

TLOU ENERGY LIMITED**22 April 2015**

Co-operation Agreement with General Electric and IK Holdings**Key points:**

- Tlou Energy has entered into a Co-operation Agreement with General Electric International Inc and IK Holdings Pty Ltd;
- The Agreement provides a framework for the proposed delivery of a gas to power solution for Botswana.

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

Tlou Energy (ASX:TOU) advises that it has entered into a Co-operation Agreement (the Agreement) with General Electric International Inc. (GE) and IK Holdings Pty Ltd (IK Holdings) for the delivery of a proposed gas to power solution for Botswana.

The Agreement provides the framework for co-operation between the parties in relation to sharing of infrastructure for the supply of gas by Tlou Energy in relation to:

- The existing 90MW Orapa power station owned by Botswana Power Corporation; and
- A proposed co-located 300MW gas-fired power project to be developed by IK Holdings and GE.

GE is a world-leader in the design, construction, operation and maintenance of power generation facilities. It has a material portfolio of gas compression, CNG plants, LNG plants and water treatment as well as operating and maintenance experience. GE is involved in every LNG project in production or under development in Australia.

IK Holdings is an Australian company established with the primary purpose of developing new sources of gas-fired power in Botswana. The directors and senior management of IK Holdings have considerable experience in the delivery of gas to power, primarily in Australia and have been prequalified by the Botswana Ministry of Mines, Energy and Water Resources (MMEWR) to submit a tender offer for a 300MW greenfield independent power plant. IK Holdings' tender is the only gas-fuelled solution that has been prequalified by the MMEWR.

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Tlou Energy's Managing Director, Mr Tony Gilby commented that "this Agreement demonstrates Tlou's momentum in commercialising its Lesedi CBM Project. IK Holdings has made good progress with the Botswana government for its proposed 300MW gas-fired power project and has now secured GE as a technical, commercial and implementation partner for that project."

Mr Gilby also commented "co-operating with GE and IKH on supply of gas to Orapa and the proposed 300MW gas-fired power project and associated infrastructure has the potential to create operating and capital cost synergies for the combined projects."

The Agreement has an expiry date of 30 November 2015 and may be terminated at any time by any party. The Agreement does not bind any party to enter into any formal commercial arrangements, however provides a framework for co-operation to finalise the respective project tender processes and approvals and the roles and commercial outcomes for each party.

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