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Our Ref: Stephen Rodgers  
Your Ref:

6 November 2014

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir / Madam

**RE: Chairman and Managing Director – 2014 Annual General Meeting Presentations**

In accordance with Listing Rule 3.13.3, I enclose the presentations of the Chairman and Managing Director, which will be delivered today at the Tlou Energy Limited 2014 Annual General Meeting.

Yours Faithfully  
**Tlou Energy Limited**

STEPHEN RODGERS  
Company Secretary

## **Chairman's address - AGM**

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It gives me great pleasure to deliver the Chairman's address at Tlou's second AGM as a listed entity.

The past year has been an exciting year for Tlou, with the continuing progression and expansion of our Lesedi CBM project in Botswana and the successful entry into new and strategically important acreage positions in the form of the Mamba project.

Tlou's primary focus has been on continuing to develop the Botswana Lesedi CBM project this year. This project has progressed and reached a number of operational milestones which Tony will discuss in his address.

Once the current operational program is complete, the next step in the Lesedi CBM project's development plan is to begin the next phase of field development while continuing to negotiate memoranda of understanding for gas supply agreements with potential consumers.

We are committed to increasing shareholder wealth through the continuation of the Lesedi CBM project's development into production, and through the maturing of exploration and development at the adjacent Mamba project.

Tlou is also excited by the opportunity to assist in the development of a CBM gas industry in Botswana. The establishment of this industry within Botswana will not only help the country deal with the current energy shortage it faces but will also provide employment, income and an alternative cleaner energy source for the country and its citizens, all of which are positive effects.

Finally and most importantly, I would like to take this opportunity to recognise the continuing support of our shareholders, without whom the projects on which Tlou has embarked would not be possible.

Thank you.

## **Managing Director's address - AGM**

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Welcome to this our second AGM as a listed entity.

The company has had a very active year operationally.

The results to date are outlined in today's presentation, with key points including:

- Highly encouraging gas pressures in the Selemo 1P and Mopani 2 pilot wells.
- Casing pressures as of Wednesday 5 November 2014:
  - Selemo 1P  
1,133 kPa (164 psi)
  - Mopani 2  
551 kPa (80 psi)
- These pressures compare favourably with Queensland CBM producing wells in their pressure build-up phase.
- Tlou interprets the latest pressure data to suggest that both Selemo and Mopani wells should be ready to flow first gas this month.
- Lesedi 1P (existing lateral pilot) remediation underway.
- Lesedi 2P (new vertical pilot) drilled successfully and completion underway.
- Recent (2014) core-hole data showing better than expected CBM technical data.

Attachment 1 – 2014 AGM presentation

Thank you for your continued support.



**TLOU ENERGY**

# 2014 AGM Presentation

Date: 6<sup>th</sup> November 2014

# Disclaimer



**TLOU ENERGY**

## Disclaimer

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## Summary information

This Presentation is a visual aid which will be used by representatives of Tlou to assist in investor and analyst presentations. It is not intended to be read as a stand alone document. This Presentation contains selected and abbreviated summary information about Tlou and its subsidiaries and their activities current as at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It is intended to be read by a sophisticated investor audience familiar with Tlou and the sector in which it operates and to be accompanied by a verbal presentation delivered by a representative of Tlou. It should be read in conjunction with Tlou's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at [www.asx.com.au](http://www.asx.com.au).

## ASX Releases

Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information on detailed resource statements can be found in Tlou's ASX releases. Resource statements are provided to comply with ASX guidelines but investors are urged to read supporting information in full on the website.

## Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## Future performance

This Presentation contains certain "forward-looking statements". Forward looking words such as, "expect", "should", "could", "may", "plan", "will", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Such forward-looking statements, opinions and estimates are not guarantees of future performance.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This Presentation contains such statements that are subject to known and unknown risks and uncertainties and other factors, many of which are beyond Tlou's control, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Such forward-looking statements are relevant at the date of this Presentation and Tlou assumes no obligation to update such information.

## Investment risk

An investment in Tlou shares is subject to investment and other known and unknown risks, some of which are beyond the control of Tlou. Tlou does not guarantee any particular rate of return or the performance of Tlou. Persons should have regard to the risks outlined in this Presentation.

## Competent Person Statement

The gas resource estimates for the Lesedi CBM Project provided in this statement (refer slide 18) were originally released to the Market in Tlou's Replacement Prospectus 2 April 2013 (Announcement). Tlou confirms that it is not aware of any new information or data that materially affects the information included in the Announcement and that all of the material assumptions and technical parameters underpinning the estimates in the Announcement continue to apply and have not materially changed. The gas resource estimates are based on and fairly represents, information and supporting documentation and were determined by Mr. John G. Hattner of Netherland, Sewell and Associates, Inc ('NSAI'), Dallas, Texas, USA, in accordance with Petroleum Resource Management System guidelines. Mr. Hattner is a full-time employee of NSAI, and is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in this Presentation.



