	-19.7%
17-Dec-21	Notification regarding unquoted securities - TOU/Change of Director's Interest Notice - CC/Change of Director's Interest Notice - GG	0.025	0.024	-4.0%
10-Jan-22	Notification of cessation of securities - TOU	0.024	0.024	0.0%
24-Jan-22	Quarterly Appendix 5B Cash Flow Report/Quarterly Operations Report	0.022	0.022	0.0%
7-Feb-22	Lesedi Project Update	0.022	0.022	-2.3%
1-Mar-22	Proposed issue of securities - TOU	0.018	0.017	-2.9%
3-Mar-22	New UK Broker/Half Year Accounts/Interim Results	0.017	0.017	3.0%
15-Mar-22	Transmission Line Contract Signed	0.019	0.021	7.9%
31-Mar-22	Notification regarding unquoted securities - TOU	0.021	0.021	0.0%
27-Apr-22	Quarterly Activities Report/Appendix 5B	0.018	0.018	2.9%
23-May-22	Transmission Line Construction Update	0.017	0.017	-1.4%
12-Jul-22	Application for quotation of securities - TOU/Notice under section 708A(5)(e) of the Corporations Act	0.017	0.017	0.0%
21-Jul-22	Notification of cessation of securities - TOU	0.015	0.015	0.0%
25-Jul-22	Quarterly Appendix 5B Cash Flow Report/Quarterly Activities Report	0.018	0.017	-8.3%
17-Aug-22	Update in Respect to ASX Listing Rule 7.1A Capacity	0.018	0.018	0.0%
31-Aug-22	Date of 2022 Annual General Meeting	0.016	0.017	3.1%
9-Sep-22	Pause in Trading/ASIC Investigation	0.018	0.015	-16.7%
13-Sep-22	Transmission Line Construction Update	0.015	0.014	-3.4%
15-Sep-22	Tlou Webinar/Tlou Presentation	0.014	0.014	-3.6%
19-Sep-22	Annual Report 2022/Final Results/Notice of 2022 Annual General Meeting & Proxy Form/Appendix 4G	0.014	0.013	-7.1%
18-Oct-22	2022 AGM Proxy Summary/2022 AGM Script/Chairman's 2022 AGM Address/Managing Director's 2022 AGM Presentation/Results of 2022 AGM	0.014	0.014	0.0%
26-Oct-22	Appendix 5B/Quarterly Operations Report	0.014	0.014	0.0%
27-Oct-22	ASIC Investigation Concluded	0.014	0.014	-3.6%
4-Nov-22	Proposed issue of securities - TOU/A\$2 Million Placement	0.014	0.017	22.2%
9-Nov-22	Application for quotation of securities - TOU/Notice under s.708A(5)(e) of the Corporations Act 2001	0.017	0.017	0.0%
10-Nov-22	Becoming a Substantial Holder	0.017	0.017	0.0%
11-Nov-22	Proposed issue of securities - TOU/A\$3 million placement	0.017	0.021	25.0%
14-Nov-22	Application for quotation of securities - TOU/Notice under s.708A(5)(e) of the Corporations Act 2001/Change in Substantial Holding	0.021	0.022	1.2%

Source: Tlou Energy Limited 2022 Annual Report

Notable announcements that may have had a significant impact on Tlou's share price include:

- 01/12/21 – 'Lesedi Project Finance Update'**

Tlou provided an update that it had signed a Convertible Note Agreement with Botswana Public Officers Pension Fund ("BPOPF") and has also agreed terms for an equity investment by BPOPF. Tlou noted that the funds were planned to be used to finance construction of transmission line infrastructure to connect the Lesedi Project to the Botswana Power Corporation power grid and to fund installation of generation assets and ancillary costs to facilitate power generation and sale of electricity. From the day prior to the announcement and day of the announcement, Tlou's closing share price fell 19.7%.
- 09/09/21 – 'Pause in Trading/ASIC Investigation'**

Tlou's shares went into a trading halt after providing an update that ASIC had commenced an investigation into certain statements made by the Company in ASX announcements and other documents, including the Company's ASX announcement on 16 February 2021 titled 'Carbon Neutrality' and 20 October 2021 titled 'Clean Energy For Botswana and Beyond'. From the day prior to the announcement and day of the announcement, Tlou's closing share price fell 16.7%.
- 04/11/22 – 'Proposed Issue of Securities – Tlou/A\$2 Million Placement'**

Tlou's provided an update that it has raised A\$2 million (~£1.1 million, ~BWP 16.9 million) pursuant to a placing of 57,142,857 new ordinary shares at an issue price of \$0.035 (~£0.02, ~BWP0.30) per share. From the day prior to the announcement and day of the announcement, Tlou's closing share price increased 22.2%, reflecting the strong market sentiment towards the placement.
- 11/11/22 – 'Proposed Issue of Securities – Tlou/A\$3 Million Placement'**

Tlou's provided an update that it has raised A\$3 million (~£1.7 million, ~BWP 25 million) pursuant to a placing of 85,714,286 new ordinary shares at an issue price of \$0.035 (~£0.02, ~BWP0.30) per share. From the day prior to the announcement and day of the announcement, TOU's closing share price increased 25.0%, reflecting the strong market sentiment towards the follow up placement.

The monthly share price performance of Tlou since November 2021 and the weekly share price performance of Tlou over 16 weeks prior to 18th November 2022 is summarised below:

