

TLOU ENERGY LIMITED

7 July 2015

Drilling operations continuing**Key points:**

- The development drilling program at the Selemo Pilot area continues on schedule;
- Drilling of the new vertical production wells Selemo 2P and 3P have been completed;
- The third new vertical production well Selemo 4P and the first of the two planned lateral wells Selemo 2A have commenced.

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

Expanded development drilling program at Selemo

Drilling operations designed to expand the number of dewatering wells and ultimately gas production at Selemo is progressing as planned. At the end of the current program, the Company expects to have at least two new dewatering pods (vertical and lateral production well pairs) that are located on either side of the current Selemo 1P and 1A production pod. A fourth vertical production well will provide flexibility for future expansion.

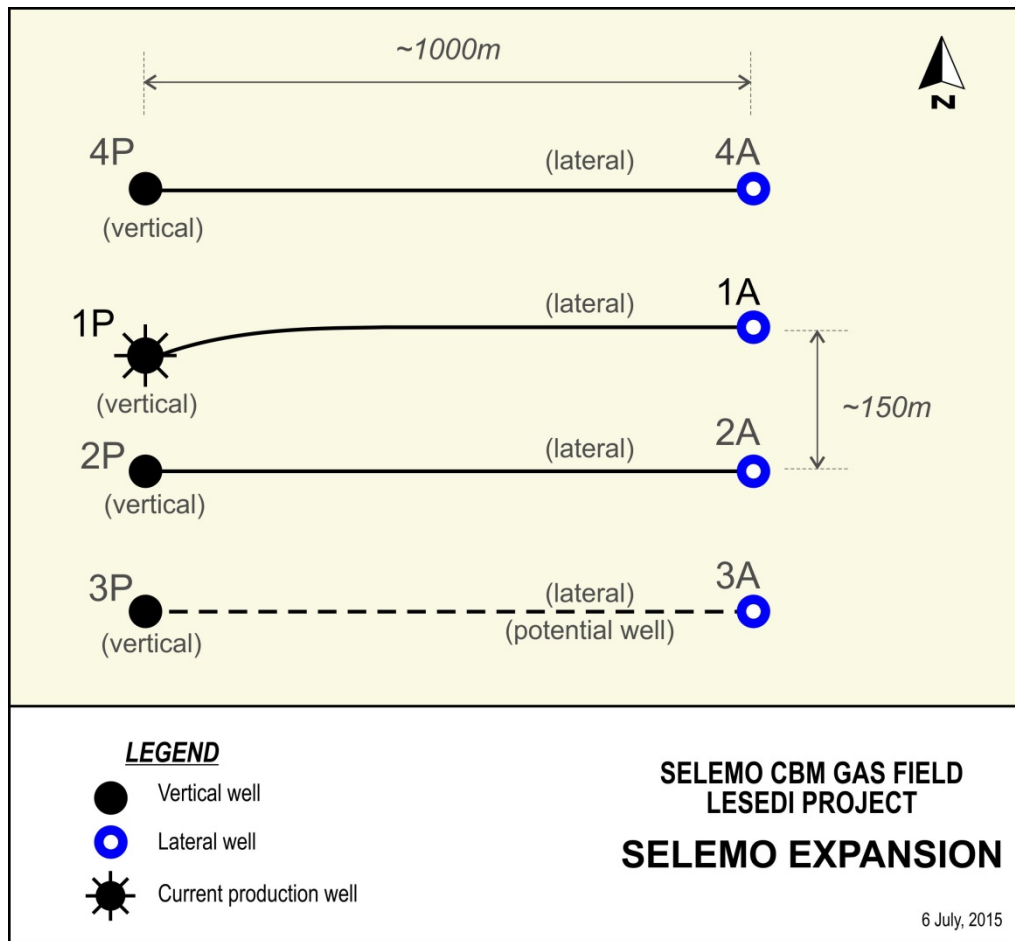
A summary of the current well status and graphical representation is outlined below:

Well:	Status:
Selemo 1P (vertical)	In production
Selemo 1A (lateral)	In production
Selemo 2P (vertical)	Drilling completed
Selemo 2A (lateral)	Currently drilling
Selemo 3P (vertical)	Drilling completed
Selemo 3A (lateral)	Potential additional well to current program
Selemo 4P (vertical)	In progress
Selemo 4A (lateral)	Yet to commence

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Tlou- Key Statistics

- ASX Code – TOU
- Shares on issue ~ 187 million
- Fully diluted ~ 198 million
- Cash balance ~ AUD \$7.2 million (30 June 2015)
- Debt = Nil
- Primary Focus is the Lesedi CBM Project in Botswana (100% Tlou Energy)

