

TLOU ENERGY LIMITED**10 February 2017**

Tlou Energy Limited
(‘Tlou’ or ‘the Company’)

ISSUE OF PERFORMANCE RIGHTS

At the Company’s Annual General Meeting (“AGM”) on 10 November 2016, shareholder approval was granted for the issue of Performance Rights to the Directors of the Company. Tlou’s Directors have now been invited to participate in the Company’s Employee Performance Rights Plan (“PRP”) for a total of 2,000,000 Performance Rights to be split equally amongst the four Directors. In addition to the Performance Rights being issued to Directors, a further 2,550,000 Performance Rights are being issued to senior management and consultants with the same performance conditions attached.

These Performance Rights will be linked to the share price performance of the Company, ensuring alignment with the interests of the Company’s shareholders. The Performance Rights will be split into two equal Tranches. For the Performance Rights issued under the Plan to vest and, therefore, become exercisable by a participant, the following performance conditions will be required to be met:

Tranche	Performance Condition
Tranche 1	The closing price of Shares being 50% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.
Tranche 2	The closing price of Shares being 100% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.

Notes:

- The date of shareholder approval was 10 November 2016
- The share price on 10 November 2016 was AUD \$0.14
- For Tranche 1 to vest the share price needs to be AUD \$0.21 per share or greater for a period of 10 consecutive trading days
- For Tranche 2 to vest the share price needs to be AUD \$0.28 or greater for a period of 10 consecutive trading days

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On vesting, holders of Performance Rights will be entitled to acquire Tlou Energy Limited ordinary shares at nil cost.

Following the issue of the Performance Rights, the interests of Directors in the Company will be as follows:

	Ordinary Shares	Percentage of the Company	Performance Rights
Martin McIver	296,088	0.12%	500,000
Anthony Gilby	17,796,487	7.30%	500,000
Gabaake Gabaake	80,857	0.03%	500,000
Colm Cloonan	269,525	0.11%	500,000

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Company Information

Tlou Energy is an AIM and ASX listed company focused on delivering power in Botswana through the development of coal bed methane ('CBM') projects. Botswana has a severe energy shortage and is currently relying on expensive imported power and diesel generation to deliver its requirements. However, as the 100% owners of the most advanced gas project in the country, the Lesedi CBM Project ('Lesedi'), Tlou Energy provides investors with access to a compelling immediate and longer term opportunity using domestic gas to produce power and displace the expensive diesel and import market.

The Company is led by an experienced Board, management and advisory team including individuals with successful track records in the Australian CBM industry.

Since establishment in 2009 the Company has significantly de-risked the project in consideration of its goal to become a significant gas to power producer. The Company has the most advanced CBM project in Botswana and flared its first gas in 2014. It holds 10 prospecting licences covering an area of ~8,300Km² and the Lesedi project already benefits from significant, independently certified

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contingent resources of ~3.3 trillion cubic feet (3C). In October 2016, the Company booked its maiden independently certified gas reserves, thereby becoming the first company in Botswana to do so.

The Company is planning an initial scalable gas-to-power project in Botswana. Following successful implementation of this first scalable project, the Company plans to expand in order to provide further power to Botswana and the southern African region.