Tlou Energy Limited		Average	Share Price		
		Weekly Volume	Low (£)	High (£)	Close (£)
Month Ended					
	Nov-21	7,460,940	0.0285	0.0340	0.0325
	Dec-21	7,255,875	0.0242	0.0253	0.0250
	Jan-22	1,989,666	0.0210	0.0240	0.0225
	Feb-22	3,123,146	0.0160	0.0185	0.0175
	Mar-22	1,938,770	0.0200	0.0210	0.0210
	Apr-22	2,057,397	0.0173	0.0182	0.0180
	May-22	1,175,439	0.0160	0.0169	0.0165
	Jun-22	2,866,625	0.0165	0.0173	0.0170
	Jul-22	1,189,082	0.0170	0.0180	0.0175
	Aug-22	1,057,473	0.0160	0.0185	0.0165
	Sep-22	2,591,748	0.0135	0.0149	0.0140
	Oct-22	1,067,823	0.0131	0.0139	0.0135
Week Ended					
	5/8/2022	903,305	0.0171	0.0185	0.0180
	12/8/2022	955,925	0.0178	0.0195	0.0180
	19/8/2022	1,051,013	0.0162	0.0185	0.0170
	26/8/2022	1,319,648	0.0151	0.0170	0.0160
	2/9/2022	1,228,120	0.0165	0.0200	0.0180
	9/9/2022	430,131	0.0132	0.0180	0.0150
	16/9/2022	4,840,729	0.0133	0.0140	0.0140
	23/9/2022	4,609,285	0.0122	0.0133	0.0130
	30/9/2022	1,850,474	0.0135	0.0149	0.0140
	7/10/2022	664,394	0.0142	0.0160	0.0150
	14/10/2022	1,477,709	0.0132	0.0147	0.0145
	21/10/2022	1,617,461	0.0132	0.0149	0.0140
	28/10/2022	511,729	0.0132	0.0150	0.0135
	4/11/2022	3,791,498	0.0130	0.0165	0.0165
	11/11/2022	5,592,458	0.0170	0.0220	0.0213
	18/11/2022	8,092,192	0.0265	0.0280	0.0270

Source: Capital IQ Pro and AP Analysis

4.8 Consolidated Statements of Comprehensive Income

The table below illustrates the Company's consolidated statements of comprehensive income.

Tlou's Consolidated Statements of Comprehensive Income

Consolidated Statements of Comprehensive Income	Actual		
	FY20	FY21	FY22
Revenue			
Interest Income	451	482	9
Other Income	68,000	50,000	0
Total Revenue	68,451	50,482	9
Expenses			
Employee Benefit Expense	-1,021,320	-603,271	-683,630
Occupancy Costs	-50,203	-12,000	-18,048
Professional Fees	-171,767	-202,317	-284,451
Share Based Payment Expense	-49,881	0	-232,200
Other Expenses	-903,755	-812,345	-1,311,694
Depreciation Expense	-580,713	-597,189	-547,217
Impairment Exploration and Evaluation Assets	-10,647,734	0	-166,054
Interest Expense	0	0	-241,917
Currency Translation Gain (Loss)	36,968	122,403	-153,643
Fair Value Gain/loss on Financial Instruments	0	0	-690,271
Total Expenses	-13,388,405	-2,104,719	-4,329,125
Earnings Before Taxes	-13,319,954	-2,054,237	-4,329,116
Taxes and Other Expenses			
Income Tax	369,353	0	0
Loss For The Period	-12,950,601	-2,054,237	-4,329,116
Other Comprehensive Income/(Loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	-3,993,594	-303,597	-1,717,869
Total Other Comprehensive Income/(Loss)	-3,993,594	-303,597	-1,717,869
Total Comprehensive Income/(Loss)	-16,944,195	-2,357,834	-6,046,985

Source: Tlou Energy Limited 2022 Annual Report & Tlou Energy Limited 2021 Annual Report

In relation to the above, we note the following:

- No revenue has been earned to date, as the consolidated entity is still in the exploration and evaluation or pre-development stage;
- The loss for Financial Year 2022 is higher than the prior period and is due in part to the return to more normal operating conditions post the COVID-19 pandemic restrictions. In addition to the increased activity and associated costs, a number of mainly noncash items are included on the statement of comprehensive income that were not in the prior period. This includes impairment of previously capitalised exploration and evaluation expenditure relating to non-core project areas, interest on the convertible notes issued during the year, share based payments re performance rights, and an expense in relation to the fair value of financial instruments; and

- The Company's field operations remained relatively unaffected by COVID-19, however corporate and administrative functions were partly impacted. Staff worked remotely when possible and followed enhanced social distancing and health and safety procedures. Access to Botswana by external staff and consultants was restricted for some time but the situation has now returned to prior COVID-19 conditions.

4.9 Consolidated Statement of Financial Position

The table below illustrates the Company's audited consolidated statements of financial position as at 30 June 2020, 30 June 2021 and 30 June 2022.

Tlou's Consolidated Statements of Financial Position

	30-Jun	30-Jun	30-Jun
Consolidated Statements of Financial Position	2020	2021	2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	1,576,471	6,385,384	7,875,025
Trade and Other Receivables	206,799	267,258	424,220
Other Current Assets	87,682	2,201	178,887
Total Current Assets	1,870,952	6,654,843	8,478,132
Non-Current Assets			
Exploration and Evaluation Expenditure	48,163,968	48,855,466	49,232,167
Property, Plant and Equipment	1,273,953	844,336	366,492
Contract Asset	0	0	948,446
Other Non-current Assets	708,908	626,352	602,112
Total Non-Current Assets	50,146,829	50,326,154	51,149,217
Total Assets	52,017,781	56,980,997	59,627,349
LIABILITIES			
Current Liabilities			
Trade and Other Payables	161,463	135,127	563,599
Lease Liabilities	0	13,167	13,792
Derivatives	0	0	696,153
Provisions	236,010	297,636	319,903
Total Current Liabilities	397,473	445,930	1,593,447
Non-Current Liabilities			
Provisions	114,000	114,000	113,000
Derivatives	0	0	67,600
Lease Liabilities	0	73,153	56,530
Convertible Notes	0	0	7,263,643
Total Non-Current Liabilities	114,000	187,153	7,500,773
Total Liabilities	511,473	633,083	9,094,220
Net Assets	51,506,308	56,347,914	50,533,129
Equity			
Common Stock - Par Value	99,753,504	106,763,927	106,763,927
Retained Profit/loss	-43,131,429	-45,185,666	-49,514,782
Reserves	-5,115,767	-5,230,347	-6,716,016
Total Equity	51,506,308	56,347,914	50,533,129

Source: Tlou Energy Limited 2022 Annual Report & Tlou Energy Limited 2021 Annual Report

In relation to the above, we note the following:

- As at 30 June 2022, Exploration and evaluation expenditure is \$49,232,167. Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest.
- Other Non-Current assets is comprised of inventory and well consumables which are valued at the lower of cost and net realisable value. As at 30 June 2022, the value is \$602,112.
- Tlou issued convertible notes totalling US\$5,000,000 on 24 January 2022. The notes are convertible into ordinary shares of the parent entity, at the option of the holder at the higher of:
 - a) A 10% discount to the weighted average traded price of the Company's shares on the ASX over the 90 days prior to the Conversion Date; and
 - b) A\$0.06.

