



TLOU ENERGY

Overview of Tlou Energy's CBM Project, Botswana

Petroleum Exploration Society of Australia (PESA)
QLD Chapter Technical Luncheon

Thursday 19th March, 2015

Mark Di Bacco, Exploration Manager

Disclaimer



TLOU ENERGY

Disclaimer

This presentation (Presentation) has been prepared by Tlou Energy Limited (Tlou). The Presentation and information contained in it is being provided to shareholders and investors for information purposes only. The information contained in this disclaimer does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither the Presentation, disclaimer nor anything contained therein forms the basis of any contract or commitment. This Presentation does not take into account your individual investment objective, financial situation or particular needs. You must not act on the basis of any matter contained in this Presentation. This Presentation may contain forecasts and forward looking information. Such forecasts, projections and information are not a guarantee of future performance and may involve unknown risks and uncertainties. Shareholders and investors should undertake their own evaluation of this information and otherwise contact their professional advisers in the event they wish to buy or sell shares. To the extent the information contains any projections, Tlou has provided these projections based upon the information that has been provided to Tlou. None of Tlou or its directors, officers or employees make any representations (express or implied) as to the accuracy or otherwise of any information or opinions in the Presentation and (to the maximum extent permitted by law) no liability or responsibility is accepted by such persons.

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.

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

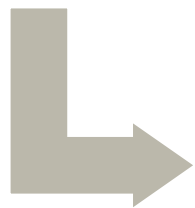
The gas resource estimates for the Lesedi CBM Project provided in this statement (refer slide 14) were originally released to the Market in Tlou's Replacement Prospectus 2 April 2013 (Announcement). Tlou confirms that it is not aware of any new information or data that materially affects the information 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.

About Tlou Energy



**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

"Tlou" is the Setswana word for **Elephant**



Company Overview



TLOU ENERGY

Market Cap:

~\$22m
148m shares

Share Price:

\$0.15
(12 Mar 2015)

Acreage:

10 Permits
100% owned
4 pilot locations



Operations:

Botswana

HQ:

Brisbane

ASX:

TOU

Key Information



TLOU ENERGY

Botswana CBM Project

- ~8,300km², 100% owned
- ~100 well database

Certified Contingent Resources

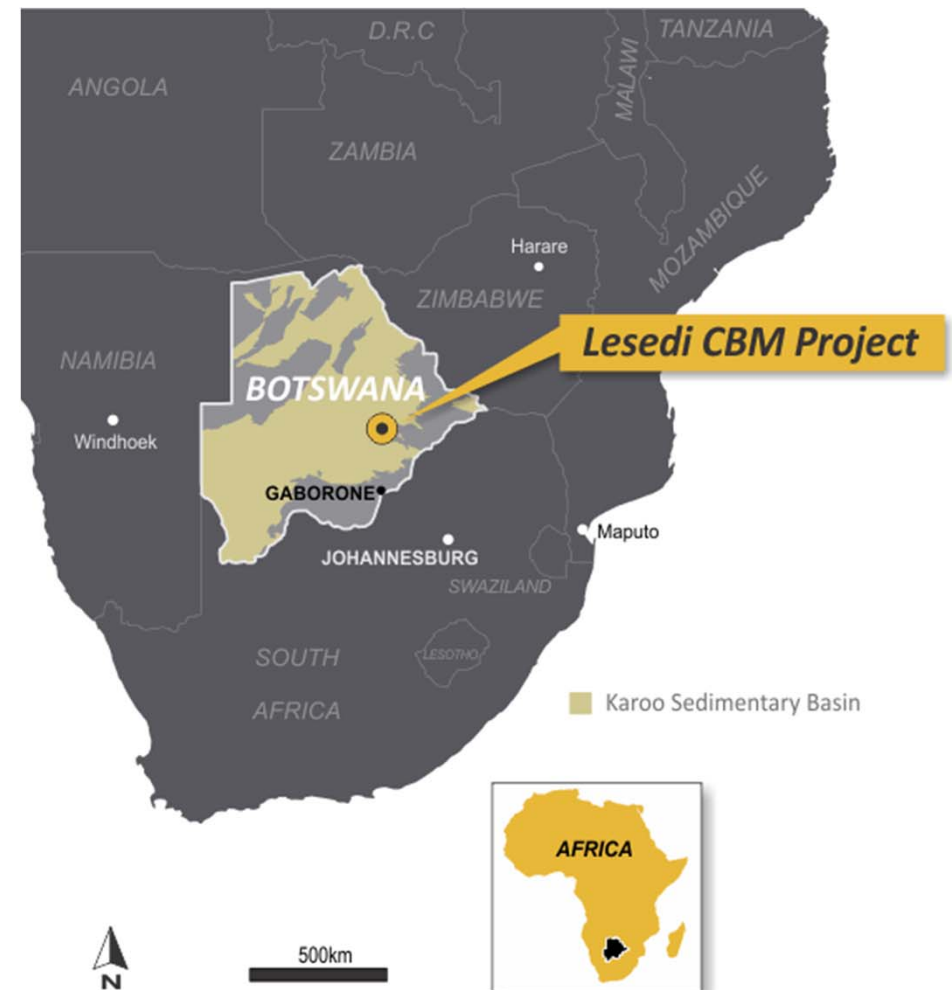
- 152 BCF (2C)
- 2,322 BCF (3C)