## Who we are

ASX listed coalbed methane (CBM) company



## What we do

CBM in Botswana



## Our Goal

Provide a clean and reliable energy source to Botswana & southern Africa



# Company Overview



**TLOU ENERGY**

## Market Cap:

~\$41m  
148m shares

## Share Price:

\$0.28  
(5 Nov 2014)

## Acreage:

10 Permits  
100% owned  
4 pilot locations



## Operations:

Botswana

## HQ:

Brisbane

## ASX:

TOU

# Key Information



**TLOU ENERGY**

## Lesedi CBM Project

- Botswana's most advanced
- 100% owned and operated

## NSAI Certified Contingent Resources

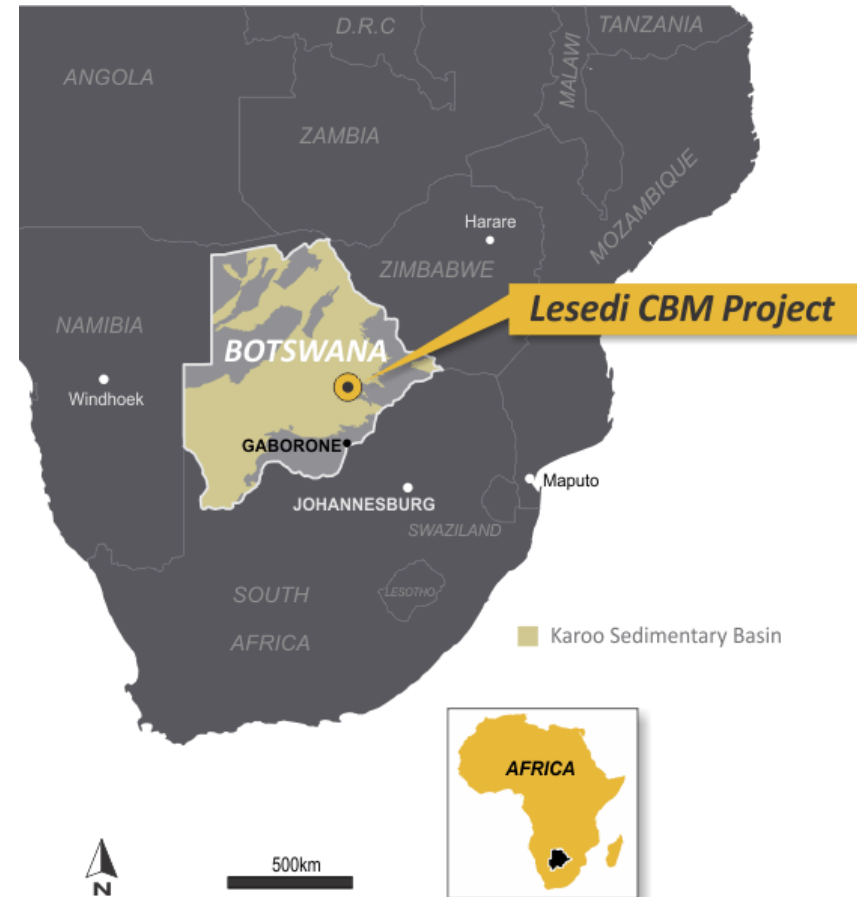
- 152 BCF (2C)
- 2,322 BCF (3C)

## Significant market opportunity

- High energy demand

## Location

- Low cost
- Supportive government





# Experienced Team



TLOU ENERGY

## Board of Directors



### Nathan Mitchell – Chairman

- 17 years in resource exploration
- International Operational Experience
- Pioneer of CBM drilling techniques



### Anthony (Tony) Gilby – MD & CEO

- Geologist with 28 years industry experience
- Co-founder and previous CEO of Sunshine Gas
- Previous technical roles for ESSO & Exxon



### Martin McIver – Non-Executive Director

- 13 years experience in mining services
- Formerly with PwC
- Current CFO of the Workpac group



### Chris Pieters – Non-Executive Director

- Geologist with 9 years industry experience
- Previously CCO of Sunshine Gas
- Director of Comet Ridge Limited (ASX:COI)

## Key In-Country Management



### Gabaake Gabaake – African Regional Manager

- Geologist and former Botswana public servant
- Strong government and industry relationships
- Previously Permanent Secretary, Minerals Energy & Water



### Glen Smith – Chief Operating Officer

- Geologist with 25 years operational experience
- Operational and geological experience
- Australia, PNG, Indonesia, Brazil and Africa



### David Mompoti – Project Development Officer

- Commercial and project management credentials
- Over 8 years experience with Botswana entities
- Key liaison with local stakeholders