The notes incur interest at 7.75% and the Company may capitalise interest for the first 18 months, thereafter, interest must be paid at each six-month anniversary of issue date. The notes expire on 24 January 2027, being 5 years after issue.

- Current derivatives relate to a forward contract entered by the Company to sell USD and purchase BWP.
- Non-current derivatives relate to the conversion feature included in the convertible notes issued on 24 January 2022.
- The Company had a cash balance as at 30 June 2022 of \$7,875,025. However, we note that the following has occurred:
 - a) On the 4th November, Tlou announced it had raised \$2,000,000 pursuant to a placing of 57,142,857 new ordinary shares at an issue price of \$0.035 per share.
 - b) On the 11th November, Tlou announced it had raised \$3,000,000 pursuant to a placing of 85,714,286 new ordinary shares at an issue price of \$0.035 per share.

We note that as at 30 September 2022, Tlou had a \$5,883,000 cash balance.

4.10 Capital Raising History

Over the past 24 Months Tlou has completed 3 successful placements, and a convertible note offering. Details of each of these capital raises are provided below.

Announcement Date	Offering Type	Price (\$)	Total Shares Offered	Offering Size (\$)	Further Details
11/11/2022	Private Placement	0.035	85,714,286	3,000,000	Funds raised via an entity controlled by Dr Ian Campbell. Placement resulted in Dr Campbell's entity holding 19.23% of Tlou.
4/11/2022	Private Placement	0.035	57,142,857	2,000,000	Funds raised via an entity controlled by Dr Ian Campbell. Placement resulted in Dr Campbell's entity holding 8.69% of Tlou.
17/03/2021	Placement	0.063	75,000,000	4,725,000	The issue price represents approximately a 2 1% discount to the closing ASX share price on Tuesday, 16 March 2021 of AUD 0.08 and a 17% discount to the 15-day volume weighted average price, for Tlou's shares traded on the ASX of AUD 0.076.

Source: Tlou Energy Limited 2022 Annual Report

Announcement Date	Offering Type	Price (\$)	Total Notes Offered	Offering Size (\$)	Further Details
1/03/2022	Convertible Note	0.060	115,772,900	6,946,374	Tlou signed a 5-year Convertible Note Agreement with Botswana Public Officers Pension Fund (BPOPF) with an interest rate of 7.75% per annum. The notes will convert to shares at a 10% discount to the 90-day Volume Weighted Average Price ("VWAP").

Source: Tlou Energy Limited 2022 Annual Report

5.0 Valuation of Tlou

Set out in Appendix C is a summary of the various methods we have considered in the course of arriving at our valuation conclusion on the value of Tlou. We have assessed each of the valuation methods set out in Appendix C and consider the Quoted Security Price Method to be the most appropriate value measure of Tlou.

5.1 Quoted Security Price Method

In our assessment of the fair market value of Tlou shares, we have had regard to the trading price of the listed securities.

RG 111.86 states that, "It is generally appropriate for an expert to consider using the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale. Further, RG 111.32 states that, if the expert uses the market price of securities as a measure of the value of the offered consideration, the expert should consider and comment on:

- (a) the depth of the market for those securities;
- (b) the volatility of the market price; and
- (c) whether or not the market value is likely to represent the value if the capital raising is successful

The following sections detail the analysis undertaken in selecting the share price range.

5.2 Liquidity Analysis

In accordance with the requirements of RG111, we have analysed the liquidity of Tlou shares before considering them for the purpose of our valuation assessment. As previously mentioned in section 4.1 and 4.7, The Company is listed on the ASX, AIM and the BSE.

Management have advised the following in relation to the BSE:

- There is very little trading of Tlou shares on the BSE;
- There are only a handful of shareholders; and
- Majority of the shares are owned by Tlou's second largest holder FNB Nominees (Pty) Ltd Re: AG BPOPF Equity (Botswana Public Officers Pension Fund).

As such, we have only provided below the monthly trading volume of Tlou's shares from November 2021 to October 2022 on AIM, ASX and the two aforementioned exchanges combined. We also detail the monthly VWAP, monthly and cumulative volume traded as a % of Total shares outstanding, and monthly and cumulative volume traded as a % of Free Float Shares outstanding.

As previously mentioned in section 4.10, Tlou has recently issued 142,857,143 during November 2021 to Dr Ian Campbell's entity. In our calculations, we have not utilised the current shares outstanding, but rather the 600,205,289 shares outstanding and free float figure of 488,034,290 shares. The basis for this was that since our liquidity analysis was undertaken through to October month end 2022, we deemed it most appropriate to also use the shares outstanding and free float figures as of October month end.

AIM Liquidity Analysis (London's AIM Market)

Month End	Volume Traded	Monthly VWAP	Volume Traded as % of Total Shares	Cumulative Volume Traded as % of Total Shares	Volume Traded as % of Free Float Shares	Cumulative Volume Traded as % of Free Float Shares
Nov-21	32,714,843	0.029	5.5%	5.5%	6.7%	6.7%
Dec-21	10,954,406	0.029	1.8%	7.3%	2.2%	8.9%
Jan-22	8,224,031	0.029	1.4%	8.6%	1.7%	10.6%
Feb-22	12,354,414	0.027	2.1%	10.7%	2.5%	13.2%
Mar-22	8,371,769	0.026	1.4%	12.1%	1.7%	14.9%
Apr-22	9,543,094	0.025	1.6%	13.7%	2.0%	16.8%
May-22	5,131,455	0.025	0.9%	14.5%	1.1%	17.9%
Jun-22	12,335,833	0.024	2.1%	16.6%	2.5%	20.4%
Jul-22	4,646,382	0.023	0.8%	17.4%	1.0%	21.4%
Aug-22	5,140,910	0.023	0.9%	18.2%	1.1%	22.4%
Sep-22	12,047,720	0.022	2.0%	20.2%	2.5%	24.9%
Oct-22	4,410,534	0.022	0.7%	21.0%	0.9%	25.8%
Min			0.7%		0.9%	
Average			1.7%		2.1%	
Median			1.5%		1.8%	
Max			5.5%		6.7%	

Source: Capital IQ Pro & AP Analysis
 * Prices are expressed in £.

