

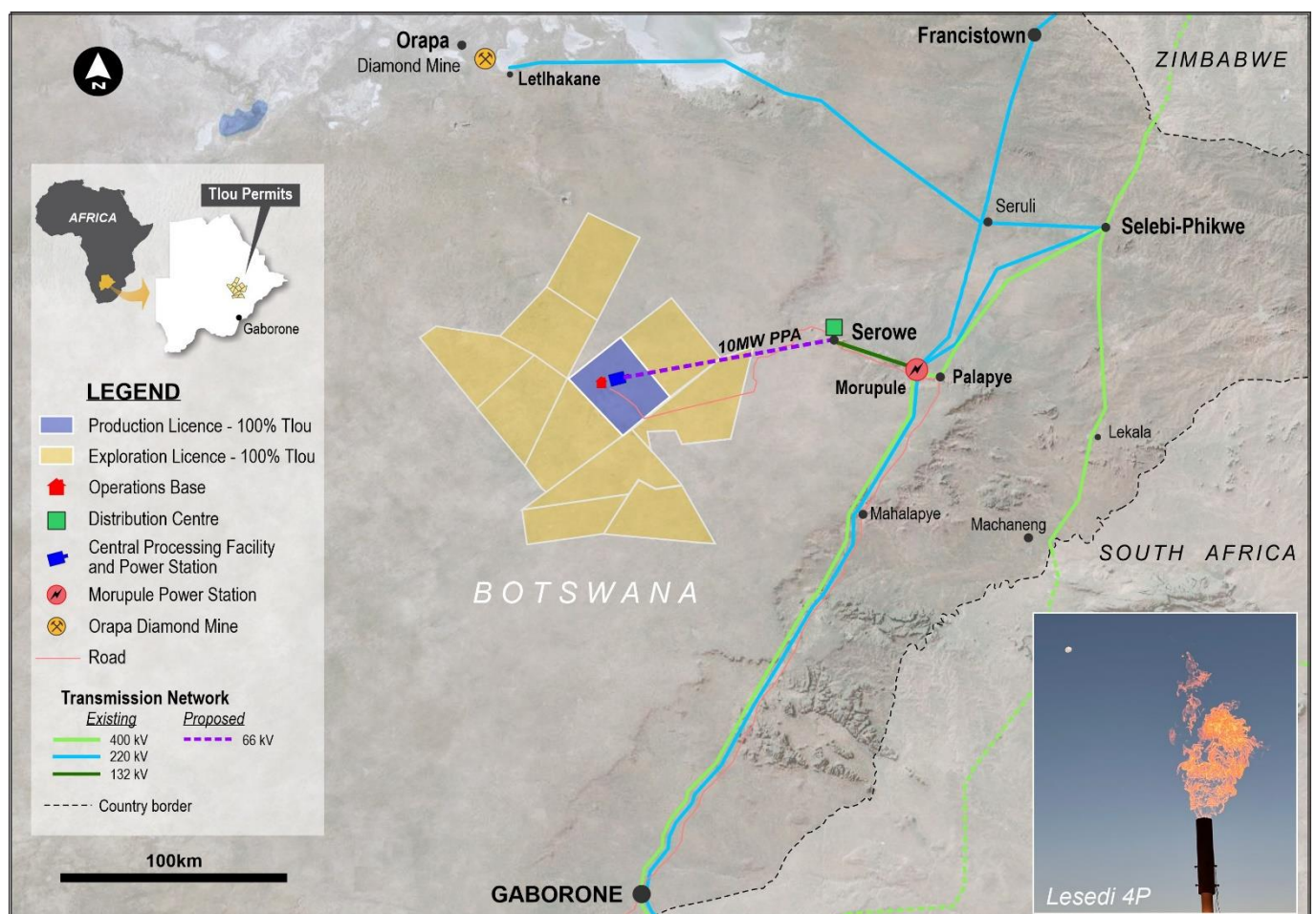
28 April 2023

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

Quarterly Activities Report for the quarter ended 31 March 2023

Highlights

- **The 66KV overhead transmission line is steadily progressing**
- **Development of a purpose-built operations facility is continuing**
- **Substation construction scheduled to commence**
- **Production well drilling underway with Lesedi 6**



Activities

Tlou Energy continues to have three key project areas referred to as:

- **Lesedi Project** – focused on the development of gas to power development as well as exploration and evaluation.
- **Mamba Project** – focused on exploration and evaluation.
- **Boomslang Project** – focused on exploration and evaluation.

