

22 November 2024

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

Electrical substation at Lesedi nearing completion

- **5MVA transformer has arrived at Lesedi**
- **Transformer is one of the last key components to complete the substation**
- **Substation is approximately 90% complete and planned to finish in the coming weeks**



5MVA Transformer being hoisted into place at the Lesedi Substation – November 2024

LESEDI PROJECT STATUS

Gas Production

Gas has been flowing from the Lesedi 4 and Lesedi 6 gas wells. The gas flow has been surging with work ongoing to produce a more constant rate. This is required to facilitate generation of power. The key issue has been coal fines or particles that have caused the downhole pump to block and have constrained the dewatering process.

Tlou's operations team are fully focused on this issue at the present time. Once resolved, the aim is to maximise water drawdown to produce higher and more consistent gas flows over the coming months.

Gas Reserves

Tlou's gas Reserves and Contingent Resources have been independently certified by SRK Consulting (Australasia) Pty Ltd. The Company's 2P Reserves are 40.8 Billion Cubic Feet (BCF) which is an energy equivalence of ~6.8 million barrels of oil (MMboe). A 10MW project is estimated to require less than 30 BCF of methane over a 25-year period. Tlou's 3P Reserves are 426.6 BCF.

Please refer to public market announcements and the Reserves Statement in the Company's last annual report for full details. Subject to the level of gas that can be produced from these Reserves and Contingent Resources, the Company potentially has sufficient gas to produce electricity for many years.

Transmission Line

The 66kV power line connecting Lesedi to the Serowe substation is virtually complete and is designed to take up to 25MW of power. Some minor finishing works, such as the addition of switchgear at the Serowe substation, will be carried out prior to the line being energised. The power line is effectively under care and maintenance until Tlou is ready to bring it online.



Lesedi Substation



Lesedi Substation – November 2024

The Lesedi substation is over 90% complete with the Serowe extension ready for commissioning. A 5MVA step-up transformer was delivered to the project site on 20 November 2024. This is a key component to finalise the substation. With the transformer now in place, work will continue onsite with completion anticipated before the end of the year.

The 5MVA transformer will facilitate around 5MW of generation. Further transformers will be added as the project grows with the substation designed for expansion up to 25MW.

Generation

The Company has progressed discussions with a global power generation supplier to install a power generation facility at Lesedi using reciprocating 1,375 kW Cummins branded gas engines with GE generators.

Should an agreement be put in place, the units will be delivered, installed and commissioned by the provider, who will also handle ongoing operations and maintenance. It is envisaged that power generators will be supplied and installed in phases, commensurate with gas production capacity. The lead time to get generators onsite is currently expected to be 6-8 weeks from order.

The proposed generators can take up to 220m³ of methane per hour with actual power generation output subject to various factors including the temperature and altitude.



The generator set includes a lower 20-foot container which houses a Cummins 1,375 kW engine and generator with an upper container including a radiator and the generator cooling system.

Power Sales & Expansion

The power station is anticipated to be installed, commissioned and tested ahead of first generation in mid-2025, subject to receiving adequate funding and flowing sufficient and consistent gas from existing and proposed production wells.

Initial generation is planned to start with up to 2MW of power and as additional gas wells are drilled this will increase to 10MW in line with the Power Purchase Agreement (PPA) that is already in place with Botswana Power Corporation (BPC).

The PPA is valid for an initial five-year term and upon successful completion of the first 10MW and prior to the end of the five-year term, the Government and BPC are committed to extending the existing PPA for at least a further five years and/or agreeing a new long term PPA with Tlou with increased power delivery beyond the initial 10MW.

Thereafter expansion is planned to match the nominal 25MW of power that could be transmitted on the 66kV transmission line to Serowe that Tlou has constructed.

Expansion beyond 25MW would involve building a new power line either to the east to join the existing 220kV grid at Mahalapye or to the northwest minerals province. Both of these markets have a power requirement in the order of 100MW or more. Additionally, the Southern African Power Pool reaches over 500 million potential electricity consumers providing virtually unlimited expansion potential.