Significant market opportunity

- Botswana's most advanced project
- High energy demand

Location

- Low cost
- Supportive government



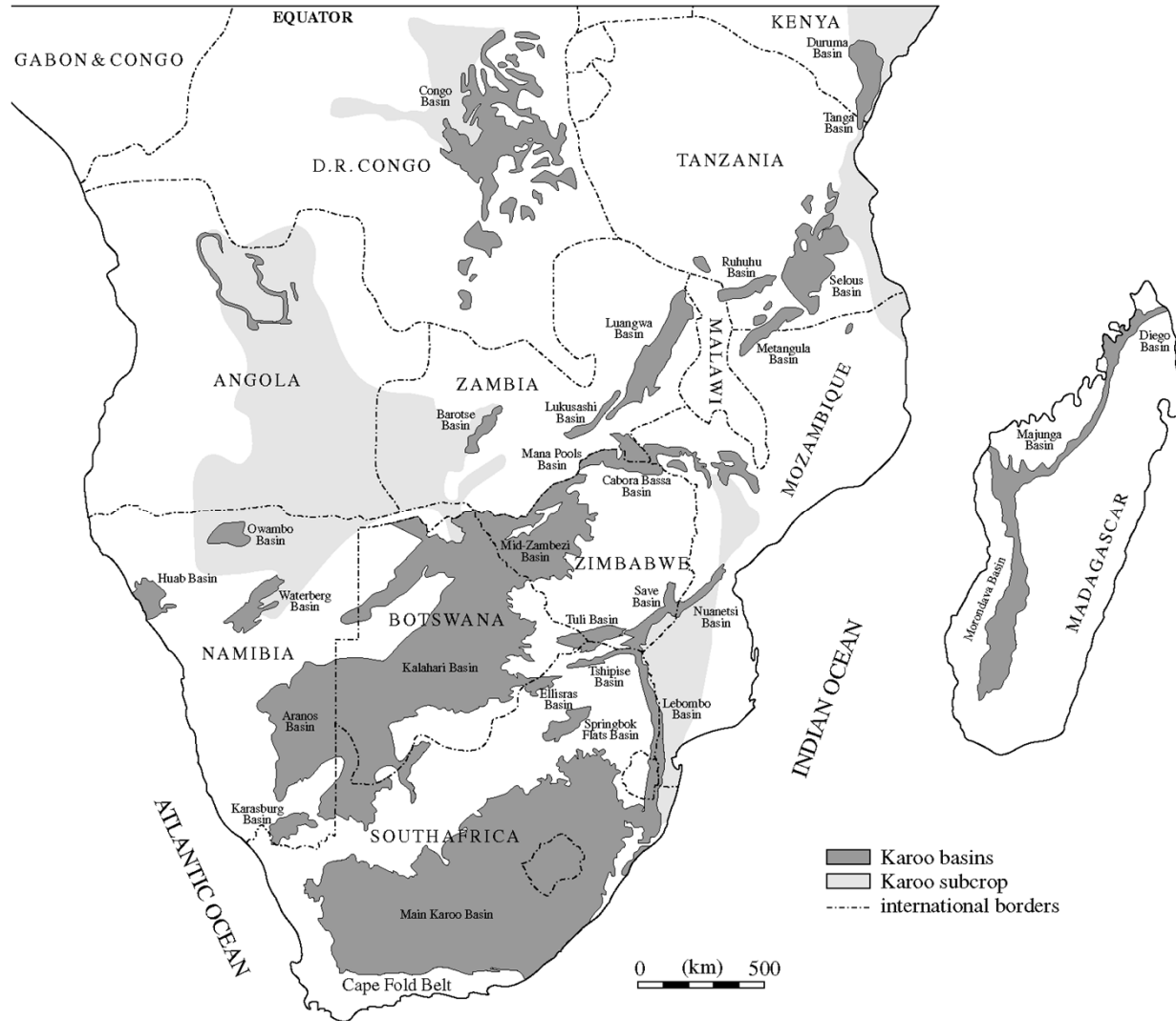
Botswana at a glance



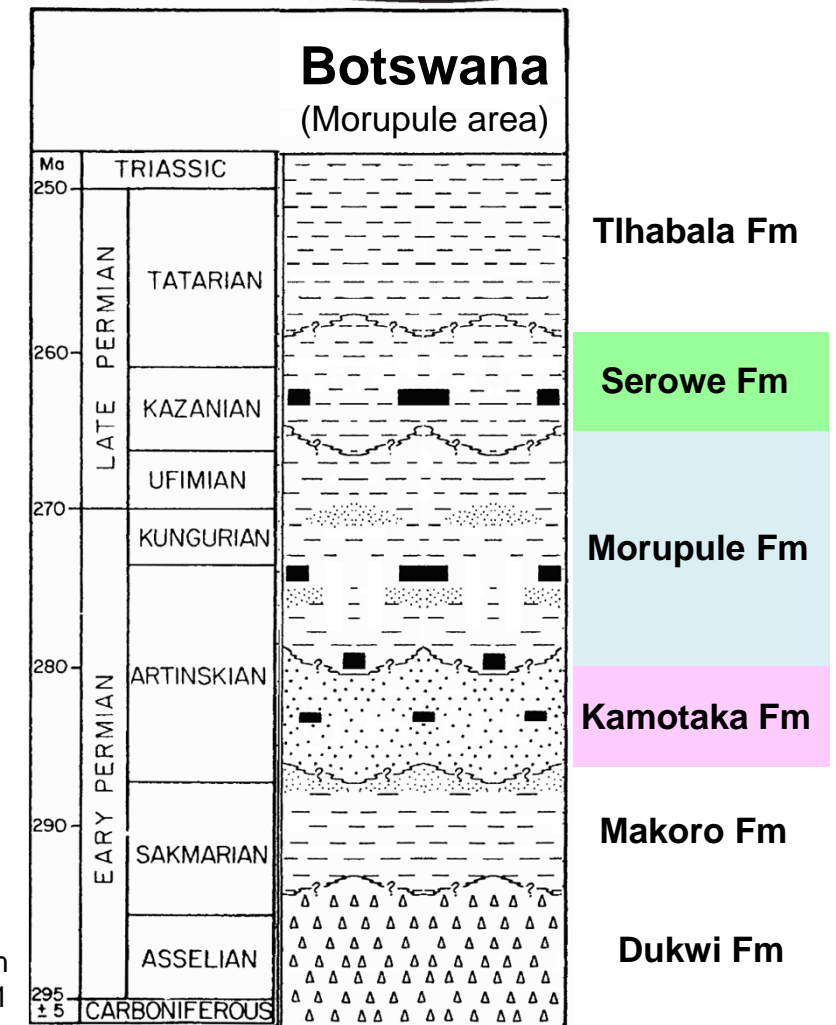
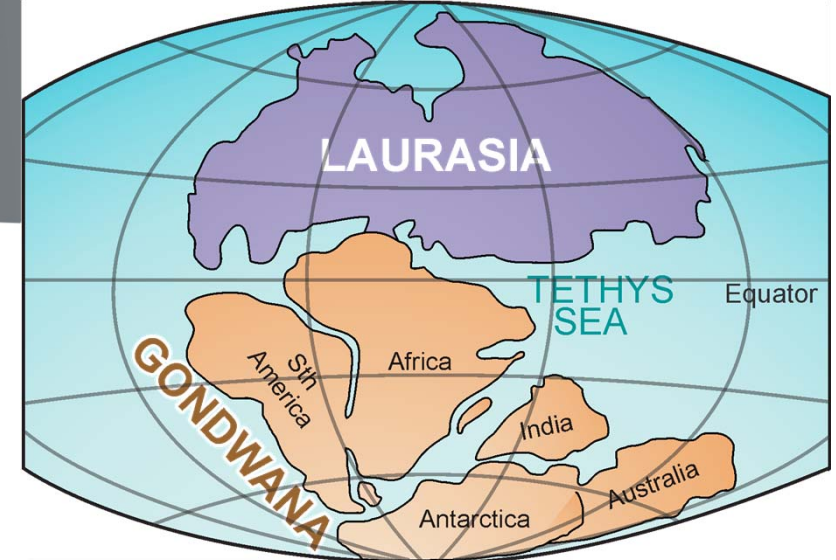
- Former British protectorate, gaining independence in 1966.
- Land area roughly $\frac{1}{3}$ the size of Queensland
- Diamonds discovered early 1970s
- Currently world's largest producer of gem diamonds
- Population ~ 2.1M
- Over 80% literacy rate
- Moody's A2 Credit rating
- Stable democratic government
with consistent budget surpluses
- Heavy reliance on Diamond revenues



