

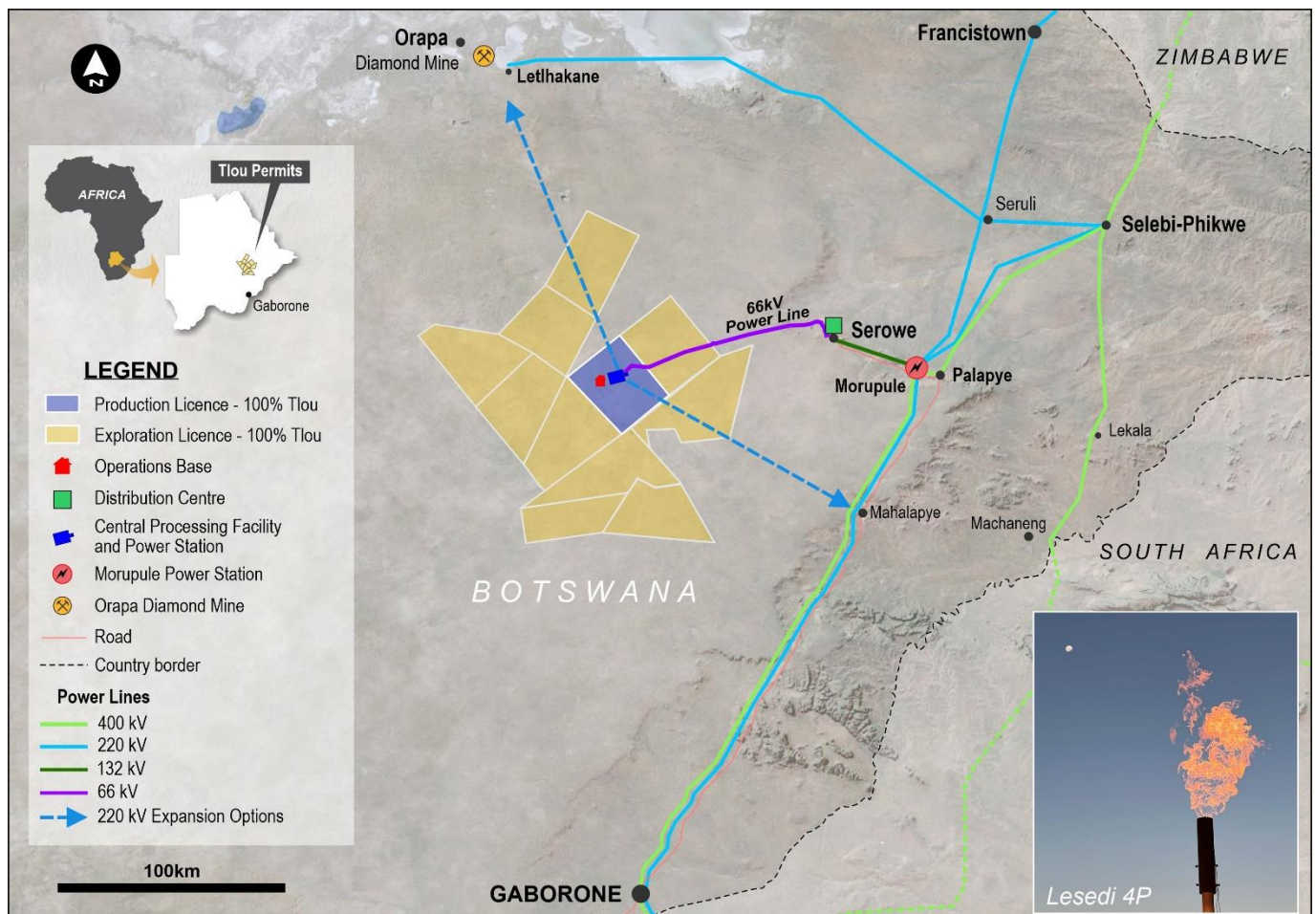
26 July 2024

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

**Quarterly Activities Report for the quarter ended 30 June 2024**

**Highlights**

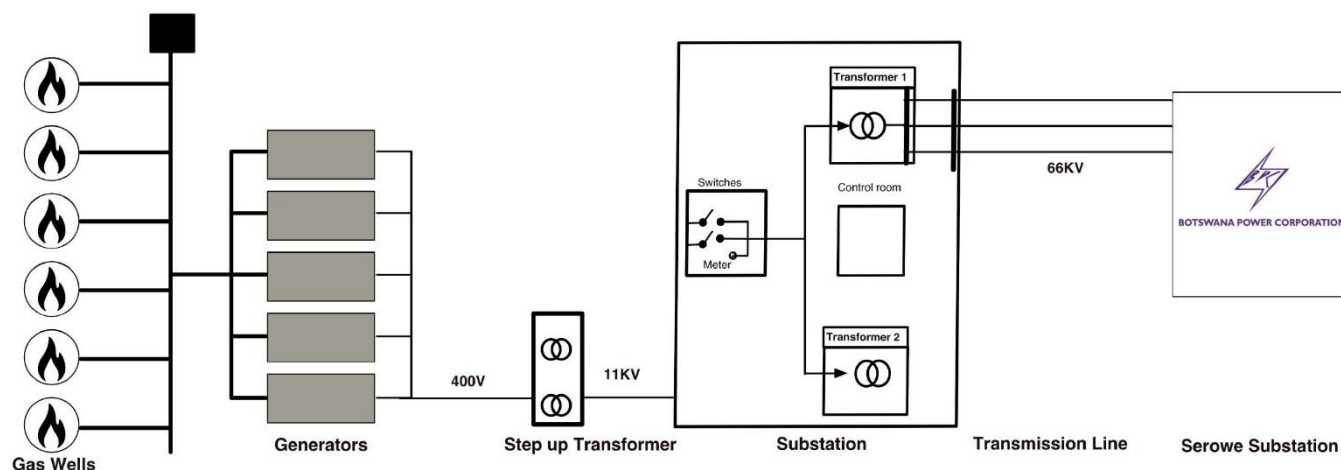
- **Work at Lesedi progressing to plan and targeting first power generation later this year**
- **Lesedi electrical substation is ~64% complete with expected completion in 3Q 2024**
- **Gas flowing at Lesedi 6 production pod, work-over completed on the Lesedi 4 pod**
- **Power generation setup and installation options being agreed with suppliers**



## Lesedi Project

Lesedi is Tlou's most advanced project. Work has been ongoing at Lesedi for some time with the project targeting first power generation later this year.

Lesedi remains at the forefront of Botswana's gas to power sector, making substantial progress in the development of the proposed 10MW gas-to-power project.



The Lesedi development involves the following key elements:

- Gas production
- Electricity generation
- Substation construction
- Transmission and sale of electricity

The status of each of the above at the end of the reporting quarter is outlined below.

## Gas production

Coalbed methane gas from the Company's gas field in central Botswana will be used for power generation.

To produce gas, the Company drills dual lateral production wells referred to as "pods" which consist of a vertical production well and two lateral wells that intersect the production well. The Company currently has two production pods, Lesedi 4 and Lesedi 6. Both pods have produced gas for a sustained period. Lesedi 6 remains in production while Lesedi 4 has been flushed clean of coal fines that periodically build-up and brought back into production post quarter end.

Lesedi 4 and Lesedi 6 will provide the initial gas for power generation. Further pods are planned to be drilled once funding is in place, with discussions ongoing with debt providers during the quarter. Preparatory work for the next drilling campaign has already begun. Additional pods will provide further gas allowing the Company to scale up in a stepwise manner using gas production to expand electricity generation and associated revenue.

Once drilled, a pod needs to be dewatered which involves removing water from the target coal seam and thereafter gas flow increases. As more and more pods are drilled the coal will get progressively dewatered which should aid future gas production.



