

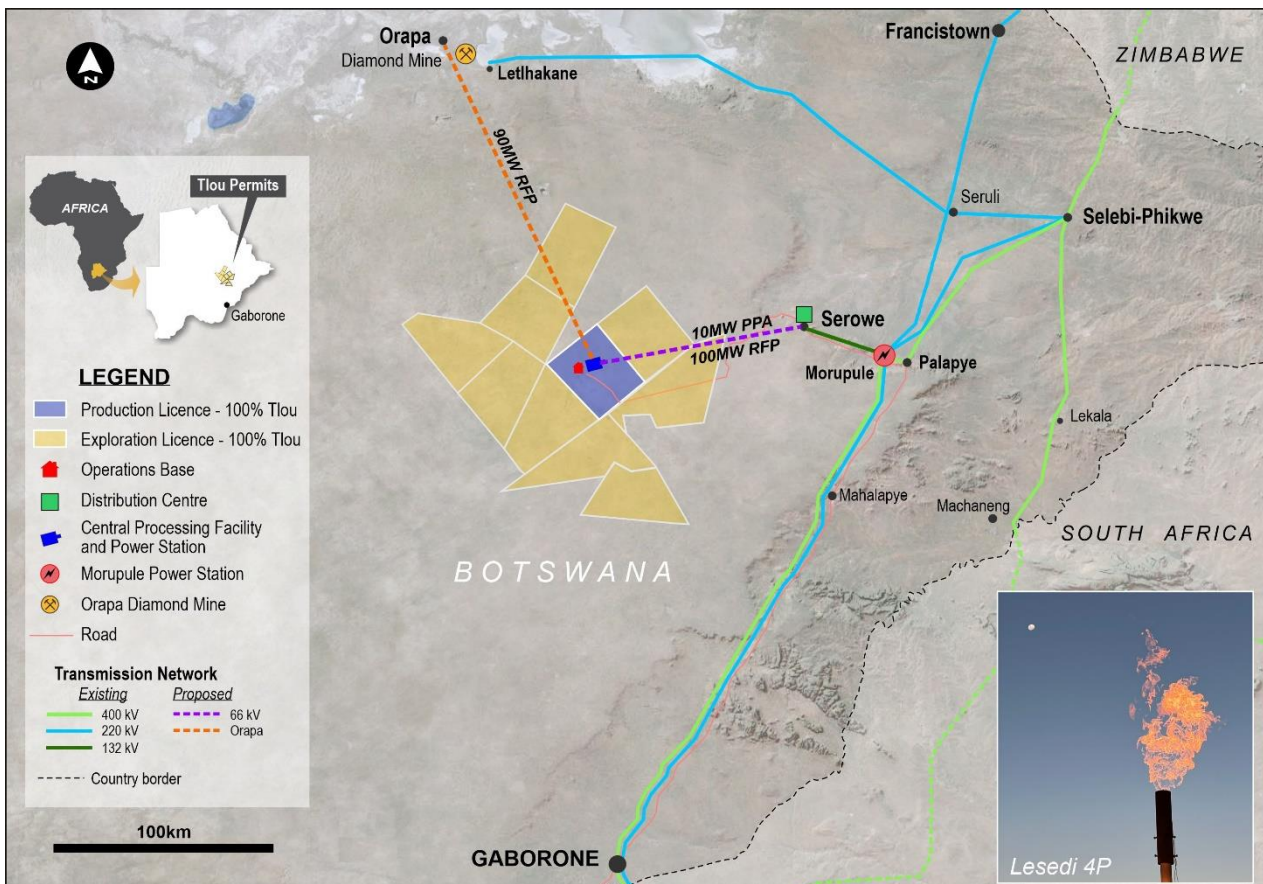
27 January 2023

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

**Operational Report - Quarter ended 31 December 2022**

**Highlights**

- **Transmission line construction progressing**
- **Development of a purpose-built operations facility nearing completion**
- **Preparations for drilling in 1Q23 on-track**
- **New strategic investor and long-term funder secured**



## Projects

The Company has three project areas in Botswana.

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

## Lesedi Project

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

The status of the Lesedi licences is as follows:

Licence	Expiry	Status
Production Licence 2017/18L	August 2042	Current
PL 001/2004	September 2023	Current*
PL 003/2004	September 2023	Current*
PL 037/2000	September 2022	Verbal confirmation of renewal received. Awaiting written confirmation post implementation of new IT system at the department of mines..

*\*PL renewal applications are submitted three months prior to expiry.*

The Company is working on bringing the Lesedi 10MW gas to power project into production as quickly as possible and, subject to available funding, Tlou plans to rapidly expand to 25MW and beyond. Tlou's initial 10MW PPA is part of a 100MW Request for Proposal (RFP) for the development of CBM power projects in Botswana. This, coupled with an existing 90MW RFP for supply of gas or power to the Orapa Diamond Mine, creates enormous expansion potential.