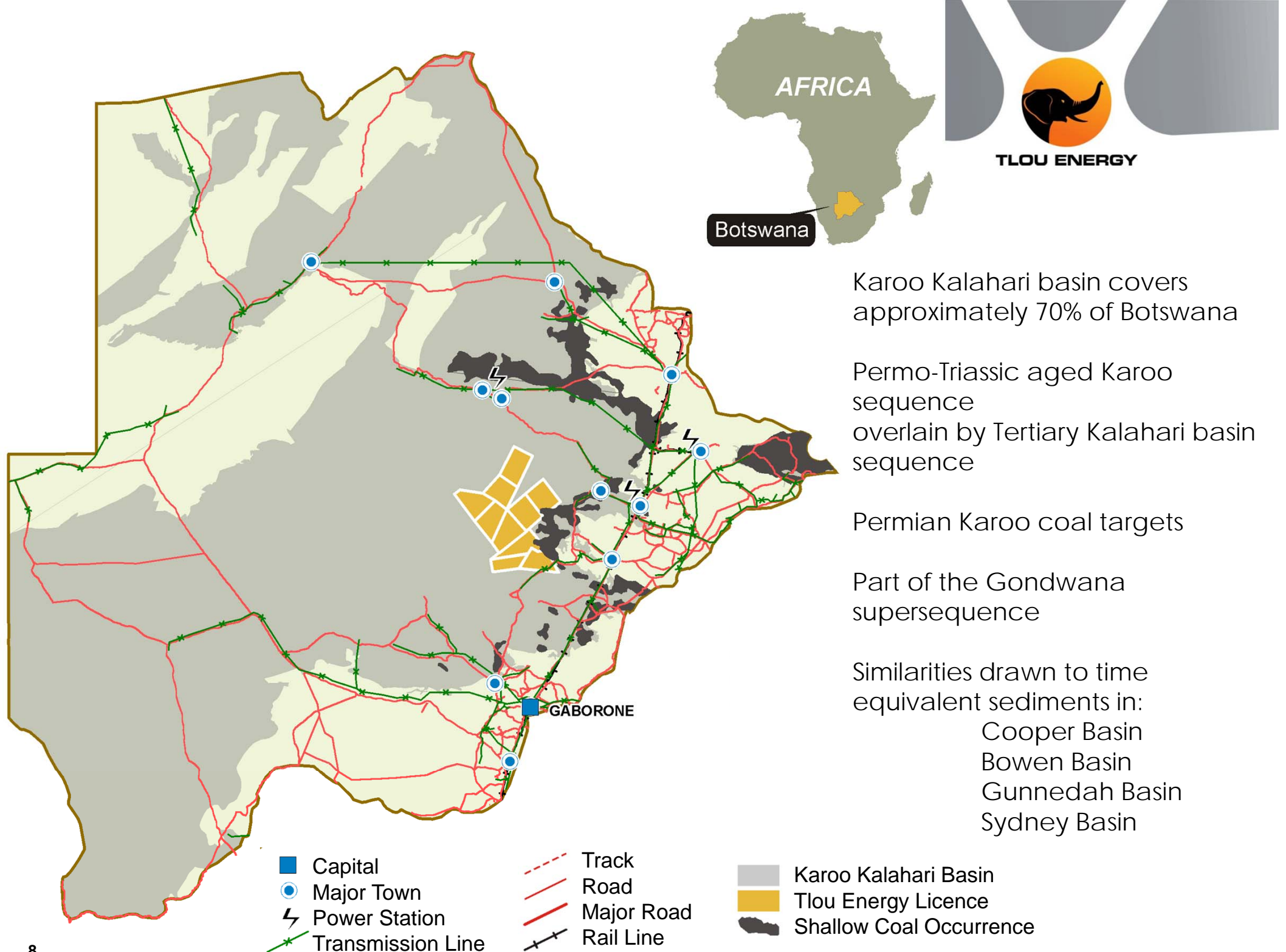
Southern African Karoo Basins

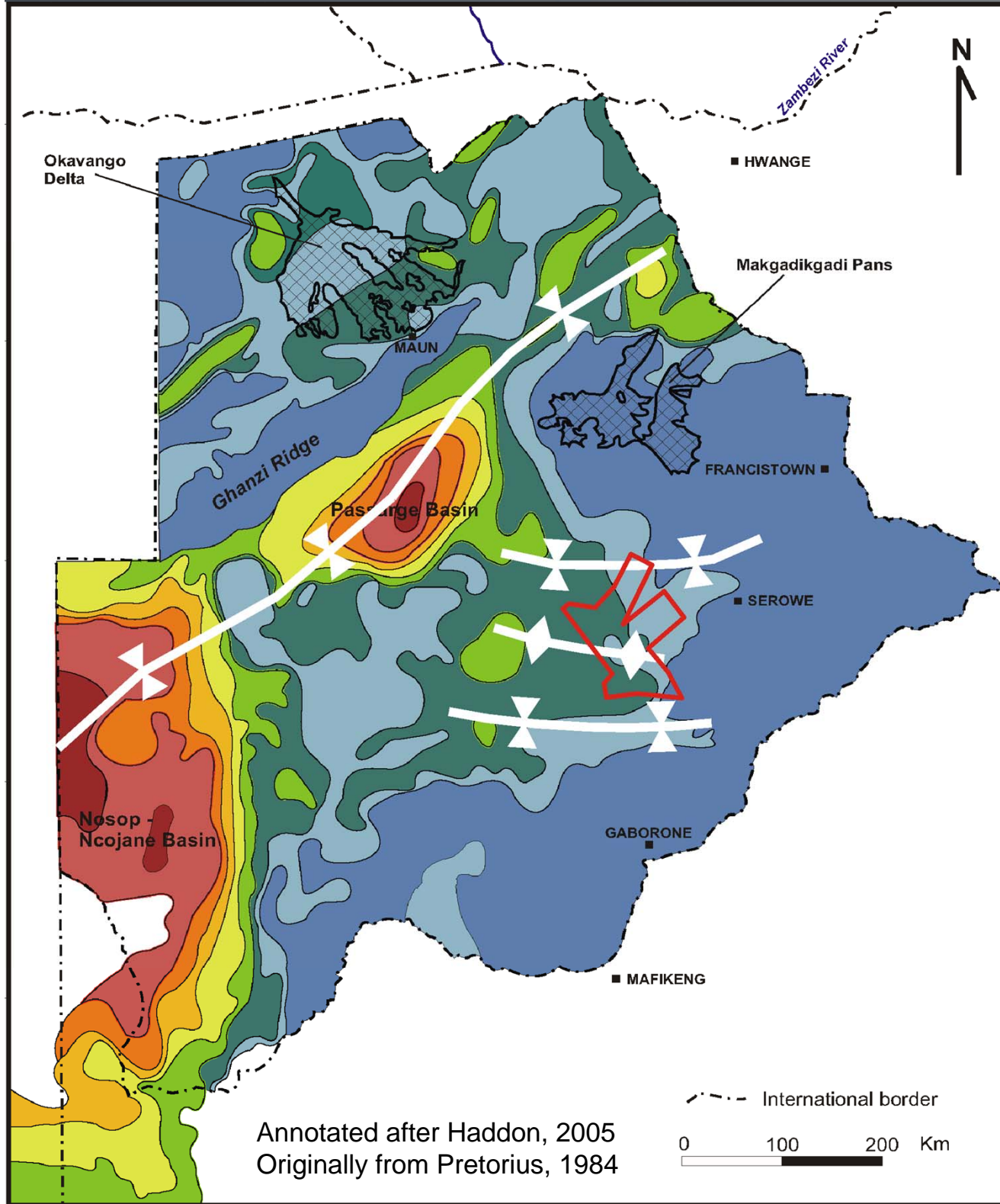


Catuneanu et al. 2005



Adapted from
Cairncross, 2001





TLOU ENERGY

Tlou licences straddle the Mmashoro low and the Lephephe low

Both are sub-basins within the larger Karoo-Kalahari Basin

Tlou's current main focus is on the southern flank of the Mmashoro low.

