

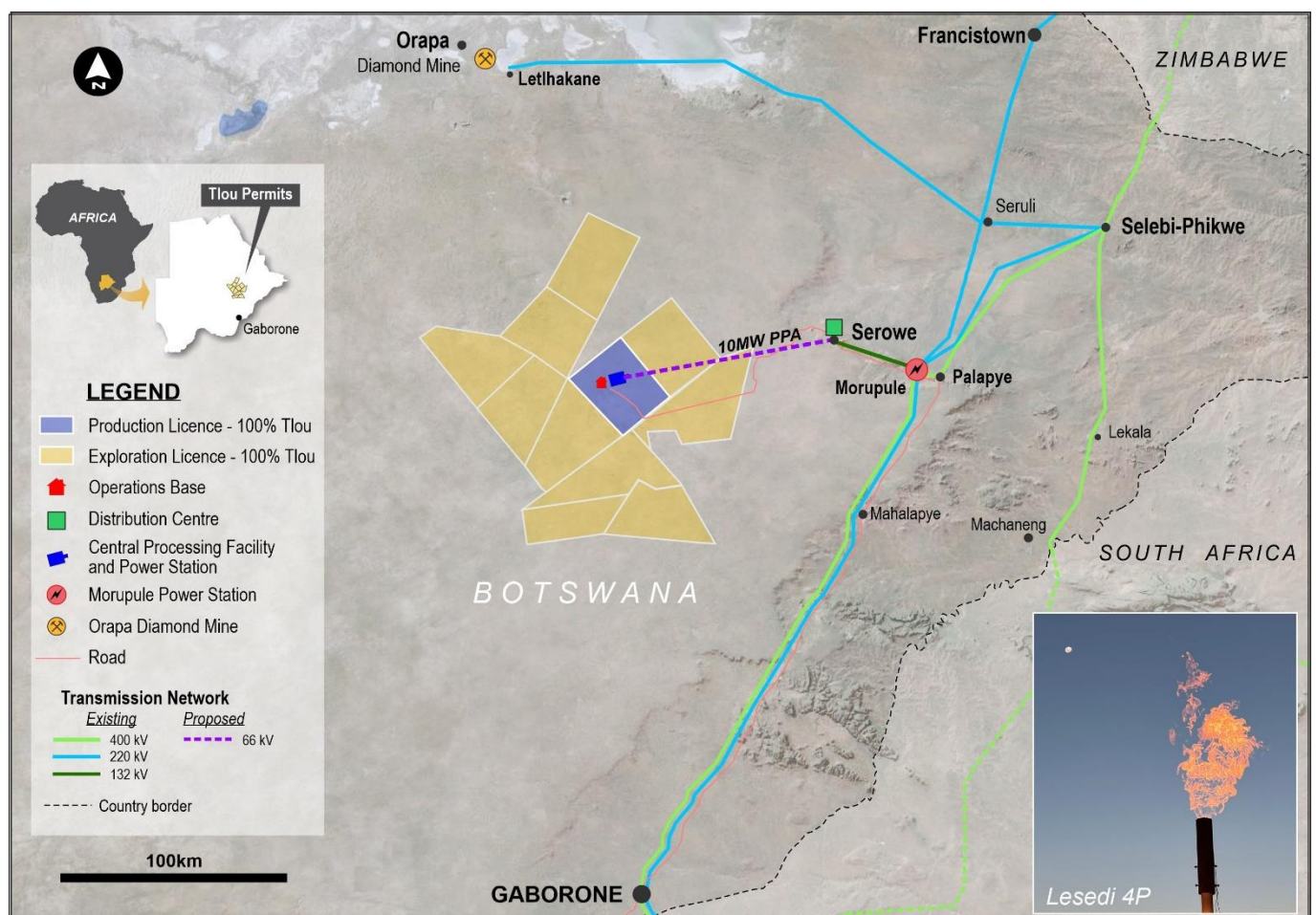
25 July 2023

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

Quarterly Activities Report for the quarter ended 30 June 2023

Highlights

- **Lesedi 6 production pod drilling completed**
- **The 66kV overhead transmission line is approximately 79% complete**
- **At the quarter end the Company had ~A\$6.85m cash on hand (unaudited)**



Activities

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

- **Lesedi Project** – focused on 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. At Lesedi the Company is developing a proposed 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. The table below summarises the status of the Lesedi 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. Renewal applications were submitted for PL001/2004 and PL003/2004 during the quarter.

Gas to Power Project

The first electricity to be generated at Lesedi is planned to go towards satisfying the 10MW Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC) the national power utility. The Lesedi project currently has several components 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. To connect to the national grid, the Company is undertaking the construction and installation of a 100km 66kV transmission line. This, together with the ongoing drilling program should 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 with progress at the end of June 2023 estimated at approximately 79%. The expected July 2023 completion date has been pushed back due to a delay in availability of line conductors as well as hard rock excavation and the discovery of previously unknown sub-surface services which has slowed progress. However, the transmission line construction remains on target to be completed well in advance of proposed first power generation.