ASX Liquidity Analysis

Month End	Volume Traded	Monthly VWAP	Volume Traded as % of Total Shares	Cumulative Volume Traded as % of Total Shares	Volume Traded as % of Free Float Shares	Cumulative Volume Traded as % of Free Float Shares
Nov-21	34,882,386	0.066	5.8%	5.8%	7.1%	7.1%
Dec-21	9,108,738	0.070	1.5%	7.3%	1.9%	9.0%
Jan-22	6,809,702	0.068	1.1%	8.5%	1.4%	10.4%
Feb-22	4,795,155	0.064	0.8%	9.3%	1.0%	11.4%
Mar-22	3,012,705	0.062	0.5%	9.8%	0.6%	12.0%
Apr-22	2,816,083	0.061	0.5%	10.2%	0.6%	12.6%
May-22	1,655,472	0.060	0.3%	10.5%	0.3%	12.9%
Jun-22	3,070,191	0.059	0.5%	11.0%	0.6%	13.6%
Jul-22	534,868	0.058	0.1%	11.1%	0.1%	13.7%
Aug-22	1,174,015	0.058	0.2%	11.3%	0.2%	13.9%
Sep-22	4,014,776	0.057	0.7%	12.0%	0.8%	14.7%
Oct-22	3,036,429	0.055	0.5%	12.5%	0.6%	15.3%
Min			0.1%		0.1%	
Average			1.0%		1.3%	
Median			0.5%		0.6%	
Max			5.8%		7.1%	

Source: Capital IQ Pro & AP Analysis
 * Prices are expressed in \$

ASX & AIM Combined Liquidity Analysis

Month End	Volume Traded	Volume Traded as % of Total Shares	Cumulative Volume Traded as % of Total Shares	Volume Traded as % of Free Float Shares	Cumulative Volume Traded as % of Free Float Shares
Nov-21	67,597,229	11.3%	11.3%	13.9%	13.9%
Dec-21	20,063,144	3.3%	14.6%	4.1%	18.0%
Jan-22	15,033,733	2.5%	17.1%	3.1%	21.0%
Feb-22	17,149,569	2.9%	20.0%	3.5%	24.6%
Mar-22	11,384,474	1.9%	21.9%	2.3%	26.9%
Apr-22	12,359,177	2.1%	23.9%	2.5%	29.4%
May-22	6,786,927	1.1%	25.1%	1.4%	30.8%
Jun-22	15,406,024	2.6%	27.6%	3.2%	34.0%
Jul-22	5,181,250	0.9%	28.5%	1.1%	35.0%
Aug-22	6,314,925	1.1%	29.5%	1.3%	36.3%
Sep-22	16,062,496	2.7%	32.2%	3.3%	39.6%
Oct-22	7,446,963	1.2%	33.5%	1.5%	41.1%
Min		0.9%		1.1%	
Average		2.8%		3.4%	
Median		2.3%		2.8%	
Max		11.3%		13.9%	

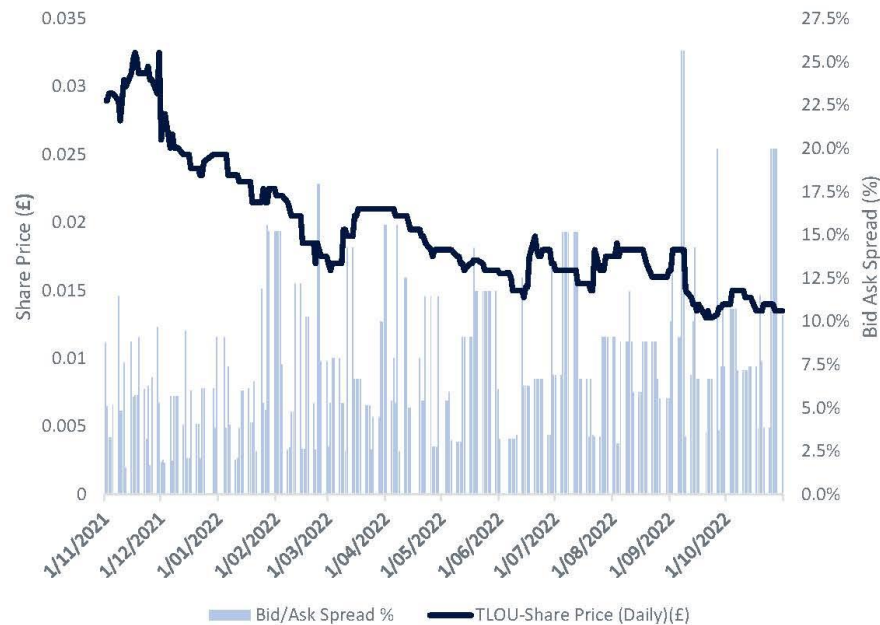
Source: Capital IQ Pro & AP Analysis

With regard to the above analysis, we note the following:

- Over the past 12 months from November 2021, Tlou's monthly VWAP has decreased from £0.029 to £0.022 (representing a 24% decrease);
- AIM is the most liquid exchange with the cumulative volume traded representing 21% of the total shares outstanding and 25.8% of the total free float shares outstanding;
- Combined, the ASX and AIM exchanges cumulative volume traded represent 33.5% of the total shares outstanding and 41.1% of the total free float shares outstanding;
- The average monthly volume traded as a % of total shares was 2.8%, whilst the average monthly volume traded as a % of free float shares was 3.4%;
- The high trading volume in November 2021 was likely a result of Tlou's announcement to the market providing a Hydrogen Production Project update;
- Tlou is currently covered by 6 investment analysts whom provide market updates to investors which assist in estimating the fair market value;
- In the absence of a takeover or alternative transactions, the trading price represents the value at which minority shareholders could realise their portfolio investment; and
- Tlou complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of the Company.

Where a company's stock is not heavily traded or is relatively illiquid, the market typically observes a large difference between the 'bid' and 'ask' price for the shares as there may be a difference in opinion between the buyer and seller on the underlying value. Below, we set out the bid and ask price of Tlou over the past 12 months.