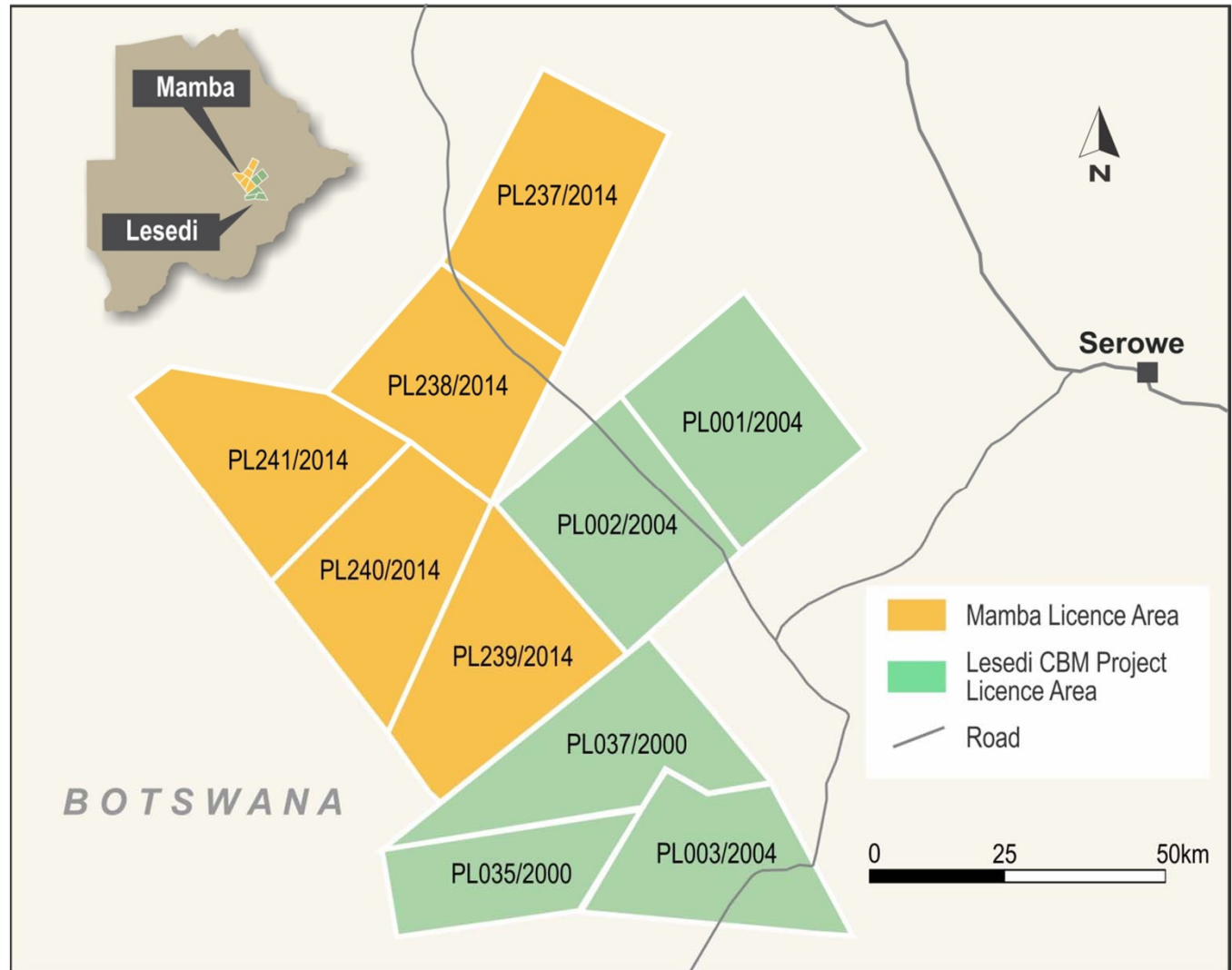


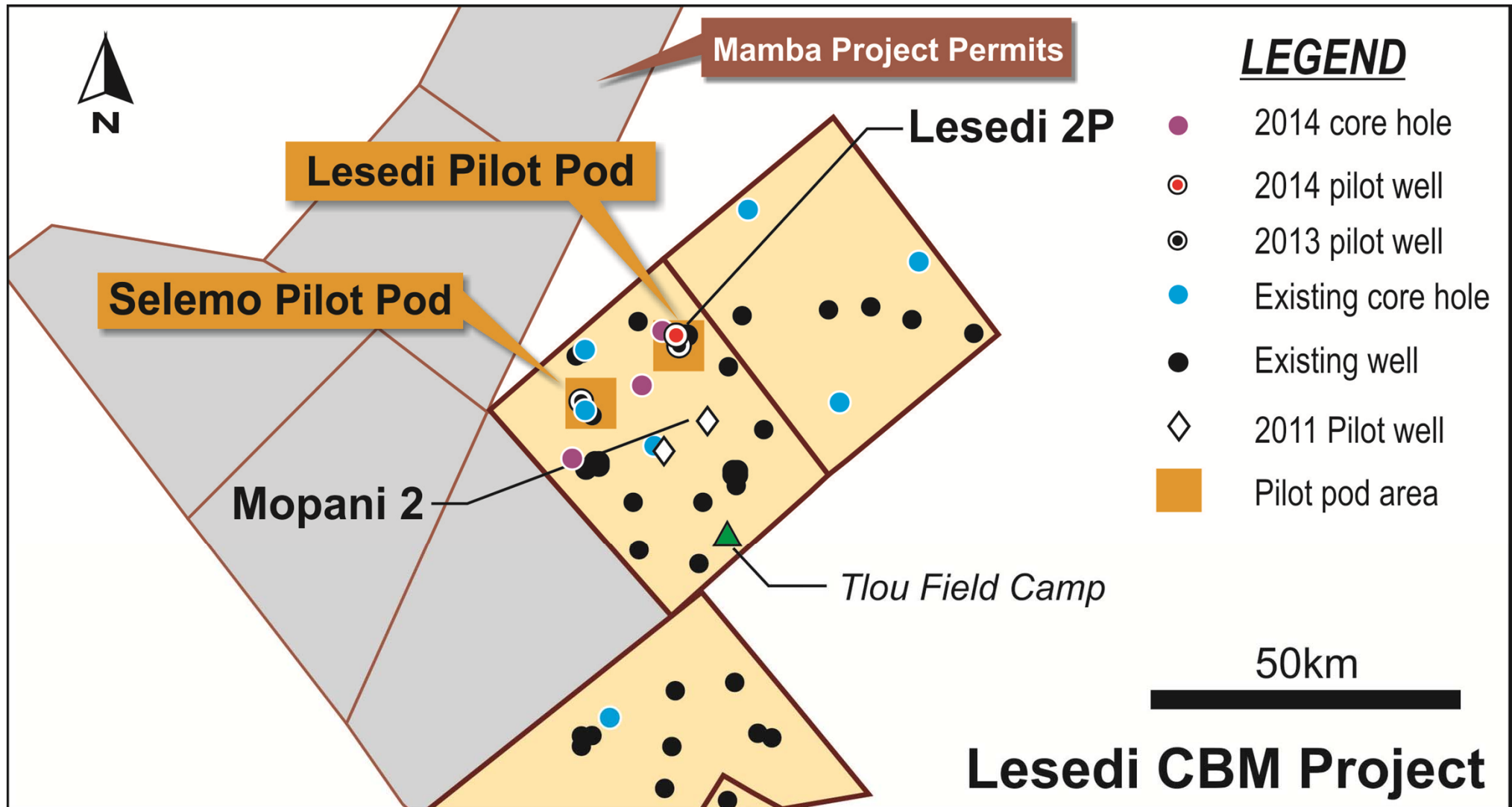
Acreage Footprint



TLOU ENERGY

- ~8,300km²
- ~100 well database
- 2 x Horizontal pilot well locations
- Permanent field camp
~20 pax