# Botswana Field Operations



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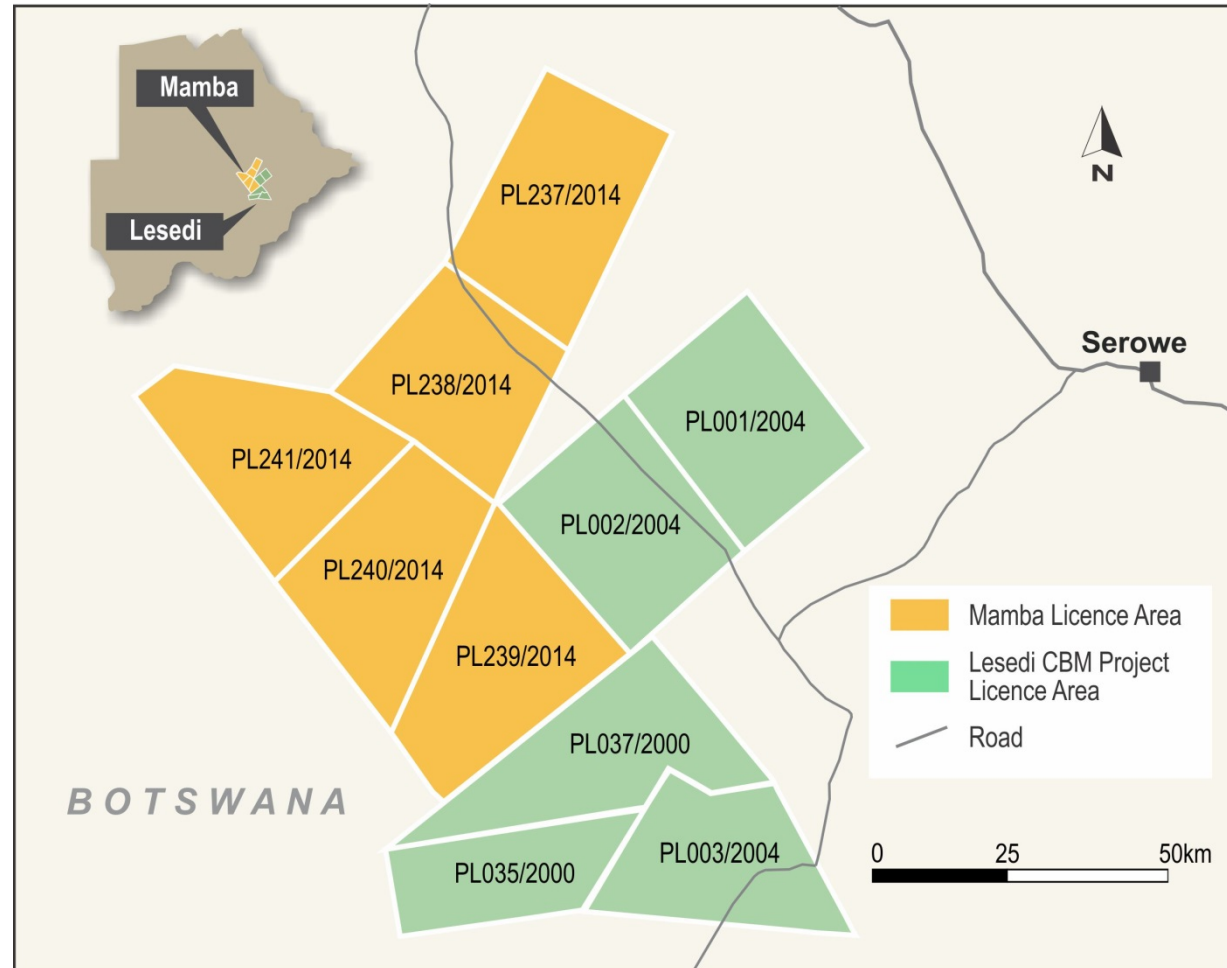


# Operational Focus



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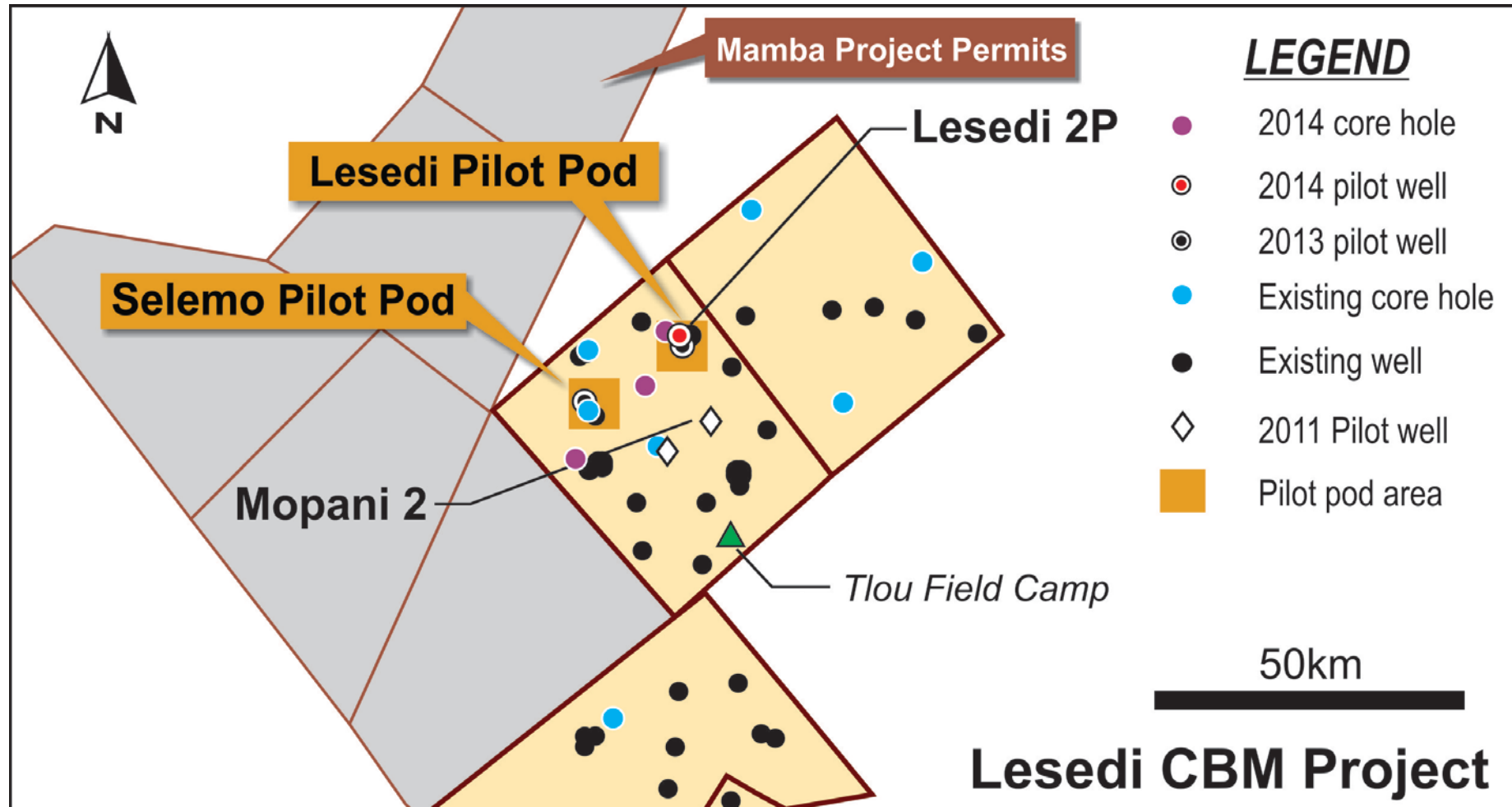
- ~8,300km<sup>2</sup>
- ~100 well database
- Two pilots testing:
  - Selemo pod – Lateral
  - Mopani 2 – Vertical
- Two pilots being completed:
  - Lesedi pod – Lateral
  - Lesedi 2P – Vertical