Lesedi Project

The Lesedi project is Tlou's most advanced. It is currently developing a 10MW gas to power project. The Lesedi project area has four Prospecting Licenses (PL) and a Production Licence which is the key focus area for the development of Tlou's independently certified gas reserves and contingent resources. All licences held under this project area are valid. The table below summarises the status of the licences:

Licence	Expiry	Status
Production Licence 2017/18L	Aug-42	Current
PL001/2004	Sep-23	Current
PL003/2004	Sep-23	Current
PL035/2000	Mar- 25	Current
PL037/2000	Mar-25	Current

PL renewal applications are submitted three months prior to expiration.

Tlou Energy's initial 10MW Power Purchase Agreement (PPA) is part of a 100MW Request for Proposal for the development of CBM power projects in Botswana. Tlou previously responded to a separate request for proposal for the supply and delivery of natural gas to the Orapa power plant in Botswana. The Company's proposal was not successful.

Gas to Power Project

The first electricity to be generated at Lesedi, will go towards satisfying the 10MW PPA with Botswana Power Corporation (BPC) the national power utility. Tlou is among the first independent power producers to secure a power purchase agreement with the utility.

To this end, the Lesedi project currently has several parts of the development process underway including the construction of transmission lines, substations, a field operations facility and generation site as well as production well drilling.

Transmission Line Construction

The Lesedi project is approximately 100km from the nearest BPC substation connection in Serowe. In efforts to connect onto the national grid, the Company is undergoing the construction and installation of a 100km 66kV transmission line. This, together with the ongoing drilling program can enable the Company to connect and provide electricity into Botswana's power network.

The construction of the 66kV transmission line is being carried out by Zismo Engineering Pty Ltd (Zismo) and is expected to be completed around mid-2023. Zismo is a local engineering procurement construction company that

specialises in industrial engineering. Progress to end of March 2023 was estimated at approximately 64%, with planting of wooden poles almost complete, steel pole structures now being erected and over 20km of line stringing complete.

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 led by South African based OptiPower, a division of Murray & Roberts Ltd. The pre-construction and design works have been completed and physical construction of the substations is scheduled to begin very soon with the project anticipated to be completed in early 2024.

Lesedi Operations Facility

Work has advanced on a purpose-built operations facility for the initial 10MW development and to allow for project expansion thereafter. This project is being undertaken by Tlou through its consultant contractor African Gas Services (AGS).

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.

Post quarter end, the Company began drilling the Lesedi 6 production pod. Lesedi 6 is planned to be the first of a series of new pods, funds permitting, that the Company will drill as part of the 10MW gas to power project. Lesedi 6 will comprise one vertical production well intersected by two lateral wells drilled horizontally through the target reservoir section for several hundred metres.

Mamba Project

The Mamba project is in the exploration and evaluation phase with further operations required on the operating licences. It consists of five PL's covering an area of approximately 4,500 Km². The Mamba area is situated adjacent to Lesedi. In the event of successful drilling results at Mamba, it is envisioned that this area would be developed as a separate project from Lesedi. The Mamba area provides the Company with flexibility and optionality.

The status of the Mamba licences is as follows:

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

PL renewal applications are submitted three months prior to expiration.

Boomslang Project

Prospecting Licence, PL011/2019 designated “Boomslang”, is approximately 1,000 Km² and is situated adjacent to the Company’s existing licences. To date, the Company has not carried out ground operations in the Boomslang area. The status of the Boomslang licence is as follows:

Licence	Expiry	Status
PL 011/2019	June 2024	Current

PL renewal applications are submitted three months prior to expiration.

Cash Position

At the end of the quarter the Company had ~A\$3.54m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$339k 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 Company is significantly advanced in relation to raising further capital. In addition, Dr Ian Campbell (Tlou’s largest shareholder) has offered a \$2m loan to the Company if required. The exact terms of the loan are being finalised. Subject to any regulatory approval the agreement is expected to be signed in the coming days. Once the agreement is executed the funds will be available to draw down immediately if necessary.

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
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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.