

**TLOU ENERGY LIMITED****25 May 2015**

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**Underwritten Non-Renounceable Entitlement Offer to raise approximately \$5.5 million****Key points:**

- Underwritten 4 for 15 non-renounceable pro-rata entitlement offer to raise approximately \$5.5 million through the issue of approximately 39.4 million new fully paid shares.
- Issue price of \$0.14 per share represents a discount of 30% to the last traded price of TOU shares on 21 May 2015.
- Proceeds to be used to fund an expanded pilot drilling program at Selemo.

Tlou Energy Limited ("**Tlou**" or "**the Company**") is pleased to announce a fully underwritten 4 for 15 non-renounceable pro-rata entitlement offer ("**Offer**") of fully paid ordinary shares in Tlou ("**New Shares**") to raise approximately \$5.5 million.

The issue price for the Offer will be \$0.14 per New Share ("**Issue Price**"). The Issue Price represents a 30% discount to the last traded price of the Company's shares on ASX on 21 May 2015 of \$0.20 per share and a 25% discount to the theoretical ex-rights price of \$0.187 per share.

The Offer is underwritten by Morgans Corporate Limited.

Each of the Directors of Tlou have committed to subscribe for part or all of their entitlement under the Offer. Further details of the Directors participation in the Offer is contained in the Offer Booklet.

The net proceeds of the Offer will be used to fund Tlou's expanded pilot drilling operations at the Lesedi CBM Project in 2015.

Commenting on the announcement of the Offer, Managing Director Tony Gilby said "Following completion of the Offer, we will have funding in place to complete up to two flanking pilot pods at Selemo and a possible vertical well as a step-out from Selemo. The program has been designed to enhance dewatering at Selemo, measure long-term gas flows and achieve initial reserves certification. The step out appraisal well, if completed, is designed to expand the reserve certification area beyond Selemo".

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### Offer Details

Under the Offer, eligible shareholders will be able to subscribe for 4 New Shares for every 15 existing shares held at 7.00 pm (AEST) on Friday, 29 May 2015 (“**Record Date**”) at the Issue Price.

The Offer will include a top up facility under which eligible shareholders who take up their full entitlement will be invited to apply for additional new shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders (“**Top Up Facility**”). There is no guarantee that applicants under the Top Up Facility will receive all or any of the shares they apply for under the facility.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Eligible shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible.

It is expected that approximately 39.4 million new shares will be issued as part of the Offer. New shares issued under the Offer will rank equally with existing ordinary shares.

Eligible shareholders will receive an Offer Booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Those shareholders who the Company determines to be ineligible shareholders will also be notified.

Further details of the Offer are set out in the Capital Raising Presentation and Offer Booklet which have been lodged with the ASX today. The investor presentation contains important information, including key risks and foreign selling restrictions with respect to Tlou and the Offer, and applies to this announcement as if set out in full in this announcement.

Integra Advisory Partners Pty Ltd has been appointed as corporate adviser to Tlou and Delphi Partners as legal adviser in relation to the Offer.

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### Timetable

Activity	Date
<b>Announcement of the Entitlement Offer</b>	Monday 25 May 2015
<b>Offer Booklet lodged with ASX</b>	Monday 25 May 2015
<b>Ex-Date</b> The date from which TOU shares commence trading on an "ex" entitlement basis	Wednesday 27 May 2015
<b>Record Date</b> The date for determining entitlements of eligible shareholders to participate in the Offer	7:00pm (AEST), Friday 29 May 2015
<b>Offer Booklet and Entitlement and Acceptance Form dispatched</b>	Wednesday 3 June 2015
<b>Entitlement Offer opening date</b> The first day for Applications under the Entitlement Offer including Applications under the Top-Up Facility	Wednesday 3 June 2015
<b>Entitlement Offer closing date</b> Closing date for receipt of Applications under the Entitlement Offer including Applications under the Top-Up Facility	5:00pm (AEST), Monday 22 June 2015
<b>Deferred settlement trading</b> New Shares issued under the Entitlement Offer expected to commence quotation on ASX on a deferred settlement basis	Tuesday 23 June 2015
<b>Company notifies ASX of under subscriptions</b>	Thursday 25 June 2015
<b>Allotment of New Shares issued under the Entitlement Offer</b>	Monday 29 June 2015
<b>Normal Trading</b> New Shares issued under the Entitlement Offer expected to commence quotation on ASX on a normal T+3 basis	Tuesday 30 June 2015

All dates are indicative and subject to change. Tlou reserves the right to withdraw or vary the timetable without notice. All references to time are to Australian Eastern Standard Time (AEST). The commencement of quotation of New Shares is subject to confirmation from ASX.

### Important Information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or jurisdiction of the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This document may not be distributed or released in the United States.

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This announcement contains certain “forward-looking statements” within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “should”, “expect”, “anticipate”, “estimate”, “scheduled” or “continue” or the negative thereof of comparable terminology. Any forecasts or other forward looking statements contained in the announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Tlou does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.



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