# Lesedi Project



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## Technical Fundamentals

Coal depth	~300-700m
Cumulative net coal thickness (Average)	~25m
Gas contents (Average)	4-6 m <sup>3</sup> /t (DAF)
Unstimulated reservoir permeability per DST	~2-5mD
Gas compositions	75%+ methane

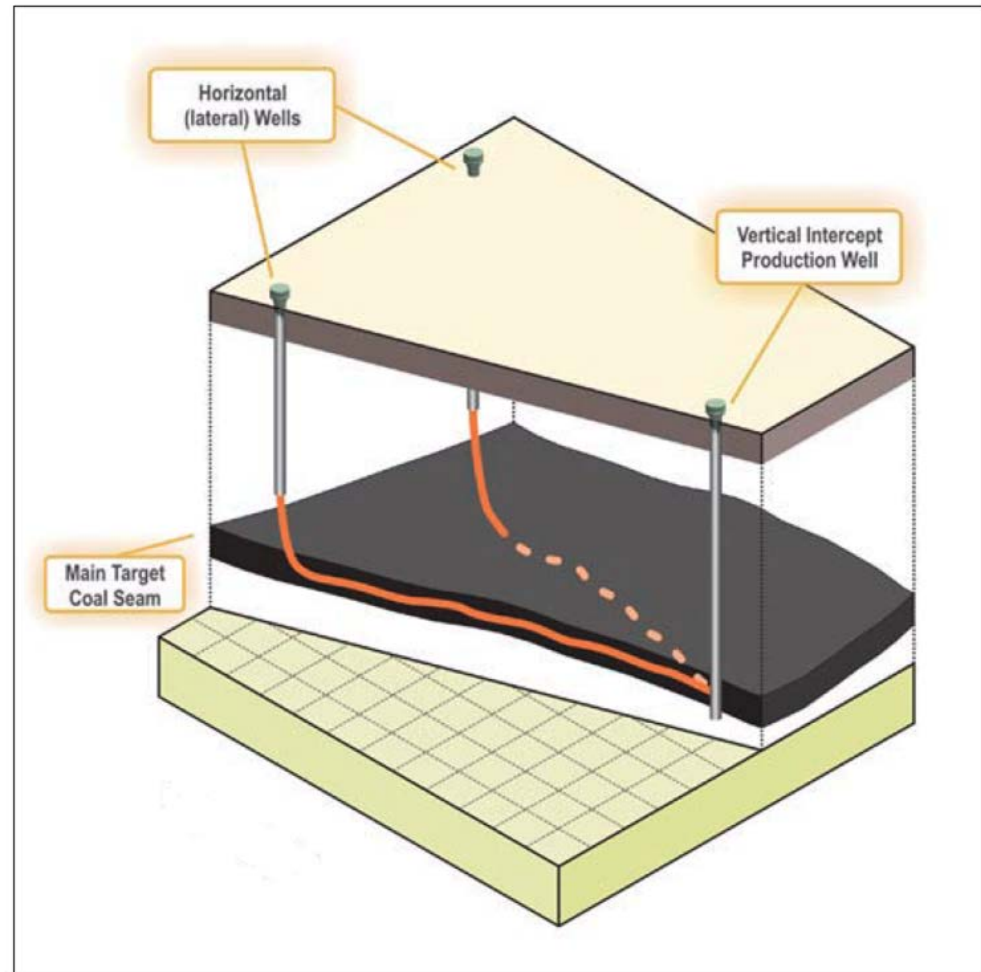


# Horizontal Pilot Design



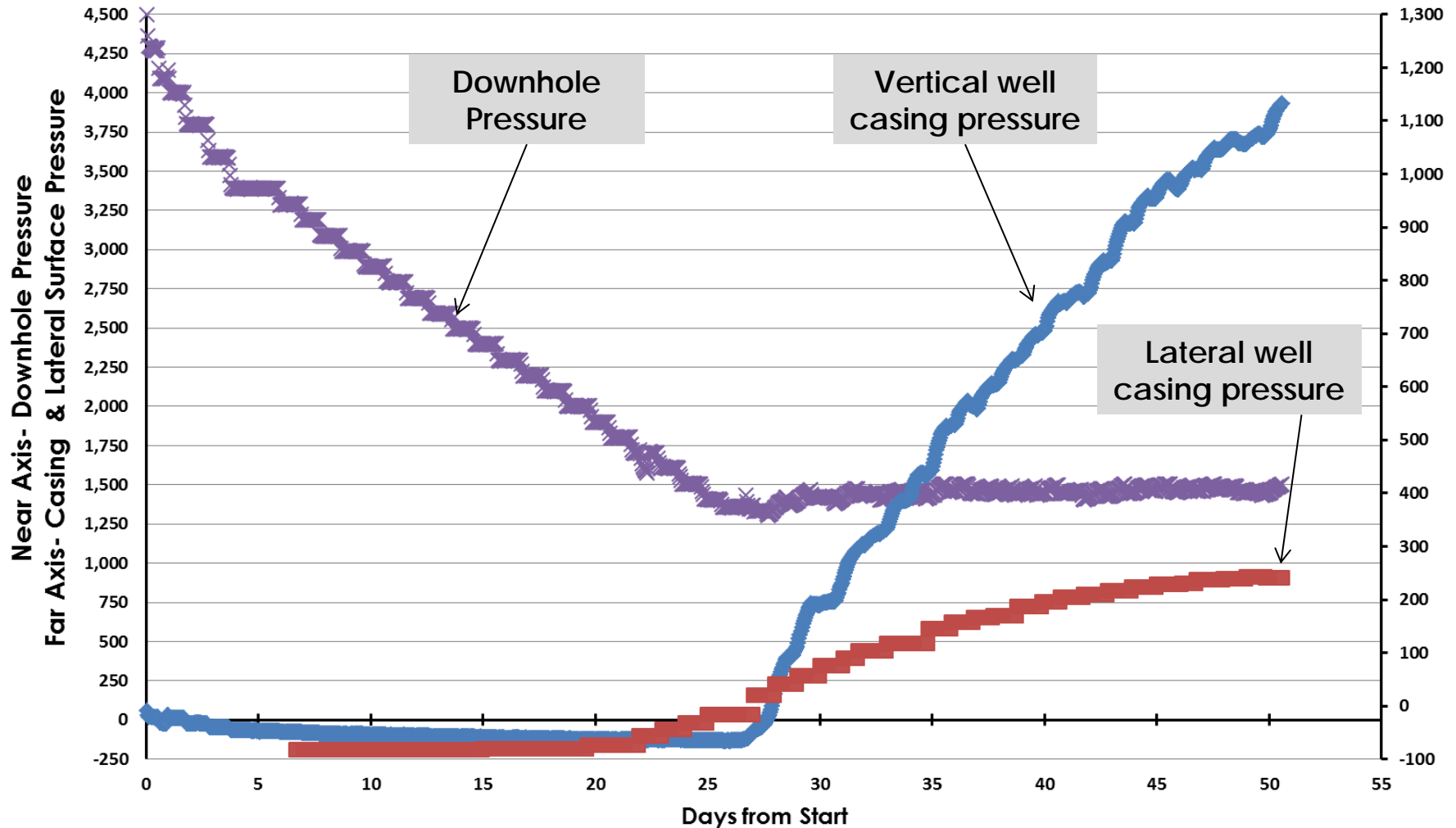
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- Horizontal wells (~750m in-seam) with vertical pumping well
- Lesedi completed as a dual lateral
- Selemo completed as a single lateral
- Target Reservoir: Basal Morupule coal seam (~6m)