Reservoirs



Laterally continuous coal packages across three formations

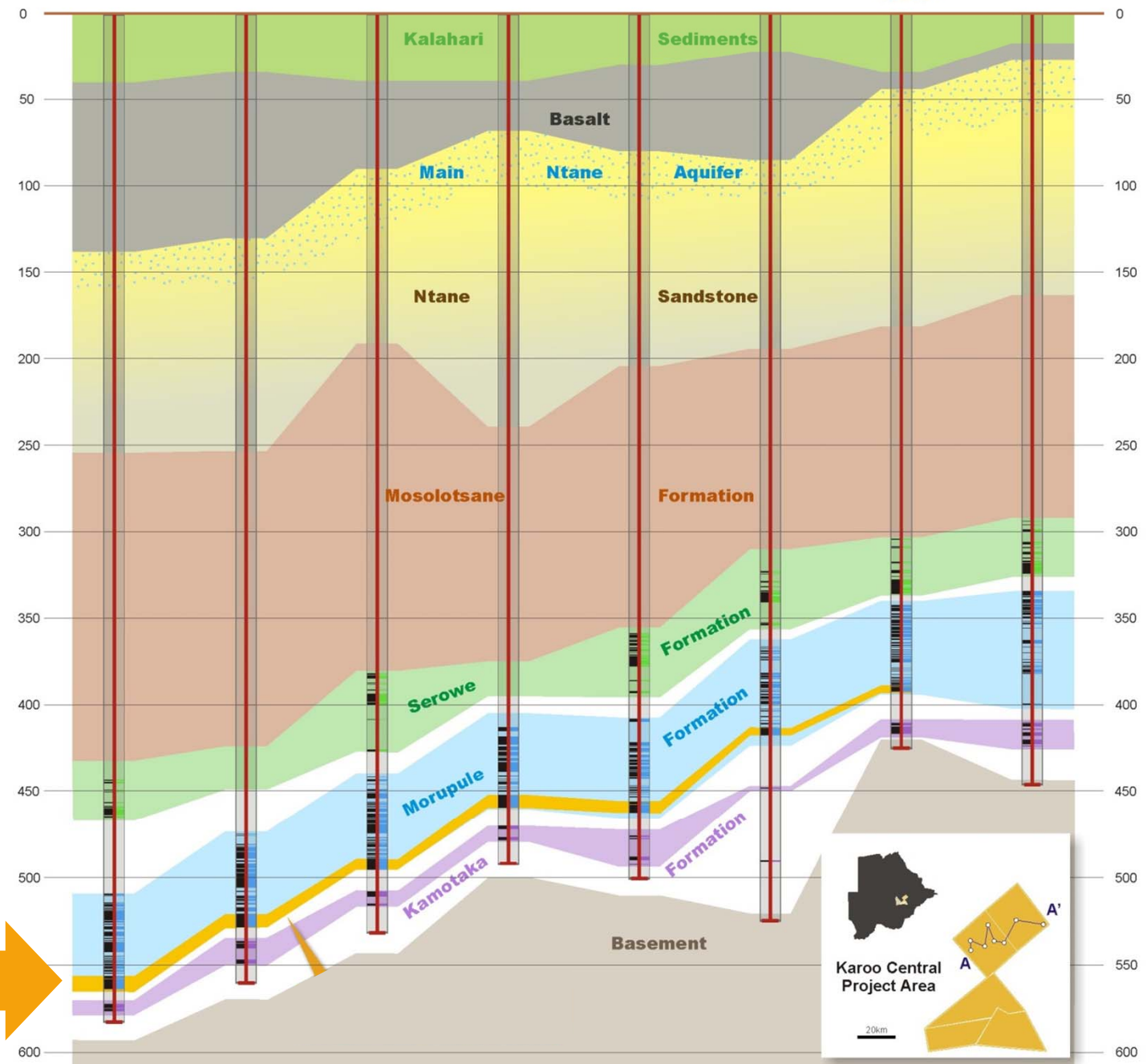
- Serowe Formation
- Morupule Formation
- Kamotaka Formation

Reflective of stable basin development and subsidence rates

Bituminous coal rank ~0.8VR

Rank varies on basin-wide scale, and due to localised volcanic intrusives

Primary Target
Lower Morupule coal seam





Technical Fundamentals

Coal depth ~300-700m

Cumulative net coal thickness (Average) ~25m

Gas contents (Average) 4-6 m³/t (DAF)

Unstimulated reservoir permeability per DST ~2-5mD

Gas compositions 75%+ methane



Independently Certified Contingent Resources



TLOU ENERGY

Contingent Resource

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

Initial Reserve Certification

- Targeting mid 2015
- Subject to testing and gas supply MOU

NSAI Resource Statement

Category	OGIP ⁽²⁾ (BCF)	Unrisked Gross (100 Percent) (BCF)	Unrisked Net (100 Percent) (BCF)
Contingent Resources			
Low Estimate (1C) ⁽¹⁾	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
Prospective Resources*			
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: Netherland, 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.

Past Drilling Programs



TLOU ENERGY

2010 Coring Program

- 5 coreholes

2011 Mopani Pilot Drilling

- 2 pilot locations and monitoring wells



2013 Lesedi and Selema Horizontal Drilling

- 2 pilot locations

2014 Coring Program

- 3 delineation / in-fill coreholes



Exploration / Delineation Coring Programs



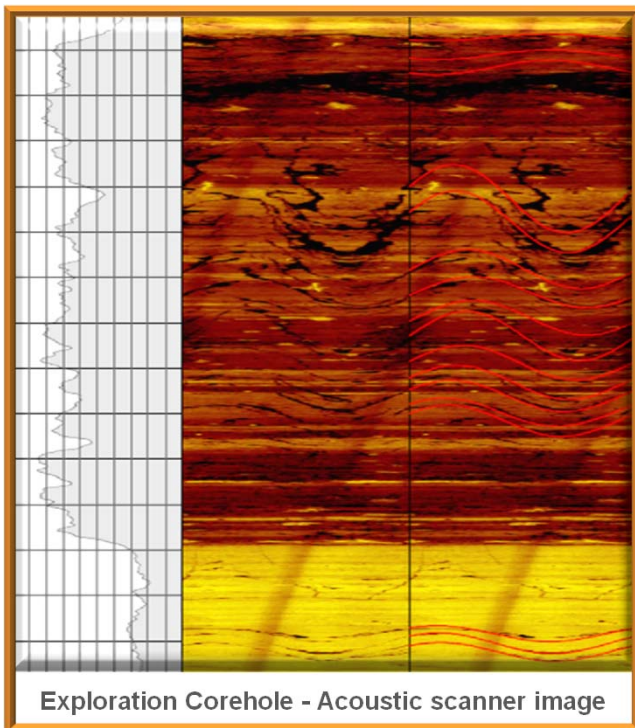
TLOU ENERGY

3 coring campaigns

~3000 metres of core cut

~330 Validated desorption samples

~20 DST conducted



Mopani Pilot Drilling



TLOU ENERGY

Objective

- Test a simple completion methodology
- Provide unstimulated flow potential of the seams:
 - Morupule and Kamotaka seams

Well Construction

- Single vertical well,
- co-mingled, multi-seam completion
- Under ream, barefoot

Results

- Water rate ~20-70 bbl/d
- Modest gas rate
- Good pressure communication with offset monitoring wells

Conclusions

- Permeability is likely limiting factor
- Results are likely un-economic
- More sophisticated completion methods to be trialled

