

## TLOU ENERGY LIMITED



28 April 2014

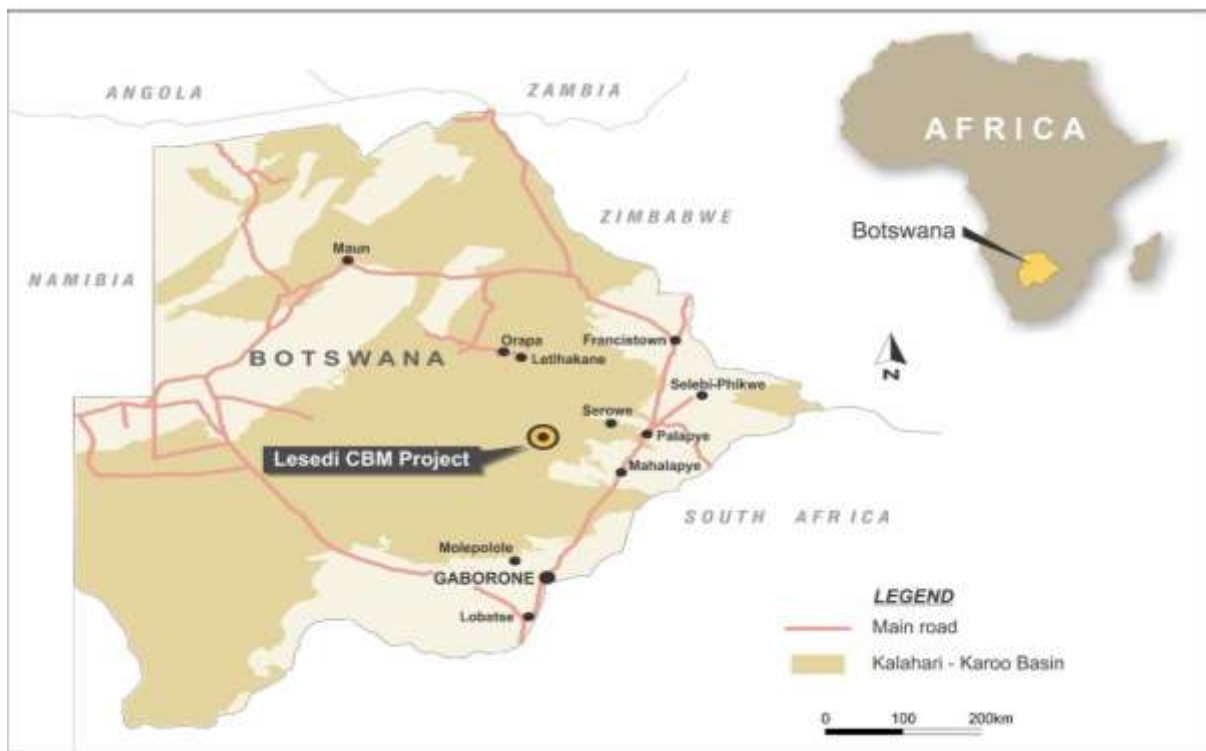
### OPERATIONAL REPORT QUARTER ENDING 31 MARCH 2014

#### HIGHLIGHTS

- Tlou commenced a three well core-hole drilling program in the Lesedi CBM Project during the quarter;
- The core-hole program was designed to optimise the reserve certification process;
- By the end of the quarter, the drilling of two core-holes had been successfully completed and the third and final core-hole was nearing completion;
- Production testing of the Lesedi and Selemo Pilot Pods continued.