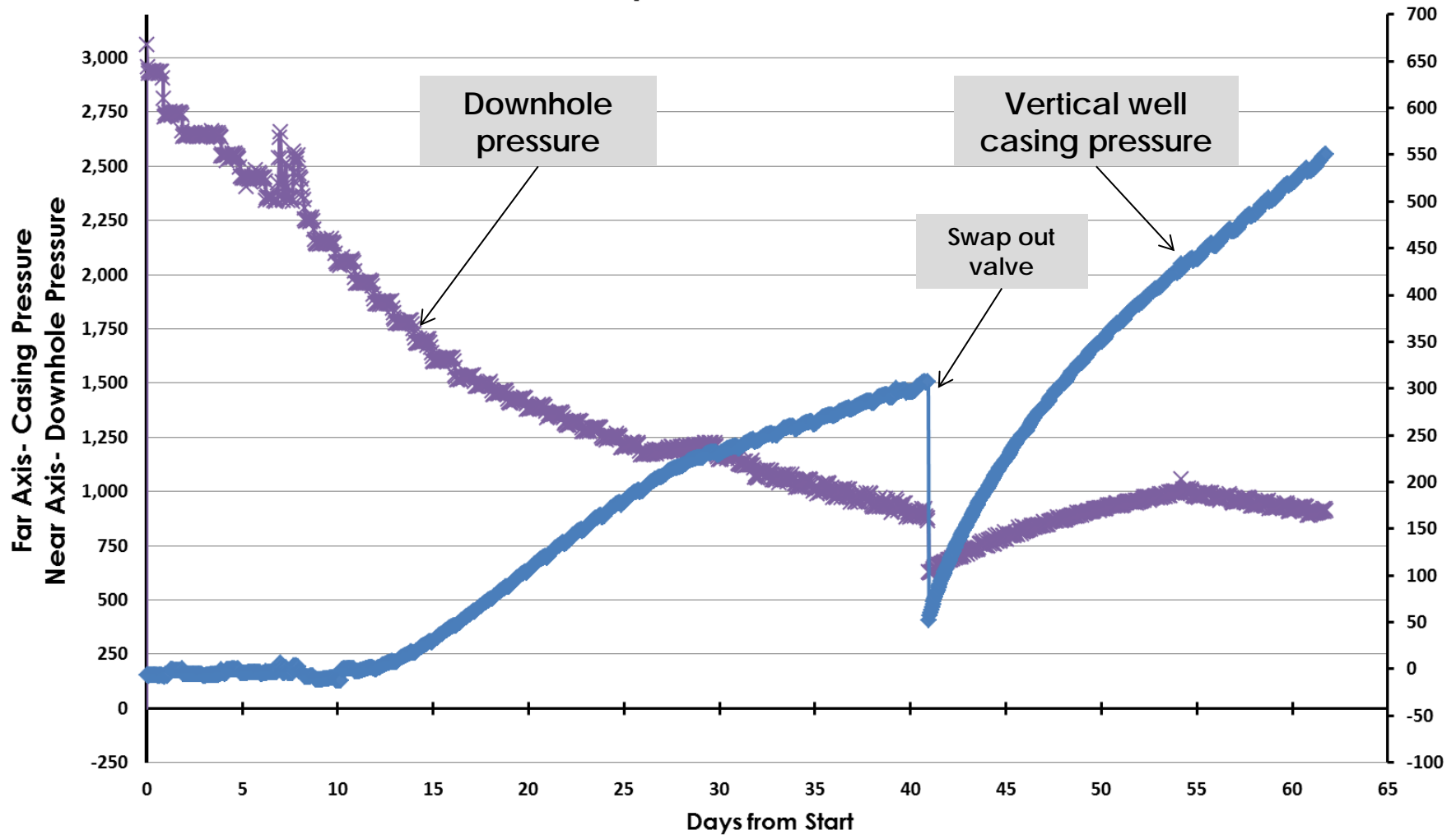
## Selemo Pod - Pressures







## Mopani 2 - Pressures



# Botswana Operations



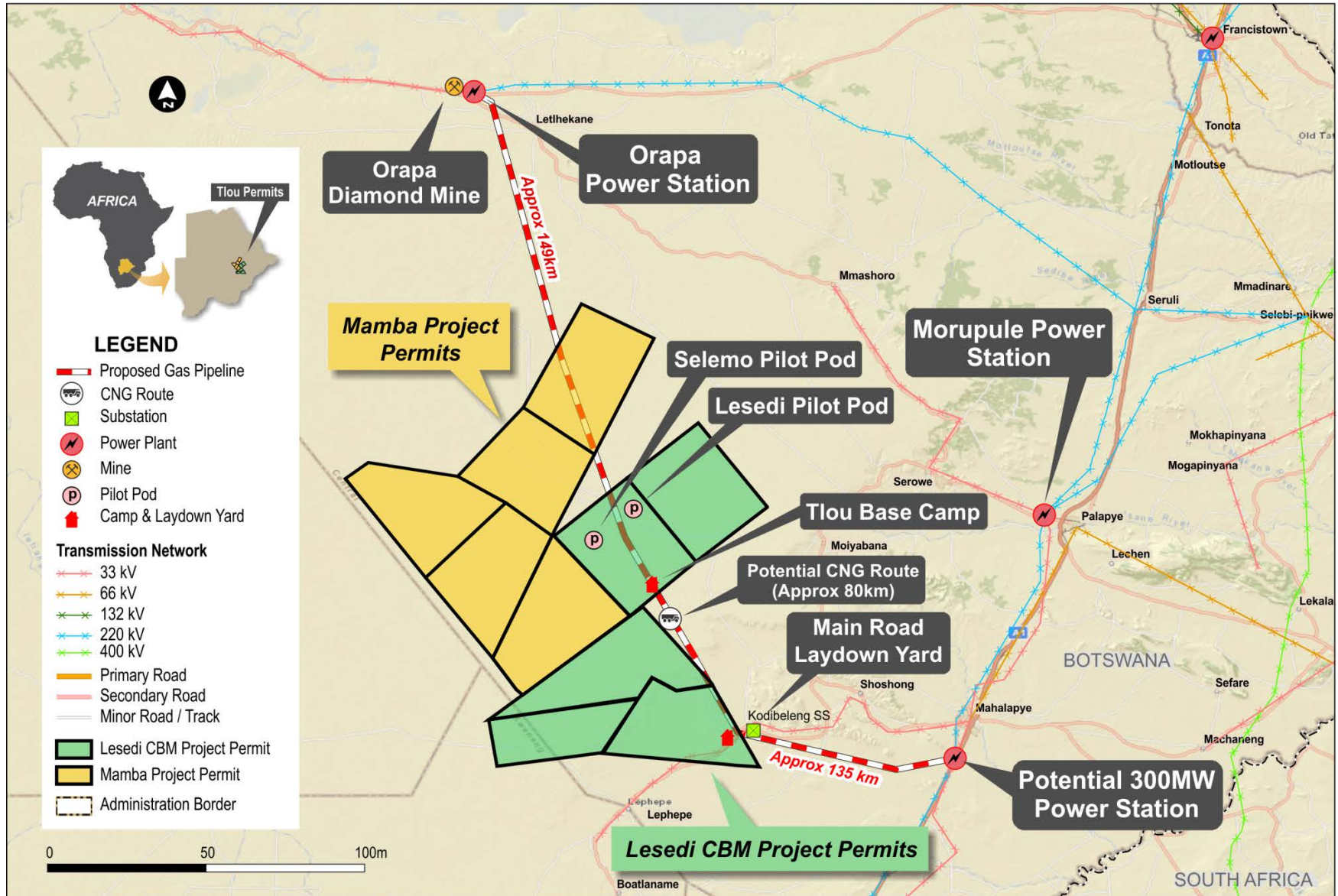
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# Commercial opportunities