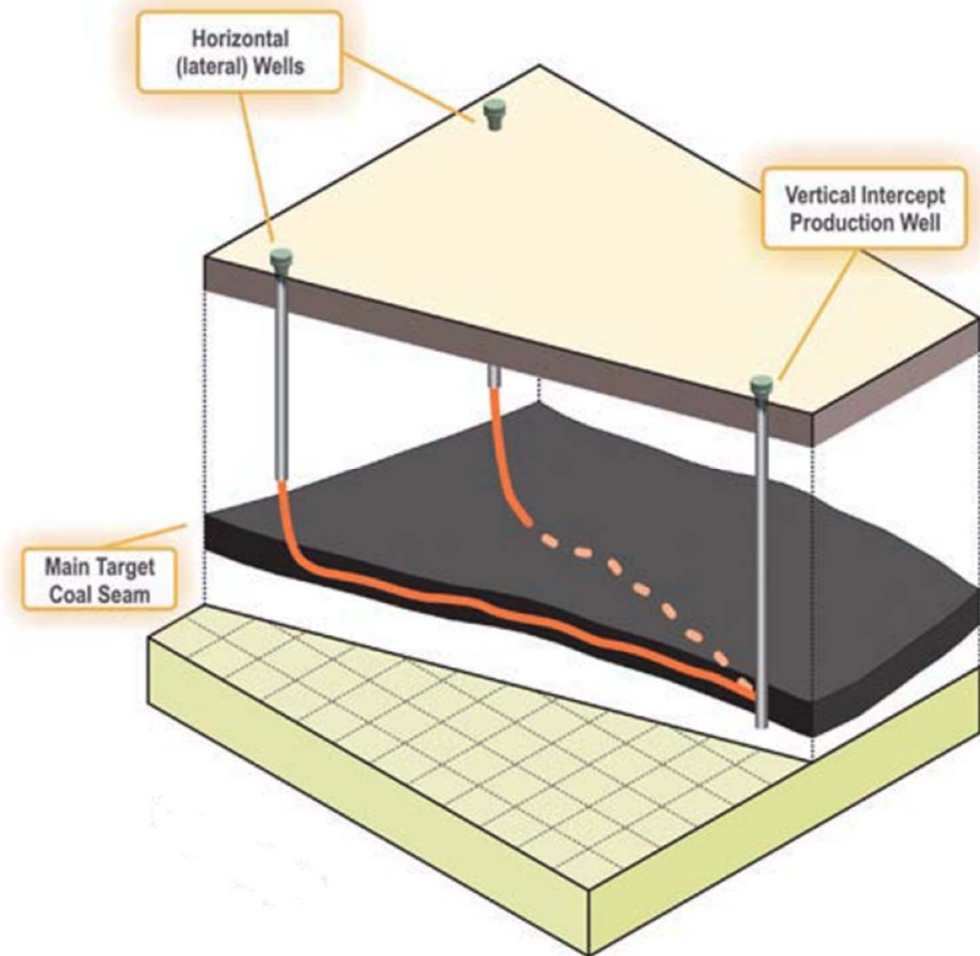


Horizontal Drilling Pilot Program



TLOU ENERGY

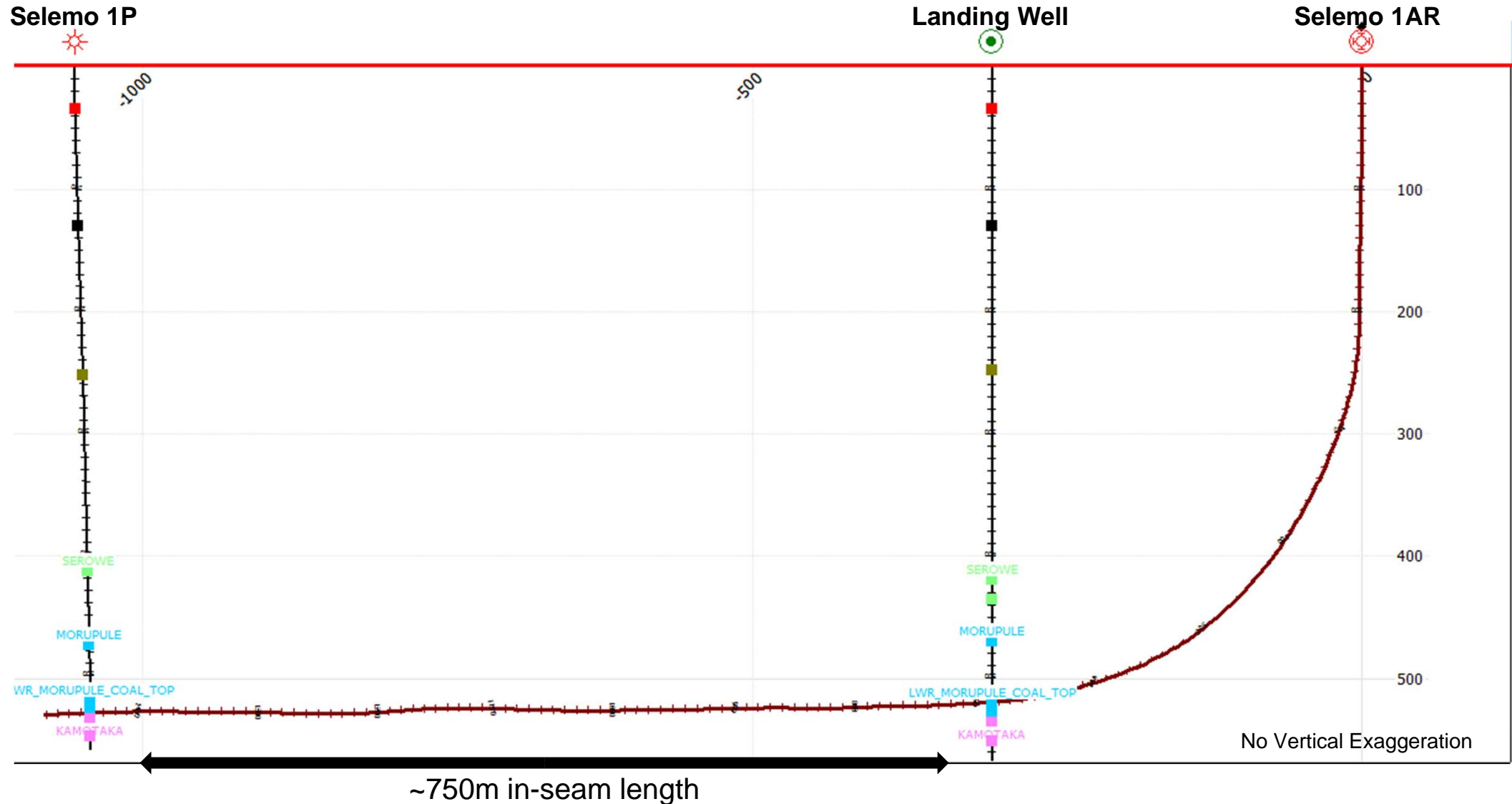
- Horizontal wells (~750m in-seam) with vertical pumping well
- Lesedi completed as a dual lateral
- Selemo completed as a single lateral
- Target Reservoir
Lower Morupule coal seam (~6m)
- First of its kind drilling in Botswana