*Lesedi 4 vertical production well – July 2024*

### Electricity Generation

Electricity will be generated on site and sold into the national power grid in Botswana. Power will be sold to Botswana Power Corporation (BPC) under an agreed 10MW Power Purchase Agreement (PPA).

The project is planned to grow incrementally to satisfy the 10MW PPA and then expand further. First generation will be from gas produced at Lesedi 4 and Lesedi 6 with further generation units planned to be added as additional gas is produced.

During the quarter the Company has been working with suppliers in relation to the final design, site setup and delivery options for the initial generators which are planned to arrive in the coming months.

Gas produced from each pod is gathered and piped to the power generators. Work on the gas gathering network began in the previous quarter and continued into this reporting period. The gas gathering lines can be finalised once the generators are onsite.



### Substation Construction

Electricity produced by the generators will be fed into the electrical substation which is under construction at the Lesedi site.

The substation is approximately 64% complete and has been designed to support over 20MW of power. The substation is scheduled for completion in September 2024.



*Control room and transformer plinth construction at the Lesedi substation – July 2024*

### Transmission Line Construction

To connect to the national grid, the Company constructed a 100km 66kV transmission line that will tie into the substation at Lesedi and join the existing power grid at the town of Serowe.

As previously reported, construction of the transmission line has been completed with minor finishing works and the addition of switchgear at the Serowe end to be done prior to the line being energized. The line remains under care and maintenance until energization.

A 66kV line is capable of carrying ~25MW of power. This would allow the company to rapidly expand beyond 10MW.



### Lesedi project licences

The project area has four Prospecting Licenses (PL) and a Production Licence which is the 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	Mar-26	Current
PL003/2004	Mar-26	Current
PL035/2000	Mar-25	Current
PL037/2000	Mar-25	Current

\*\*\*\*

## Other Project Areas

In addition to the Lesedi project the company has two other areas of interest adjacent to Lesedi known as the Mamba and Boomslang projects.

### Mamba Project

The Mamba project is in the exploration and evaluation phase with further operations required on the licences. It consists of five Prospecting Licences covering an area of approximately 4,500 Km<sup>2</sup>. 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 are as follows:

Licence	Expiry	Status
PL 237/2014	Dec-25	Current
PL 238/2014	Dec-25	Current
PL 239/2014	Dec-25	Current
PL 240/2014	Dec-25	Current
PL 241/2014	Mar-26	Current

Further work on the Mamba project is proposed once the Lesedi project is in production with initial work likely to include a seismic survey and the drilling of core-holes.

### Boomslang Project

Prospecting Licence, PL011/2019 designated “Boomslang”, is approximately 1,000 Km<sup>2</sup>. To date, the Company has not carried out ground operations in the Boomslang area. Like the Mamba project the first stage of operations is likely to include a seismic survey following by core-hole drilling.

The status of the Boomslang licence is as follows:

Licence	Expiry	Status
PL 011/2019	Jun-26	Current

PL renewal applications are submitted three months prior to expiration.

\*\*\*\*

## Cash Position

At the end of the quarter the Company had ~A\$2.52m cash on hand (unaudited). The aggregate value of payments to related parties and their associates of A\$340k for the quarter (shown in item 6.1 of the 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

\*\*\*\*

For further information regarding this announcement please contact:

<b>Tlou Energy Limited</b>	+61 7 3040 9084
Tony Gilby, Managing Director	
Solomon Rowland, General Manager	
<b>Grant Thornton (Nominated Adviser)</b>	+44 (0)20 7383 5100
Harrison Clarke, Colin Aaronson, Elliot Peters	
<b>Zeus Capital (UK Broker)</b>	+44 (0)20 3829 5000
Simon Johnson	
<b>Investor Relations</b>	
Ashley Seller (Australia)	+61 418 556 875
FlowComms Ltd – Sasha Sethi (UK)	+44 (0) 7891 677 441

#### **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.