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## Sequence

- Compressed Natural Gas (CNG) – proof of concept
- Existing Orapa Power Station – 90MW Gas or Diesel
- Proposed Power Station – 300MW Gas &/or Coal
- Proposed export



## Existing Power Grid

- 33kV close to Lesedi Project
- 220kV to the east
- 400kV Interconnect to neighbouring countries

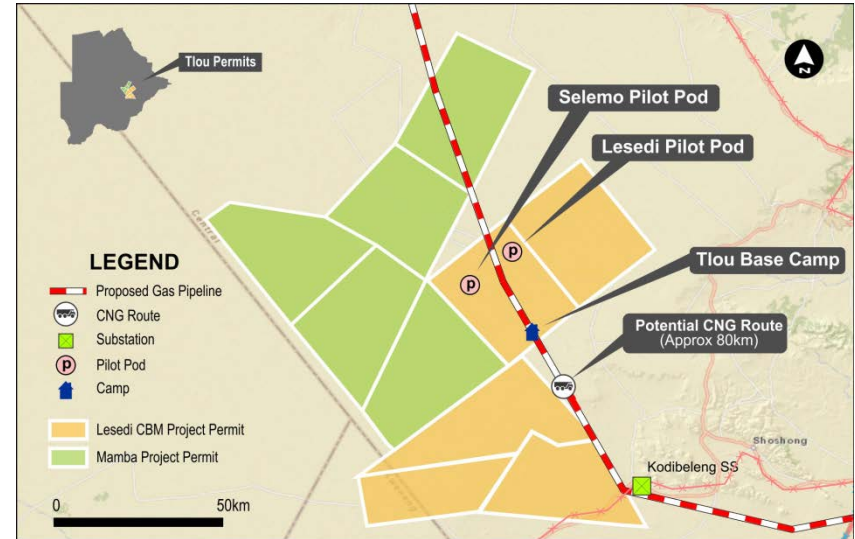
# Commercialisation



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## Proof of concept

- Power local primary school via CNG
- Kodibeleng township ~80km
- Low capital cost



Flow gas



CNG at well site



Truck CNG



Power school

# Independently Certified Contingent Resources (NSAI)



**TLOU ENERGY**

## Contingent Resource

- 152 BCF (2C)
- 2,322 BCF (3C)
- Significant expansion potential

## Initial Reserve Certification

- Targeting 1H 2015
- Subject to testing and gas supply MOU

### **NSAI** Resource Statement

Category	OGIP <sup>(2)</sup> (BCF)	Unrisked Gross (100 Percent) (BCF)	Unrisked Net (100 Percent) (BCF)
<b>Contingent Resources</b>			
Low Estimate (1C) <sup>(1)</sup>	0.0	0.0	0.0
Best Estimate (2C)	303.5	152.2	152.2
High Estimate (3C)	4,559.5	2,322.4	2,322.4
<b>Prospective Resources*</b>			
Low Estimate	2,459.5	644.1	644.1
Best Estimate	7,653.1	3,239.0	3,239.0
High Estimate	14,326.8	8,596.1	8,596.1