### *Gas-to-Power project*

The first electricity generated at the Lesedi project will be sold under a 10MW Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC), the national power utility in Botswana. Once in full production 10MW of generation could provide annual revenue of approximately US\$10m, noting that CPI escalation also applies.

The project is in development including construction of transmission lines, substations as well as the field operations facility and generation site.

### *Transmission Line Construction*

To connect to Botswana's power network, a 100 km transmission line is being built from the Lesedi project to join the grid near the town of Serowe. Construction is being done by Zismo Engineering Pty Ltd (Zismo) and is expected to be completed around mid-2023.

Achieved progress as at end of December 2022 was 33%. Zismo are fast tracking the wooden pole works with intent to complete these in February 2023, earlier than planned. They will then focus on stringing work and the steel

monopole section. Procurement has caused some issues to date, however, many materials were shipped during the quarter and have now reached Botswana.

### *Substation Construction*

Substations are required at either end of the transmission line, one to tie Tlou's generators to the transmission line at Lesedi and another to integrate the line with the existing BPC substation at Serowe. This work will be completed by South African based OptiPower, a division of Murray & Roberts Ltd.

### *Lesedi Operations Facility*

Work is continuing on a purpose-built operations facility for the initial 10MW development and to allow for rapid project expansion thereafter. This project is being undertaken by Tlou through its consultant contractor African Gas Services (AGS) and it is expected to be completed during 1Q23. AGS is also undertaking the management and construction of the power plant and gas gathering network.

### *Drilling and Gas production*

The Lesedi 4 production pod continues to produce gas. A key focus in the coming year is to drill more production wells for the 10MW project. Methane production of approximately 220-250 mcf/d (thousand cubic feet per day) is expected to be required for 1MW of power generation. Work commenced during the quarter preparing for the Company's next production pod, Lesedi 6, with drilling expected to commence during 1Q23. This will include drilling of a core-hole to assess coal depth followed by the vertical production well and two lateral wells. Once drilling is complete, the pod will be flushed and then commence dewatering and gas production. Thereafter, drilling of more production pods is planned.

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### *Mamba Project*

The Mamba project consists of five PL's covering an area of approximately 4,500 Km<sup>2</sup>. The Mamba area is situated adjacent to Lesedi. In the event of a gas field development by Tlou, the Mamba area provides the Company with flexibility and optionality.

The Mamba project is in the exploration and evaluation phase with further operations required on these licences. In the event of successful drilling results at Mamba, it is envisioned that this area would be developed as a separate project from Lesedi.

The status of the Mamba licences is as follows:

<b>Licence</b>	<b>Expiry</b>	<b>Status</b>
PL 237/2014	September 2023	Current
PL 238/2014	September 2023	Current
PL 239/2014	September 2023	Current
PL 240/2014	September 2023	Current
PL 241/2014	September 2023	Current

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## Boomslang Project

Prospecting Licence, PL011/2019 designated “Boomslang”, is approximately 1,000 Km<sup>2</sup> and is situated adjacent to the Company’s existing licences. To date, the Company has not carried out ground operations in the Boomslang area.

The status of the Boomslang licence is as follows:

Licence	Expiry	Status
PL 011/2019	June 2024	Current

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## Cash Position

At the end of the quarter the Company had ~A\$6.1m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$154k for the quarter (shown in item 6.1 of the attached Quarterly Cashflow Report) relates to directors’ salaries and fees (including tax and superannuation payments made on their behalf) and office rent.

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the “UK MAR”) which is part of UK law by virtue of the European Union (withdrawal) Act 2018. The information is disclosed in accordance with the Company’s obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

### By Authority of the Board of Directors

Mr. Anthony Gilby  
 Managing Director

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### *About Tlou*

Tlou is developing energy solutions in Sub-Saharan Africa through gas-fired power and ancillary projects. The Company is listed on the ASX (Australia), AIM (UK) and the BSE (Botswana). The Lesedi Gas-to-Power Project (“Lesedi”) is 100% owned and is the Company’s most advanced project. Tlou’s competitive advantages include the ability to drill cost effectively for gas, operational experience and Lesedi’s strategic location in relation to energy customers. All major government approvals have been achieved.

### *Forward-Looking Statements*

This announcement may contain certain forward-looking statements. Actual results may differ materially from those projected or implied in any forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results. No representation is made that any of those statements or forecasts will come to pass or that any forecast results will be achieved. You are cautioned not to place any reliance on such statements or forecasts. Those forward-looking and other statements speak only as at the date of this announcement. Save as required by any applicable law or regulation, Tlou Energy Limited undertakes no obligation to update any forward-looking statements.