Bid/Ask Spread – Tlou 1 November 2021 to 31 October 2022



As set out in the graph above, we note the historical average and median bid-ask spread has been 7.7% and 6.7% respectively, with a spike to over 25% in conjunction with a large movement in the trading price.

We believe that to be considered an active and liquid market, the spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company. We believe that the average bid-ask spread of 7.7% and median bid-ask spread of 6.7% is reasonable enough to justify Tlou as meeting this characteristic of an active and liquid market.

Based on the analysis above, we conclude there is sufficient liquidity in Tlou's trading price for utilisation of the Quoted Security Price Method as the method for our valuation assessment.

5.3 Tlou's VWAP Prior to Announcement

Set out below is a summary of the VWAP of Tlou leading up to the 15th December 2022.

Tlou's VWAP Prior to 15th December 2022

TOU VWAP	Low	High	VWAP (£)
Up to 15 December 2022			
1 Day	0.0235	0.0260	0.0247
5 Day	0.0230	0.0260	0.0244
10 Day	0.0229	0.0260	0.0244
1 Month	0.0180	0.0290	0.0249
2 Month	0.0130	0.0290	0.0213
3 Month	0.0121	0.0290	0.0192
6 Month	0.0121	0.0290	0.0181

Source: Capital IQ Pro & AP Analysis

Based on our analysis, we have assessed the fair market value of Tlou based on the trading price to be between £0.0192 and £0.0249. The low range selected represents the 90-Day VWAP, whilst the high range selected represents the 30-Day VWAP. We have chosen the 90-Day VWAP as this is prior to the series of capital raises involving Dr Ian Campbell, whilst the 30-Day VWAP was chosen as this data reflects the market sentiment towards these raises.

5.4 Control Premium

The trading prices presented above reflect the value of Tlou on a minority basis and thus do not include a premium for control. Empirical evidence on premiums for control indicates that these premiums tend to range between 15% and 40%¹. We have determined a premium for control of 20% due to the following factors:

- No revenue has been earned to date, as the consolidated entity is still in the exploration and evaluation or pre-development stage; and
- The projects are in an early stage;
- The company is making losses;
- The project is a stranded project due to limited infrastructure;
- The Company has not been paying dividends.

¹ Empirical Evidence of Control Premia:

CA ANZ Survey, September 2021: "For those using a standard control premium, the most common range adopted is 20-25%".

RSM Control Premium Study, 2021: "In the 15.5-year period ended 31 December 2020, the average implied 20-day pre-bid control premium for the Australian Market is 34.7%, whilst the median is 27.5%." The research also found premiums in the ranges of 9.5% to 40.6%.

Corporate Finance Institute, 2022: "Typically, control premiums can be in the 20%-30% range of the target's current share price and can sometimes go up to 70%".

Lonergan, Wayne, 'The Valuation of Businesses, Shares and Other Equity': "A typical control premium may be in the order of 25% to 40%".

Halligan & Co, Control Premium Research: "The median takeover premium on the 20-day pre-bid price is 30% based on our analysis of 605 takeovers over 14 years to FY2014".

5.5 Valuation Conclusion

Advisory Partner's value of Tlou derived from the Quoted Security Price Method in Great Britain Pounds (GBP) is summarised as follows:

Value of Tlou £	LOW	HIGH
Value Per Share (Minority Basis)	0.01921	0.02490
Fully Paid Ordinary Shares Outstanding	743,062,432	743,062,432
Fair Value of Equity on a Minority Basis	14,275,840	18,505,151
Control Premium	20%	20%
Fair Value of Equity on a Controlling Basis	17,131,008	22,206,182

Source: AP Analysis

Based on the above analysis, we have assessed the fair market value of Tlou pre-transaction on a controlling basis to be between £17,131,008 and £22,206,182.

The Currency Exchange Rate used to determine the AUD equivalent prices was the currency pair close price on the 14th December 2022.

Currency Exchange Rate	14th December 2022
GBP/AUD	1.807591

Source: Capital IQ Pro

Using the currency exchange rate for the GBP/AUD pair as at the 14th December 2022 we arrived at the following valuation of Tlou in \$.

Value of Tlou \$	LOW	HIGH
Value Per Share (Minority Basis) - £	0.01921	0.02490
Exchange Rate - GBP/AUD	1.80759	1.80759
Value Per Share (Minority Basis) - \$	0.03473	0.04502
Fully Paid Ordinary Shares Outstanding	743,062,432	743,062,432
Fair Value of Equity on a Minority Basis	25,804,880	33,449,745
Control Premium	20%	20%
Fair Value of Equity on a Controlling Basis	30,965,856	40,139,694

Based on the above analysis, we have assessed the fair market value of Tlou pre-transaction on a controlling basis to be between \$30,965,856 and \$40,139,694.

5.6 Valuation Crosscheck

We considered all available valuation methods and concluded that the most appropriate cross check method was to assess prior completed capital raises of Tlou.

As outlined in section 4.10, over the past 24 Months Tlou has completed 3 successful placements, and a convertible note offering. We note that the most recent placement, besides the two involving Dr Ian Campbell was on 17th March 2021. Details of this placement are as follows:

Announcement Date	Price (\$)	Offering Size (\$)	Further Details
17/03/2021	0.063	4,725,000	The issue price represents approximately a 21% discount to the closing ASX share price on Tuesday, 16 March 2021 of AUD 0.08 and a 17% discount to the 15-day volume weighted average price, for Tlou's shares traded on the ASX of AUD 0.076.

We believe that this prior capital raise completed by Tlou supports our primary valuation method.

