

TLOU ENERGY LIMITED**4 August 2016**

Tlou Energy Limited**("Tlou" or "the Company")****Environmental Impact Statement approved for final review**

Tlou Energy Limited, the AIM and ASX listed company focused on delivering power in Botswana and Southern Africa through the development of coal bed methane ('CBM') projects, is pleased to announce that it has received confirmation from Botswana's Government Department of Environmental Affairs ('DEA') that the Environmental Impact Statement ('EIS') submitted by the Company in December 2015 for its ~3.3 trillion cubic feet (3C) Lesedi CBM Project has been approved and will now be submitted for the final review process.

Key points:

- **The DEA has positively confirmed that the EIS has adequately identified and assessed anticipated impacts associated with the Company's proposed CBM development**
- **The EIS will now progress to a review process which is expected to be the final step ahead of anticipated completion in Q4 2016**
- **EIS approval is a key component prior to award of a Production Licence ("Mining Licence") at Lesedi and a major milestone towards moving through the exploration phase into development**

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

Tlou Acting Managing Director Gabaake Gabaake said, "This confirmation from the DEA is a significant step for the Company as we look to develop a project that is not only positive for the people of Botswana by combatting the severe power shortages in the country, but also meets the needs of the environment.

"The EIS is an essential step in the process to convert existing licence areas from exploration licences to full gas production licences (CBM production licences in Botswana are termed as "Mining

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Licences”). The award of a production licence would be a transformational step in signifying our progress from a CBM Explorer to a CBM Developer and would provide the Company with significantly increased tenure over its licences.

“A potential upgrade from an exploration licence to a production licence and achieving commercial production from ongoing gas flow testing operations would substantially de-risk the Lesedi project potentially acting as a significant catalyst for the Company to move through the development cycle and correlated value curve.

“A huge effort has been put in by our team in conjunction with our environmental consultants to get to this point and I look forward to updating the market further following the public review and on other corporate and operational matters in due course.

Environmental Impact Statement

In 2014 the Company commenced work on its application for an Environmental Impact Statement (‘EIS’) outlining the development plan for the Lesedi CBM project. The EIS is a full development EIS comprising of up to 200 production pods. A pod incorporates a vertical producing well with one or more intersecting lateral wells. The EIS also includes a processing facility to process the gas and water produced from the wells.

The EIS application has a number of steps including:

1.	Submission of an environmental project brief	Complete
2.	Conduct public consultations	Complete
3.	Complete specialist environmental studies	Complete
4.	Submit a project scoping report	Complete
5.	Submit final EIS to the DEA	Complete
6.	DEA approval and public review	In-progress

The correspondence received from the DEA has confirmed the EIS for Tlou’s proposed CBM development has adequately identified and assessed anticipated impacts associated with the proposed activity. This is a major project milestone with the process now moving to public review prior to final DEA approval which is expected in Q4 2016.

An approved EIS is essential prior to the application for a Mining Licence in Botswana. A Mining Licence is required prior to the commencement of full field development. The Company currently

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holds Prospecting (or exploration) Licences which usually run for terms of two or three years, whereas a Mining Licence runs for 20 - 30 years, thereby ensuring security of tenure.

The granting of a Mining Licence will highlight the progress being made by the Company as it transitions from exploration and appraisal towards development. This will be a key milestone which, along with the on-going gas testing program underway at Lesedi, the recently announced 50MW project approval and independently certified contingent resources of ~3.3 trillion cubic feet (TCF) (3C) demonstrates that the Company is making significant progress in its aim to deliver CBM power in Botswana and Southern Africa.

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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 with gas flaring at its Selemo wells. It holds 10 prospecting licences covering an area of ~8,300Km² and the Lesedi project already benefits from significant, independently certified contingent resources of ~3.3 trillion cubic feet (TCF) (3C). Following completion of the current gas

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flow tests at Selemo the Company is looking to book certified gas reserves, thereby becoming the first company in Botswana to do so.

The first planned gas-to-power solution is expected to be delivered through a scalable project with the Botswana Government. Following successful implementation of this project the Company plans larger projects to provide further power to Botswana and the southern African region.

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