#### TLOU ENERGY LIMITED PROJECTS

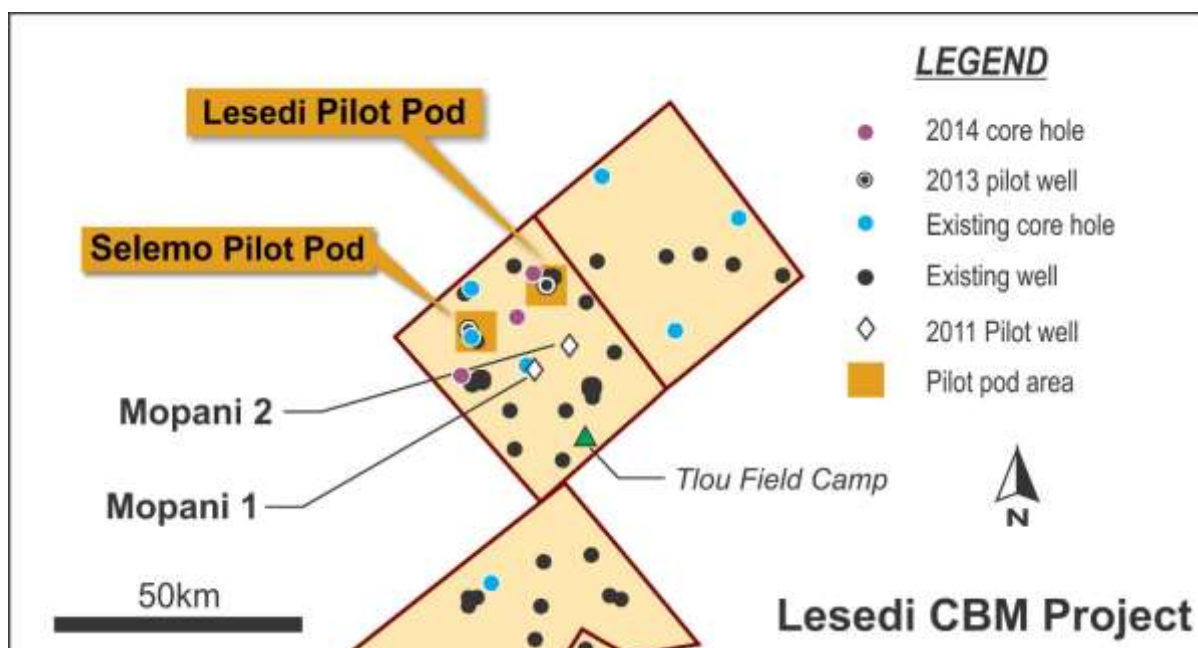
PLs 001-003/2004 and PLs 35 & 37/2000 – Lesedi CBM Project Area, Botswana  
Tlou Energy Limited 100%



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Production testing operations on the Lesedi and the Selemo Pods continued during the reporting period. The test data gathered to date suggests that both pods are advancing towards critical gas desorption. The Lesedi and Selemo production wells were initially completed with small pumps to provide enhanced control of the dewatering process and a greater understanding of the coal reservoir characteristics. A planned recompletion program commenced in mid-April with the objective of cleaning both wells out to their total depth and to install larger pumps to complete the dewatering process. First gas flows are still anticipated for 2Q14. Commercial gas flows will in turn lead to reserve certification which is currently anticipated in 2014.



The three well in-fill coring program began on 21 February 2014 and progressed on time and within budget throughout the remainder of the quarter. By the end of the quarter, the drilling of two of the core-holes had been successfully completed and the third and final core-hole was nearing completion. The well locations were selected to provide critical in-fill data on the coal quality in and around the current pilot pods. They were also designed to assist with both initial reserves certification and identification of additional pilot drilling sites for a future expanded program. The core holes have been designed and completed to allow them to be utilised as future gas production wells so as to provide further efficiencies.

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### **PLs 230-233/2007 – Karoo West Permit Area, Botswana Tlou Energy Limited 100%**

No further work was undertaken on these permits during the reporting period. Due to the low prospectivity in the area, these prospecting licences are being relinquished.

### **SG 7/05 (4533) & SG 9/05 (4535) – Mid-Zambezi Basin Area, Zimbabwe Tlou Energy Limited 49%**

The company retains a 49% interest in two special grants (licence areas) in Zimbabwe. No significant work has been undertaken in these areas to date. The Company has decided that in order to focus on the Lesedi CBM Project in Botswana, no further funds will be allocated to Zimbabwe. The Company is actively seeking interested parties who may wish to acquire all or some of Tlou's interests in Zimbabwe.

### **New Ventures**

#### **Tanzania**

Tlou's application for a large CBM exploration area in the Seleous Basin in Tanzania remains with the government in an assessment phase.

#### **Mozambique**

Tlou is continuing discussions with relevant stakeholders in Mozambique in an effort to secure CBM acreage in the Zambezi Basin area.

### **Tlou– Key Statistics (as at 31 March 2014)**

- ASX Code – TOU
- Shares on issue ~ 148 million
- Fully diluted ~ 164 million
- Cash balance ~ \$11.3 million (AUD)
- Debt = Nil
- Primary Focus is the Lesedi CBM Project in Botswana

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