Horizontal Drilling Pilot Program



TLOU ENERGY

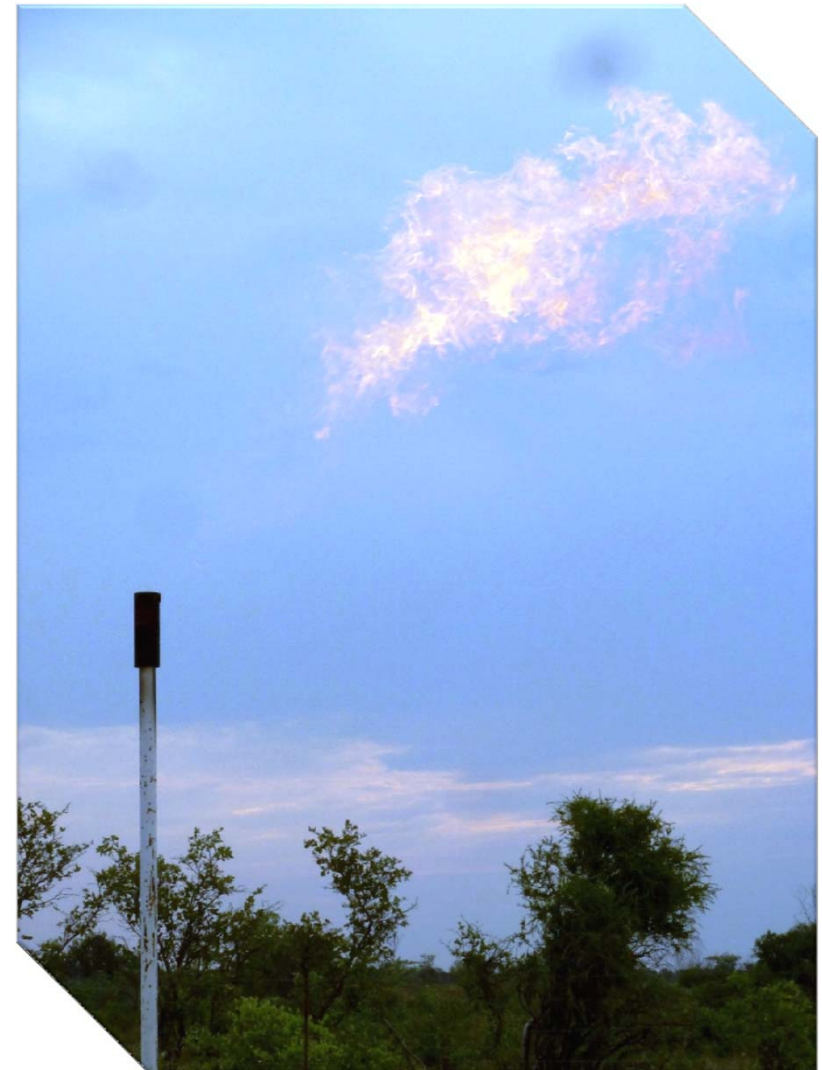


No intersection into landing well, used for stratigraphic and wellbore positioning only
Gas/water production from toe-intercept well (Selemo 1P)



Selemo Pilot - Short term test – December 2014*

- Peak recorded gas flow of ~**400,000** cfd
- Average recorded gas flow of ~**200,000** cfd
- Results suggest a **commercial development** is achievable.
- **First in Botswana** to flow CBM gas at these rates



*As detailed in Tlou's ASX announcement on 6 January 2015

Botswana Field Operations



TLOU ENERGY

Aerial view of Operations
Selemo Pod



Gas flare - Selemo Pod
December 2014



Operating in Botswana



TLOU ENERGY



Remoteness

- Lead-times need to be considered
- Logistical expertise

Relatively immature industry

- Borrow from mining focussed expertise, and then up-skill
 - Skilled Workforce
 - Service Companies
- Bring in specialist services
 - Eg. on-site laboratory services, DST

Manage from within the region

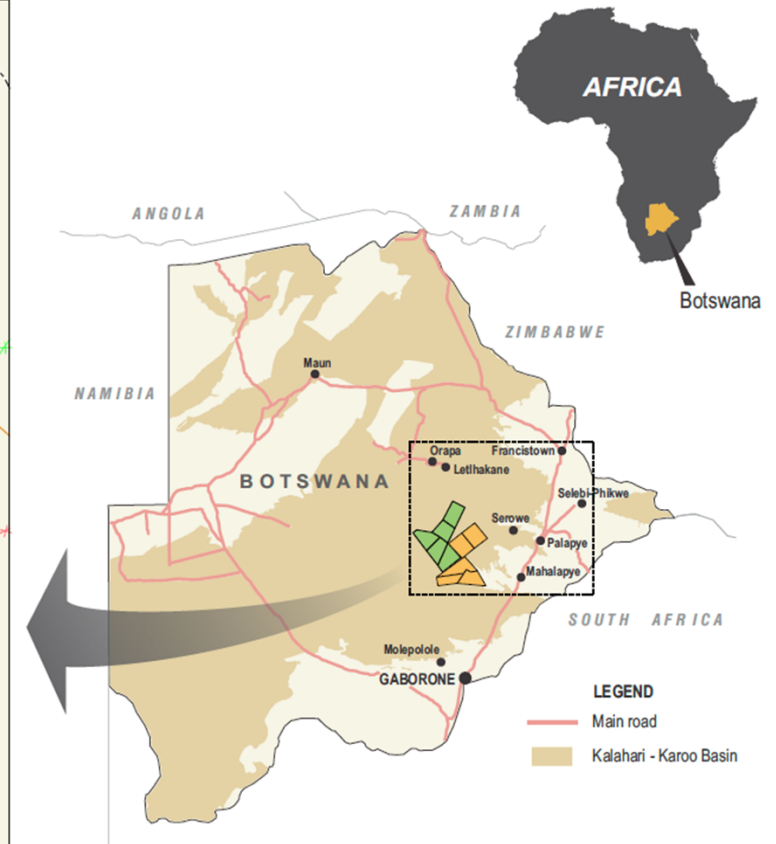
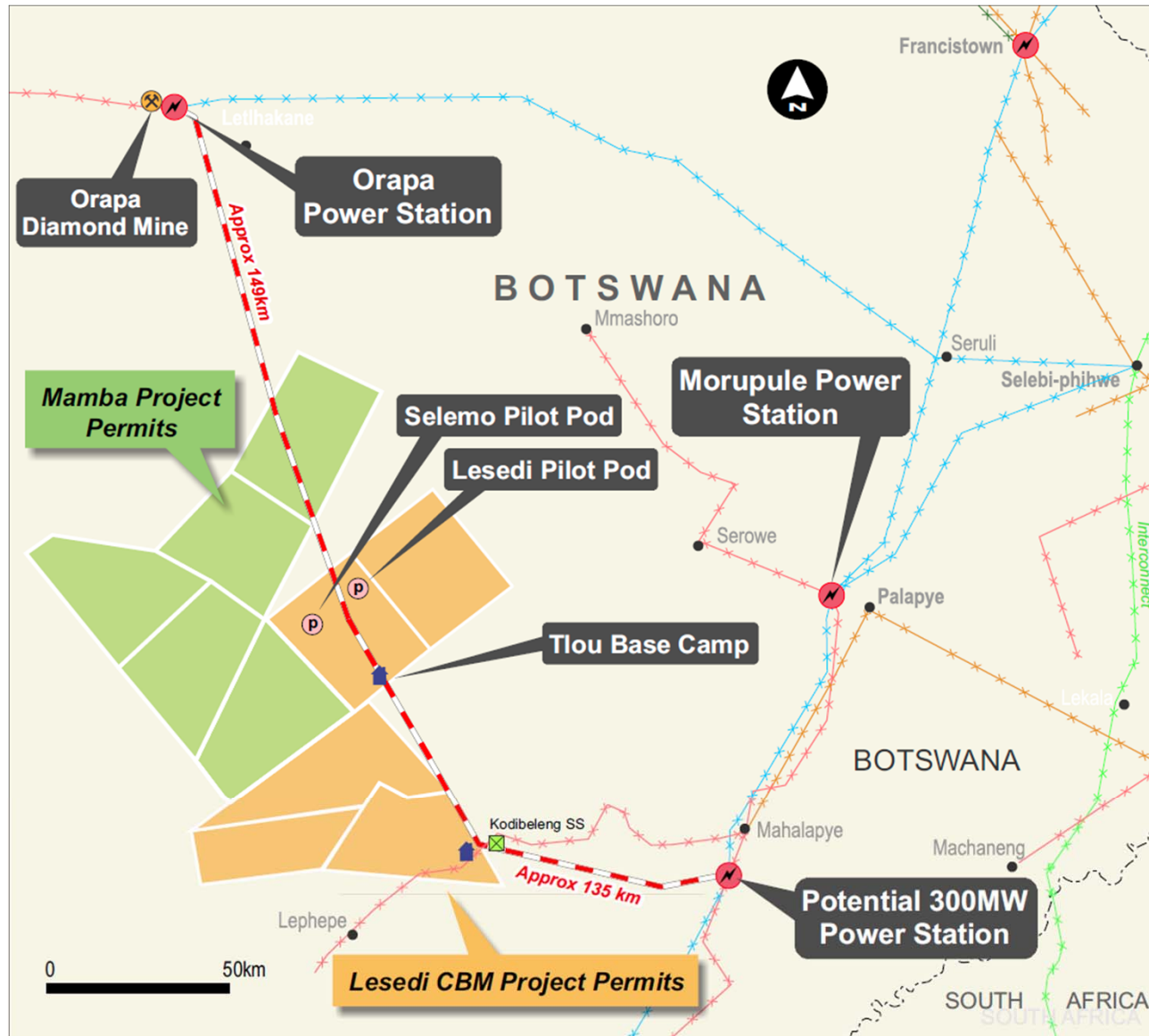
- African operations office and staff
- Strong on-the-ground presence
- Adopt key learnings and retain local experience



