

TLOU ENERGY LIMITED**25 July 2014**

Key points:

- Pumping at Selemo pilot pod will be temporarily discontinued to conduct remediation work;
- Tlou remains very encouraged by the rate of gas pressure build up at the Selemo pilot pod to date.

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

Selemo Pilot Update

As previously advised, the Selemo pilot pod had reached Critical (gas) Desorption Pressure (CDP) as a result of the careful dewatering process that had been undertaken. With ongoing pumping operations following CDP, the gas pressure inside the casing continued to increase on a consistent upward trend. However, more recently the observed gas pressure has plateaued due to a casing integrity issue. Therefore pumping operations will be temporarily discontinued on the Selemo pod to remediate the issue which is currently preventing the continued build-up of gas pressure.

Tlou acknowledges that the above remediation process will cause delays to the expected flow testing and flaring of gas at the Selemo pod however, Tlou remains very encouraged by the rate of gas pressure build up at the Selemo pod to date. Tlou will continue to provide regular updates to shareholders as the remediation work is undertaken.

TLOU ENERGY LIMITED**Tlou- Key Statistics (as at 30 June 2014)**

- ASX Code – TOU
- Shares on issue ~ 148 million
- Fully diluted ~ 163 million
- Cash balance ~ \$9.1 million (AUD)
- Debt = Nil
- Primary Focus is the Lesedi CBM Project in Botswana

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