

TLOU ENERGY LIMITED**19 November 2014**

Key points:

- Initial gas flows achieved at Selemo 1P and Mopani 2P with gas being flared;
- Dewatering has re-commenced at Lesedi 1P following completion of remediation;
- Dewatering commenced at Lesedi 2P.

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

Gas flow commences at Selemo 1P and Mopani 2P

Following ongoing dewatering operations, Tlou has observed favourable gas pressure build-up at both the Selemo 1P horizontal pilot pod and the Mopani 2P single vertical pilot well. Having now achieved a maximum stabilised shut-in casing pressure, gas flow rate testing of both wells by controlled release has begun with gas being flared at surface.

This is a significant and positive achievement for the Company and is consistent with statements made in the Company's recent AGM presentation.

Testing operations will continue with the objective of demonstrating a commercial gas flow rate.

Lesedi 1P (Horizontal Pilot Pod)

The Lesedi 1P horizontal pilot pod has recommenced dewatering following remediation work that was carried out to control the previously reported anomalous water influx. Tlou's current objective is to steadily dewater the coal in order to reach critical gas desorption pressure (CDP).

Lesedi 2P (Vertical Well)

The Lesedi 2P vertical pilot well was completed in mid-November and is currently dewatering. Lesedi 2P has been drilled as a vertical test well (similar to Mopani 2P) to provide flow rate comparisons to the lateral pilot pods (Selemo 1P and Lesedi 1P).

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

- ASX Code – TOU
- Shares on issue ~ 148 million
- Fully diluted ~ 163 million
- Cash balance ~ \$7.6 million (AUD)
- Debt = Nil
- Primary Focus is the Lesedi CBM Project in Botswana (100% Tlou Energy)

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