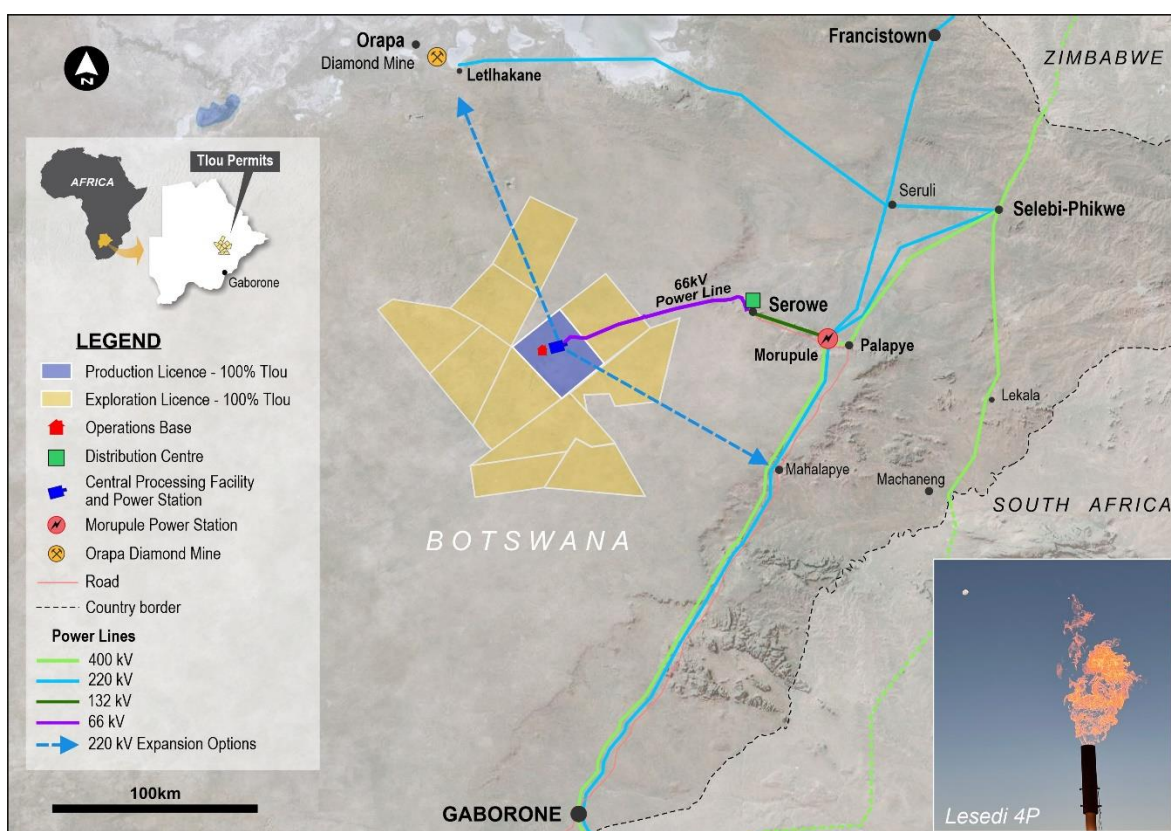
This, combined with the Company's 100% owned gas prospective acreage, sets the stage for considerable future growth potential.

Strategic location

The Company's production and exploration licences are ideally located in Botswana's Central district with direct access to the grid.

The Lesedi development, which includes the generation site, substations, gas production wells and operations camp is located on Tlou's 40km² property which forms part of Tlou's production licence, which is valid until 2042.

Additionally, Tlou's prospecting licences cover a very large area ensuring continuing exploration and development potential.



Tlou's licence areas, 66kV line and potential expansion options

Tlou's Managing Director, Mr Tony Gilby commented:

"Reliable energy is in short supply in the region and there is a dearth of new projects coming online that can provide reliable baseload power for a growing population and to support renewable projects.

Tlou is ideally placed to meet this growing electricity demand."

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 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.