

TLOU ENERGY LIMITED**19 May 2014**

Key points:

- **Selemo pod reaches critical gas desorption pressure (CDP);**
- **Casing pressure continues to build in the Selemo pod;**
- **Lesedi pod continues to dewater;**

Note: All times quoted are referenced to Central African Time Zone (CAT) unless otherwise stated

Pilot Production Well Update

Tlou Energy Limited ("Tlou") is pleased to provide an update on operations at the Lesedi CBM project in Botswana. The Lesedi CBM Project area includes the Lesedi pod (which commenced dewatering on 5 December 2013) and the Selemo pod (which commenced dewatering on 17 November 2013).

Tlou advises that the Selemo pilot pod has now displayed evidence of first gas breakthrough by reaching critical gas desorption pressure (CDP). The Selemo pod has seen casing pressure increase steadily over the past week. Tlou is encouraged by the build-up of casing pressure at Selemo and expects, based on the continued build-up of gas pressure, that the pilot should start flowing gas in the near future.

The Lesedi pilot pod continues to dewater. A decision will be made in the coming weeks whether to further increase the lift capacity of the water pumps on Lesedi in an attempt to speed up the dewatering process.

Down-stream gas marketing initiatives have been steadily progressed in the background while the focus of activities remains on the dewatering process.

TLOU ENERGY LIMITED – KEY STATISTICS (as of 31 March 14)

- ASX Code – TOU
- Shares on issue ~ 148 million
- Fully diluted ~ 163 million
- Cash balance (as at 31 March 2014) ~ \$11.3 million (AUD)
- Debt = Nil
- Primary Focus is the Lesedi CBM Project in Botswana

TLOU ENERGY LIMITED



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