

TLOU ENERGY LIMITED**17 December 2015**

Lesedi CBM Project Update**Key points:**

- Tlou has submitted its Environmental Impact Statement for the Lesedi CBM project
- Extended gas production testing to commence in the coming weeks

Note: All times quoted are referenced to Australian Eastern Standard Time (AEST) unless otherwise stated

Tlou Energy Ltd (**"Tlou"** or **"the Company"**) is pleased to provide an update on its ongoing field development activities for the Lesedi CBM project.

Update on Environmental Approval for the Lesedi CBM project

In 2014, Tlou engaged Botswanan-based Ecosurv Environmental Consultants ("Ecosurv") and submitted an Environmental Project Brief for the Lesedi CBM Project. Public consultations and background specialist studies were completed and a Scoping Report was submitted to the Botswanan Department of Environmental Affairs ("DEA") in March 2015. The Scoping Report was subsequently approved by the DEA in November 2015.

Following this preliminary work and DEA approval of the Scoping Report, Tlou has now submitted its final Environmental Impact Statement (EIS) for the Lesedi CBM project. Review and approval of EIS by the DEA is the final stage in the environmental process. Tlou is expecting to receive EIS approval in the first half of 2016.

The EIS for the Lesedi CBM Project is a 'full development' EIS comprising of up to 200 production pods and a central processing facility for the gathering and beneficiation of gas and water.

On submission of the EIS to the DEA for review, Managing Director Tony Gilby commented "The submission of the EIS is a significant milestone for Tlou and the Lesedi CBM Project. EIS approval is a pre-cursor for the award of a mining licence which, upon award, would be the first of its kind for a gas project in Botswana".

Update on dewatering operations at Selemo

As previously announced, dewatering operations at the Selemo Pilot are ongoing and gas pressures continue to build. When all three vertical production wells, and their corresponding lateral wells, begin to show plateauing gas pressures, extended gas production testing will commence. On present indications, this is anticipated in the coming weeks.

TLOU ENERGY LIMITED

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