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. The planned substation at

Lesedi is currently designed for an initial 5MW of power which can be upgraded to 10MW at a later stage with the project anticipated to be completed in early 2024. The Company is now assessing options that may allow the current substation design to be adapted to facilitate expansion beyond 10MW.

Drilling Operations

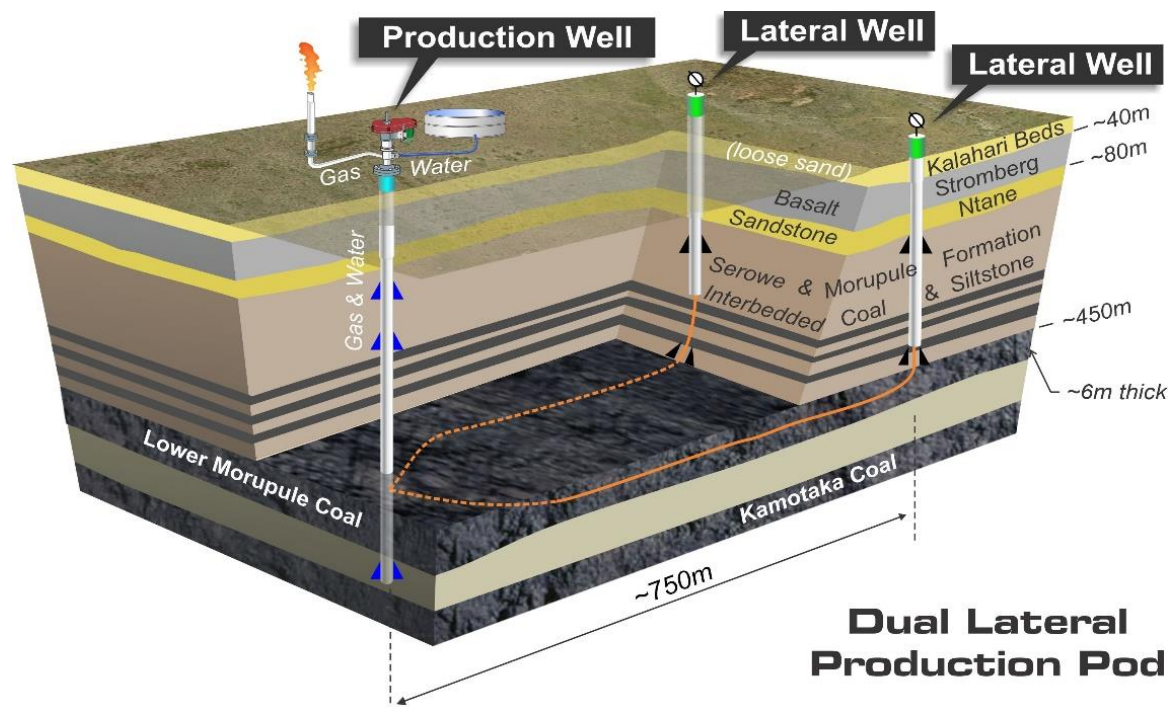
During the quarter the Company began drilling the latest production pod, Lesedi 6, the first of a series of new pods (funds permitting) that the Company plans to drill as part of the 10MW gas to power project. Lesedi 6 comprises one vertical production well (Lesedi 6P) intersected by two lateral wells (Lesedi 6A and 6B) drilled horizontally through the target reservoir section for several hundred metres.

Lesedi 6P - Vertical Production Well

This well was drilled to a depth of 589m and intersected 6m of the target lower Morupule coal. Well casing was cemented in place, with fiberglass casing over the target coal seam underreamed to expose the coal to the well bore to facilitate dewatering and gas flow.

Lesedi 6A and Lesedi 6B - Lateral Wells

The top hole (or vertical) sections of Lesedi 6A and Lesedi 6B were drilled during the quarter. Both were drilled to a depth of 150m and cased with steel casing and cemented. Following cementing, the wells were deepened in preparation for running the directional tools which are required to complete the lateral section of the well. Drilling of the lateral sections commenced thereafter with both lateral sections successfully intersecting Lesedi 6P post quarter end.



Core-hole drilling

In addition to the Lesedi 6 production pod, a core-hole was drilled close to the vertical sections of Lesedi 6A and 6B. The objective of the core-hole was to provide further geological control. In addition to providing coal and gas content data, the core-hole accurately determined the top and bottom of the target coal seam. The core-hole was completed and logged after reaching a total depth of 535m and intersecting 6m of coal. A total of 18 coal samples were taken and placed in desorption canisters for further analysis.

A further core-hole was commenced prior to quarter end which was located close to where another new production pod (Lesedi 7) is proposed to be drilled at a later date.

Mamba Project

The Mamba project is in the exploration and evaluation phase with further operations required on the operating licences. It consists of five Prospecting Licences 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. Renewal applications for all Mamba project licences were submitted during the quarter.

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\$6.85m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$235k 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
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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.