6.0 Assessment of the Value of the Proposed Transaction

6.1 Proposed Transaction Value on a Minority Basis

The total value of the Tlou Post Transaction on a minority basis is outlined below:

Value of Tlou \$ - Post Transaction	LOW	HIGH
Fair Value of Equity on a Minority Basis	25,804,880	25,804,880
Issued Shares - Post Transaction	814,491,003	814,491,003
Value per share on a Minority Basis Post Transaction	0.0317	0.0317

Source: AP Analysis

7.0 Assessment of Fairness

In forming our opinion in relation to the fairness of the Proposed Transaction, we have valued Tlou Pre Transaction on a controlling basis and Tlou Post Transaction on a minority basis. This is as follows:

Fair Value

Fairness of the Proposed Transaction	LOW \$AUD	HIGH \$AUD
Fair Value of Equity on a Controlling Basis	30,965,856	40,139,694
Issued Shares - Pre-Transaction	743,062,432	743,062,432
Value per share on a Controlling Basis Pre Transaction	0.0417	0.0540
Fair Value of Equity on a Minority Basis	25,804,880	25,804,880
Issued Shares - Post Transaction	814,491,003	814,491,003
Value per share on a Minority Basis Post Transaction	0.0317	0.0317

Source: AP Analysis

Advisory Partner assessed the low and high value of Tlou pre-transaction on a controlling basis to be \$0.0417 and \$0.0540, respectively.

By comparison, the assessed value of Tlou diluted post-transaction on a minority basis is \$0.0317.

As demonstrated above, the value of Tlou diluted post transaction on a minority basis is less than the value of Tlou pre-transaction on a controlling basis and as a result, the Proposed Transaction is considered not fair.

The Proposed Transaction represents a discount below the total value of Tlou Pre transaction of between 23.97% and 41.35%.

8.0 Assessment of Reasonableness

Pursuant to RG 111, the proposed related party transaction may be “reasonable” if, despite not being “fair”, the expert believes there are sufficient reasons for members to vote for the proposal.

Set out below, are the various considerations made in arriving at our determination of whether the Proposed Transaction is reasonable.

8.1 Advantages of approving the Proposed Transaction

Set out below is a summary of the key advantages to the Non-Associated Shareholders:

- **Solvency**
If the Proposed Transaction does not proceed, the Company may have solvency issues and be unable to continue as a going concern. Further cash is required for Tlou to continue to meet its Botswanan operations.
- **Tlou’s Lesedi Power Project**
The Proposed Transaction will allow Tlou to continue their development of the Lesedi Project.

8.2 Disadvantages of approving the Proposed Transaction

Set out below is a summary of the key disadvantages to the Non-Associated Shareholders:

- **Dilution of shares**
Tlou’s shareholder’s ownership will be diluted through the issuance of 71,428,571 additional shares. The Proposed Transaction will result in ‘IC Australia (No 2) Pty Ltd’, controlled by Dr Ian Campbell holding approximately 25.79% of Tlou, which will be the largest percentage held of issued ordinary capital in Tlou. Further, the top 10 shareholders will increase from the current 49.19% held of issued ordinary capital to 52.59%. On the contrary, Other Shareholders will decrease from 50.81% to 47.41% ownership of the issued ordinary capital.
- **Capital is raised at a discount**
The Capital will be issued at a price of \$0.035, which is a 20.97% discount to the \$0.0442 spot price on the 14th December 2022. Further the assessed low and high value of Tlou pre-transaction on a controlling is \$0.0417 and \$0.0540, respectively. By comparison, the assessed value of Tlou diluted post-transaction on a minority basis is \$0.0317.

8.3 Other Considerations

In considering whether the Proposed Transaction is reasonable, other factors that have been considered include:

- **Availability of alternative transaction**
Given the fact, there were placements on the 4th November 2022 and 11th November 2022 and no other alternative transaction occurred, it is unlikely that an alternative transaction will emerge in these circumstances. Further, Tlou has constantly been looking to source further capital and has completed a roadshow throughout the UK, without receiving any funding.

8.4 Assessment of Reasonableness

As indicated above there are significant advantages, disadvantages and other considerations associated with the Proposed Transaction. After careful consideration of these, it is our opinion that the Proposed Transaction is reasonable to the Non-Associated Shareholders.

Glossary of Terms

Glossary of Terms

Term	Meaning
\$	Australian Dollar
£ or GBP	British Pound Sterling
AASB	Australian Accounting Standards Board
AFSL	Australian Financial Services Licence
AIM	Alternative Investment Market, a sub-market of the London Stock Exchange
AP or we or us or our	Advisory Partner Connect Pty Ltd
ASIC	Australian Securities and Investment Commission
ASIC RG 111	Regulatory Guide 111 - Content of Expert Reports
ASX	Australian Securities Exchange
AUASB	Australian Auditing and Assurance Standards Board
Bid/Ask Spread	A bid-ask spread is the amount by which the ask price exceeds the bid price for an asset in the market.
BPC	Botswana Power Corporation
BPOPF	Botswana Public Officers Pension Fund
BSE	Botswana Stock Exchange
CBM	Coalbed Methane
Consideration	\$2,500,000
Control Premium	Control premium refers to an amount that a buyer is willing to pay in excess of the fair market value of shares in order to gain a controlling ownership interest.
Convertible Note	5-year Convertible Note Agreement with Botswana Public Officers Pension Fund (BPOPF) with an interest rate of 7.75% per annum. The notes will convert to shares at a 10% discount to the 90-day Volume Weighted Average Price.
Corporations Act	Corporations Act, 2001 (Cth)
Current Derivatives	A forward contract entered by Tlou to sell USD and purchase BWP
DCF	The process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. Income is projected over the investment cycle and the net income is arrived at after deducting capital, operating, and other necessary expenses. The Discounted Cash Flow Method evaluates the amount that someone is willing to pay today in order to receive the anticipated cash flow in the future. It uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business and opportunity costs of capital.
Dilution	The decrease in existing shareholders' ownership percentage of a company as a result of the company issuing new equity
Directors	The company directors of Tlou
Discount Rate	The rate of return, and is used in business valuations of a company in converting a series of future anticipated cash flows to the present value of the business using the discounted cash flow method
Dr Ian Campbell	A high-net-worth investor based in Sydney, who has raised \$5,000,000 to date in placement rounds.
Engagement	Our engagement by the Directors of Tlou to prepare this Report in connection with the Transaction.