Commercial Opportunities



TLOU ENERGY



LEGEND





Sequence

- Initial Gas Delivery – School & substation
- Existing Orapa Power Station – 90MW Gas or Diesel
- Proposed Power Station – 300MW Gas &/or Coal
- Export



Existing Power Grid

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

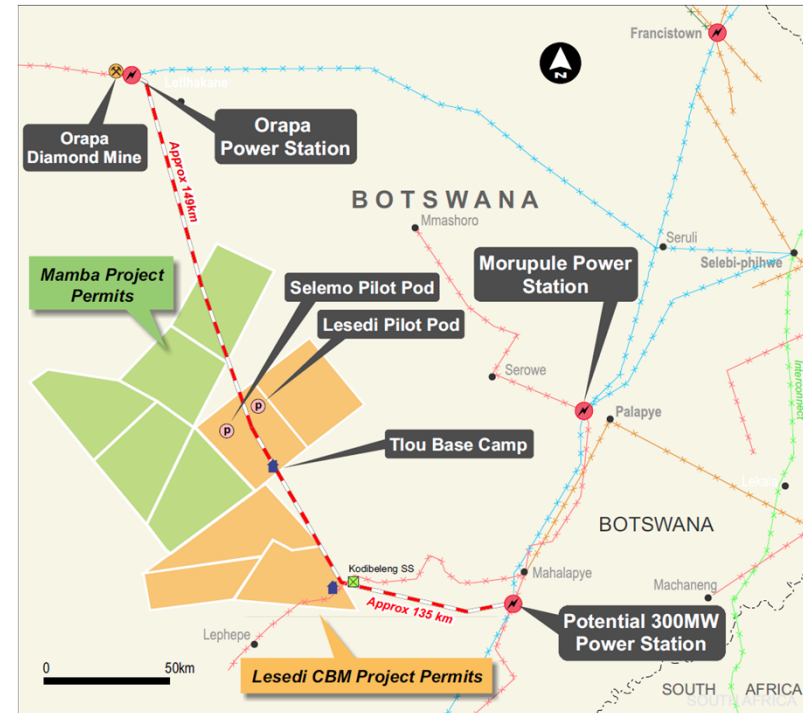
Commercialisation



TLOU ENERGY

Initial Gas Delivery

- Uses otherwise flared gas
- Pipeline or CNG to Kodibeleng ~80km
- Connect local school
- Substation inter-connect



Flared gas



Pipeline

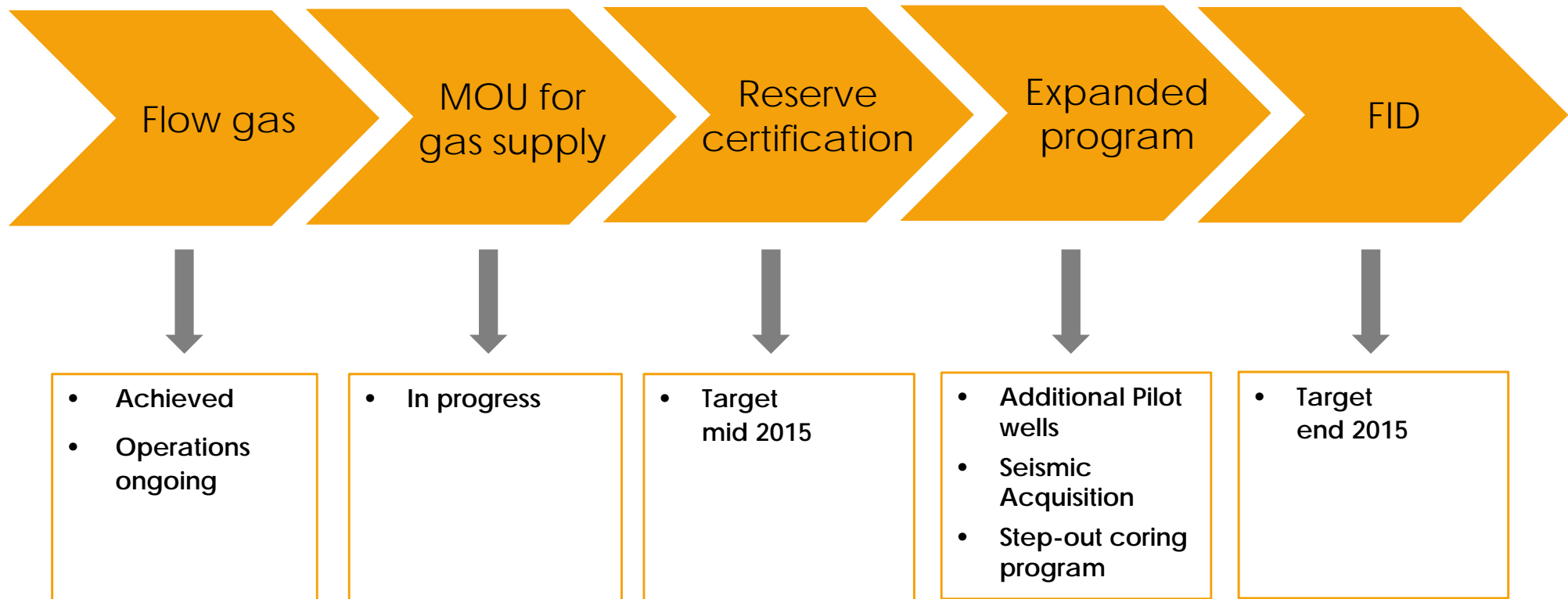


Power School



Connect to grid

Forward Plan





TLOU ENERGY

Thank You

210 Alice St
Brisbane
QLD 4000
Australia
Tel: +61 7 3012 9793

Ground Floor, Victoria House
132 Independence Avenue
Gaborone
Botswana
Tel: +267 316 0857

www.tlouenergy.com
info@tlouenergy.com

ASX: TOU