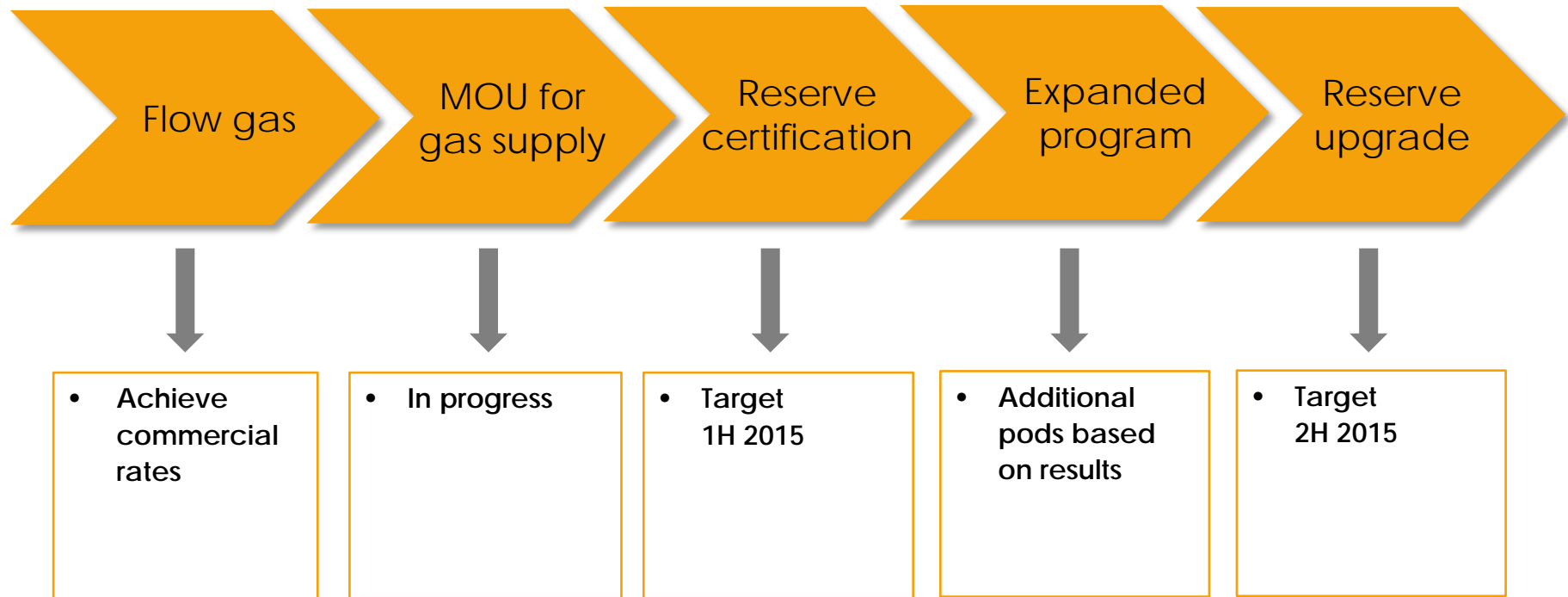
Note:

1. 1C volumes not identified at this time.

2. OGIP = Original gas in place.

Source: Netherlands, Sewell & Associates, Inc. (NSAI) . See Competent Person Statement – Slide 2

\* The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

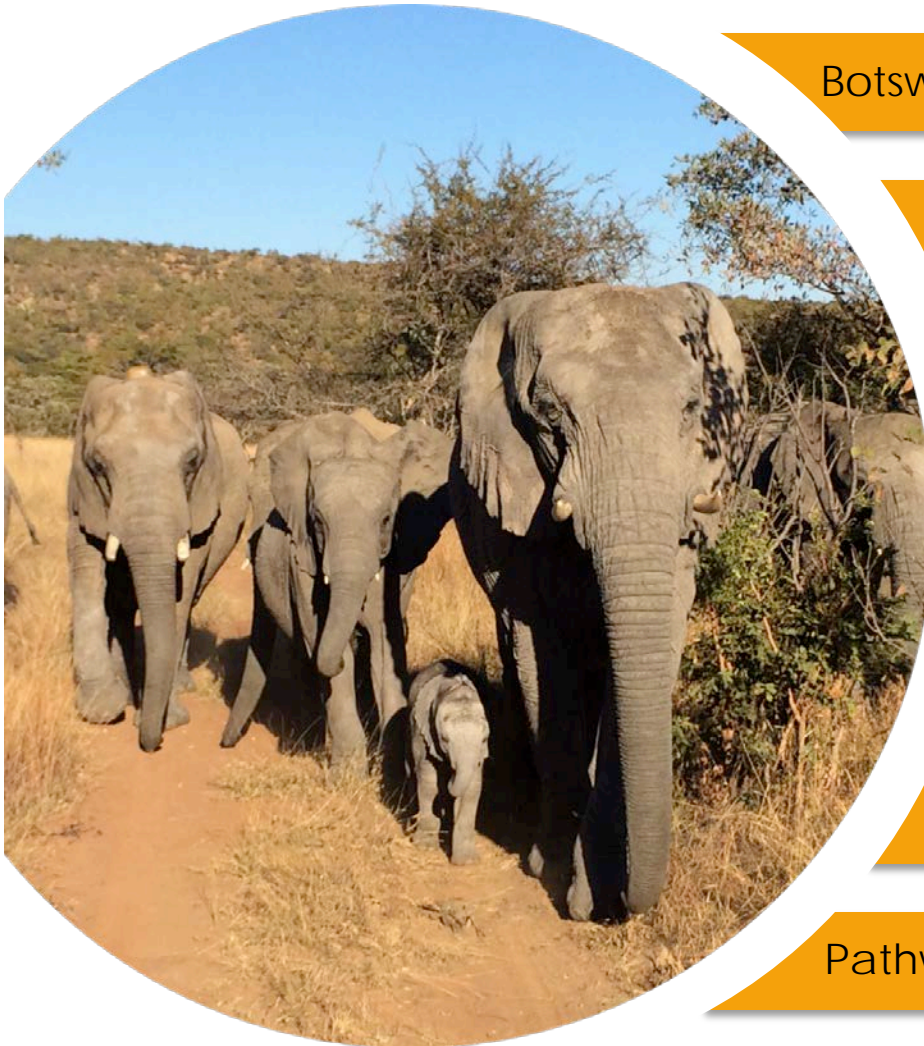




# Tlou Energy Limited (ASX:TOU)



TLOU ENERGY



Botswana CBM focus

148m shares

Market Cap: ~A\$41m

Cash Balance: ~A\$7.6m (Sept 2014)

Certified Contingent Resources (NSAI)

Supportive government & low cost location

Pathway to commercialisation



Thank You



**TLOU ENERGY**