Free Float	The shares of a company that can be publicly traded and are not restricted (ie., held by insiders)
FSG	Financial Services Guide
FY	Financial Year
Going Concern	A company that is financially stable enough to meet its obligations and continue its business for the foreseeable future
HY	Half Year
IC Australia (No 2) Pty Ltd	An entity controlled by Dr Ian Campbell
Insolvency	A company is insolvent if it is unable to pay its debts when they fall due.
Issued Capital	The amount of nominal value of share held by the shareholders.
Liquidity	The ease in which an asset or security can be converted into ready cash without affecting its market price
Management	Tlou Management
New Shares	71,428,571 new ordinary shares issued under the Proposed Transaction
Non-Associated Shareholders	Shareholders of Tlou other than those associated with the proposed Transaction
Non-current Derivatives	The conversion feature included in the convertible notes issued on 24 January 2022.
NPV	Net Present Value
Options	An option is an agreement or contract that gives someone the right to buy or sell something such as property or shares at a future date
PPA	Power Purchase Agreement
Report or IER	This independent expert's report
RG	Regulatory Guide
RG 111	Regulatory Guide 111 "Content of Expert Reports"
RG 74	Regulatory Guide 74 "Acquisitions Agreed to by Shareholders"
Section 606	Section 606 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Subsidiary or Subsidiaries	The company's owned and controlled by Tlou
The Act	The Corporations Act 2001
Tlou or the Company	Tlou Energy Limited (ASX: TOU)
Transaction or Proposed Transactions	The offer of the exempt acquisition – \$2.5 million capital raising, \$0.035 per share
US\$	United States Dollars
VWAP	Volume Weighted Average Price

Appendix A: Sources of Information

In preparing this report we have had access to and relied upon the following principal sources of information:

- Audited Annual Reports of Tlou for the years ended 30 June 2020 to 30 June 2022;
- Quarterly Operations Report of Tlou for the Q1 FY2023.
- Details of Tlou shareholders and share register as at 31 August 2021;
- Historical trading volumes and prices of Tlou's ordinary shares traded on the ASX, AIM and BSE;
- Source and Use of Funds from Tlou Management;
- Various ASX announcements;
- Meeting with management and management working papers in relation to the Proposed Transaction;
- International Monetary Fund, Botswana: 2022 Article IV Consultation -Press Release; Staff Report; and Statement by the Executive Director for Botswana;
- International Energy Agency, Gas Market Report: Q3 – 2022 including Gas 2022 medium-term forecast to 2025;
- Statement on Monetary Policy, Reserve Bank of Australia, November 2022;
- Tlou Energy Limited website;
- S&P Capital IQ; and
- other publicly available information on Tlou.

In addition to the above, Advisory Partner has had various discussions with the management, officers and advisers of Tlou regarding the nature of the Tlou businesses, their operations, financial position and prospects.

Appendix B: Qualifications, Declarations, and Consents

Qualifications

Advisory Partner provides corporate advisory services in relation to mergers and acquisitions, capital raisings, corporate restructuring and financial matters generally. One of its activities is the preparation of company and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and schemes of arrangements. Advisory Partner's Director has prepared a number of public expert's reports.

The principal person responsible for preparing this Report on behalf of Advisory Partner is Brett Plant, BBus, MCom, FCA, he is a Director of Advisory Partner. Mr Plant has been actively involved in the preparation of this report. Mr Plant has in excess of 20 years experience in the commerce and the accountancy profession and has been involved in specialist corporate advisory services including company valuations, business sales, due diligence investigations, independent experts' reports as well as other corporate investigations for more than 10 years. Mr Plant has the appropriate experience and professional qualifications to provide the advice offered.

Declarations

It is not intended that this Report should be used or relied upon for any purpose other than as an expression of Advisory Partner's opinion as to whether the Proposed Transaction is fair and reasonable and in the best interests of the Non-Associated Shareholders of Tlou as a whole. Advisory Partner expressly denies any liability to any Shareholder who relies or purports to rely on this Report for any other purpose and to any other party who relies or purports to rely on this Report for any purpose.

This Report has been prepared by Advisory Partner with care and diligence and the statements and opinions given by Advisory Partner in this Report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Advisory Partner or any of its directors, officers or employees for errors or omissions however arising in the preparation of this Report, provided that this shall not absolve Advisory Partner from liability arising from an opinion expressed recklessly or in bad faith (unless the law otherwise requires).

Independence

Advisory Partner is entitled to receive a fee of \$20,000 (exclusive of GST) for the preparation of this Report. Advisory Partner is also entitled to be reimbursed for any out-of-pocket expenses incurred in the preparation of this Report. Except for this fee and the reimbursement of these expenses, Advisory Partner has not received and will not receive any pecuniary or other benefit, whether direct or indirect, in connection with the preparation of this Report.

Neither the signatory to this Report nor Advisory Partner holds securities in Tlou Energy Limited. No such securities have been held at any time over the last two years.

Neither the signatories to this Report nor Advisory Partner have had within the past two years any business relationship material to an assessment of Advisory Partner's impartiality with in Tlou Energy Limited, or its associates.

Prior to accepting this engagement, Advisory Partner considered its independence with respect to Tlou Energy Limited and any of its respective associates with reference to ASIC Regulatory Guide 112 entitled "Independence of Experts". In Advisory Partner's opinion, it is independent of in Tlou Energy Limited and its associates.

A draft of this Report was provided to Tlou and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this Report as a result of this review and there was no alteration to the methodology, evaluation or opinions set out in this Report as a result of issuing the draft.

Indemnity

Under the terms of our engagement, Tlou has agreed that no claim shall be made by Tlou or any of its subsidiaries against Advisory Partner, any of their directors, officers, partners, employees or agents (Indemnified Persons) to recover any loss or damage which Tlou or any of its subsidiaries may suffer by reason of or arising out of anything done or omitted in relation to the provision of the services by Advisory Partner, provided that such loss or damage does not arise from the negligence or willful default of any of the Indemnified Persons. Tlou has unconditionally indemnified Advisory Partner and their respective officers, employees and agents against any losses, claims, damages, liabilities, costs, expenses and outgoings whatsoever (Losses) which they may suffer or incur directly or indirectly arising out of:

- Advisory Partner relying on information provided by Tlou or any of its employees, agents or advisers; or
- Tlou failing to provide Advisory Partner with material information in relation to the Proposed Transaction.

Further, Tlou must pay and must indemnify Advisory Partner against any Losses in relation to any investigations, enquiries or legal proceedings by ASIC or any other competent regulatory body arising out of, or in connection with, the Proposed Transaction, including reasonable legal expenses and disbursements incurred by Advisory Partner and fees payable to Advisory Partner attributable to time reasonably spent by its staff assessed at its hourly rates to the extent that investigation, enquiry or legal proceeding is not caused by an act or omission of the Indemnified Persons.

Consents

Advisory Partner consents to the issuing of this Report in the form and context in which it is to be included in the Notice of Meeting of the Annual General Meeting. Neither the whole nor any part of this Report nor any reference thereto may be included in, or attached to, any other document without the prior written consent of Advisory Partner as to the form and context in which it appears.

Advisory Partner takes no responsibility for the content of the Notice of Meeting and Annual General Meeting, or any other documents provided to the Non-Associated Shareholders, other than this Report.

Other

The opinion of Advisory Partner is made at the date of this Report and reflects circumstances and conditions as at that date. In particular, Advisory Partner provides no representations or warranties in relation to the future value of shares of Tlou.

Non-Associated Shareholders who are in any doubt as to the action they should take should consult their own independent professional advisers.

Advisory Partner has prepared a Financial Services Guide as required by the Act. The Financial Services Guide is set out at the beginning of this Report.

Appendix C: Valuation Methods

In conducting our assessment of the fair market value of the Company, the following commonly used business valuation methods have been considered:

Discounted Cash Flow Method

The discounted cash flow (“DCF”) method is based on the premise that the value of a business or any asset is represented by the present value of its future cash flows. It requires two essential elements:

- the forecast of future cash flows of the business asset for a number of years (usually five to 10 years); and
- the discount rate that reflects the riskiness of those cash flows used to discount the forecast cash flows back to net present value (“NPV”).

DCF is appropriate where:

- the businesses’ earnings are capable of being forecast for a reasonable period (preferably five to 10 years) with reasonable accuracy;
- earnings or cash flows are expected to fluctuate significantly from year to year;
- the business or asset has a finite life;
- the business is in a 'start up' or in early stages of development;
- the business has irregular capital expenditure requirements;
- the business involves infrastructure projects with major capital expenditure requirements; or
- the business is currently making losses but is expected to recover.

Capitalisation of Future Maintainable Earnings Method

This method involves the capitalisation of estimated future maintainable earnings by an appropriate multiple. Maintainable earnings are the assessed sustainable profits that can be derived by the vendor’s business and excludes any one off profits or losses. An appropriate earnings multiple is assessed by reference to market evidence as to the earnings multiples of comparable companies.

This method is suitable for the valuation of businesses with indefinite trading lives and where earnings are relatively stable or a reliable trend in earnings is evident.

Net Realisable Value of Assets

Asset based valuations involve the determination of the fair market value of a business based on the net realisable value of the assets used in the business.

Valuation of net realisable assets involves:

- separating the business or entity into components which can be readily sold, such as individual business units or collection of individual items of plant and equipment and other net assets; and
- ascribing a value to each based on the net amount that could be obtained for this asset if sold.

The net realisable value of the assets can be determined on the basis of:

- *orderly realisation*: this method estimates fair market value by determining the net assets of the underlying business including an allowance for the reasonable costs of carrying out the sale of assets, taxation charges and the time value of money assuming the business is wound up in an orderly manner. This is not a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value;
- *liquidation*: this is a valuation on the basis of a forced sale where the assets might be sold at values materially different from their fair market value; or
- *going concern*: the net assets on a going concern basis estimates the market value of the net assets but does not take into account any realisation costs. This method is often considered appropriate for the valuation of an investment or property holding company. Adjustments may need to be made to the book value of assets and liabilities to reflect their going concern value.

The net realisable value of a trading company's assets will generally provide the lowest possible value for the business. The difference between the value of the company's identifiable net assets (including identifiable intangibles) and the value obtained by capitalising earnings is attributable to goodwill.

The net realisable value of assets is relevant where a company is making sustained losses or profits but at a level less than the required rate of return, where it is close to liquidation, where it is a holding company, or where all its assets are liquid. It is also relevant to businesses which are being segmented and divested and to value assets that are surplus to the core operating business. The net realisable assets methodology is also used as a check for the value derived using other methods.

These approaches ignore the possibility that the company's value could exceed the realisable value of its assets.

Share Market Trading History

The application of the price that a company's shares trade on the ASX is an appropriate basis for valuation where:

- the shares trade in an efficient market place where 'willing' buyers and sellers readily trade the company's shares; and
- the market for the company's shares is active and liquid.

Constant Growth Dividend Discount Model

The dividend discount model works best for:

- firms with stable growth rates;
- firms which pay out dividends that are high and approximate free cash flow to equity;
- firms with stable leverage; and
- firms where there are significant or unusual limitations to the rights of shareholders.

Special Value

Special value is the amount which a potential acquirer may be prepared to pay for a business in excess of the fair market value. This premium represents the value to the potential acquirer of potential economies of scale, reduction in competition or other synergies arising from the acquisition of the asset not available to likely purchases generally. Special value is not normally considered in the assessment of fair market value as it relates to the individual circumstances of special purchases.



TLOU ENERGY

ABN 79 136 739 967

LODGE YOUR VOTE



ONLINE

<https://investorcentre.linkgroup.com>



BY MAIL

Tlou Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND*

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

*During business hours Monday to Friday



ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Brisbane time) on Monday, 16 January 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR PARTICIPATION.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Tlou Energy Limited and entitled to participate in and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (Brisbane time) on Wednesday, 18 January 2023 at offices of BDO, Level 10, 12 Creek Street, Brisbane Qld 4000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of previous issue of Placement Shares under Listing Rule 7.1A to (entities controlled by) Dr Ian Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval to issue Placement shares to an entity controlled by a Related Party - Martin McIver	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of previous issue of Placement Shares under Listing Rule 7.1 to (entities controlled by) Dr Ian Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Approval to issue Placement Shares to a Related Party - Hugh Swire	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to issue Placement Shares to Dr Ian Campbell (or entities controlled by him)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of Amendments to the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Placement Shares to Solomon Rowland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval to issue Placement Shares to Ashley Seller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval to issue Placement Shares to investors introduced by Dr Ian Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval to issue Placement Shares to entities controlled by a Related Party - Anthony Gilby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval to issue Placement Shares to a Related Party - Colm Cloonan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

TOU PRX2301B