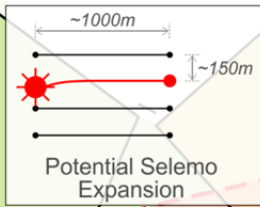
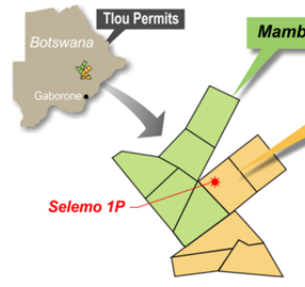
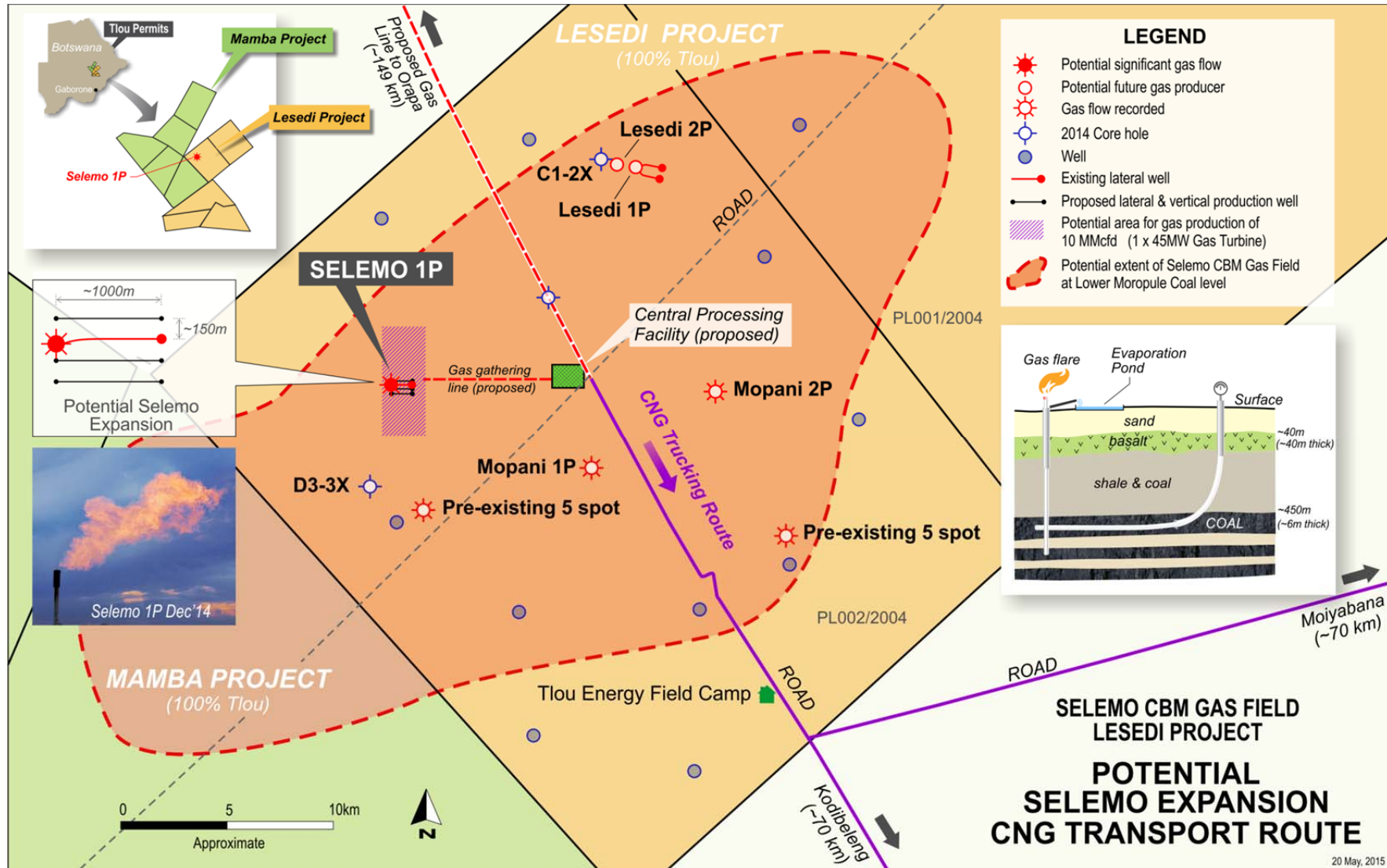
Anthony (Tony) Gilby
 Managing Director
Tlou Energy Limited
 Website: www.tlouenergy.com

For further information regarding this announcement please contact:

Anthony Gilby
 Managing Director

Stephen Rodgers
 Company Secretary

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LEGEND

- Potential significant gas flow
- Potential future gas producer
- Gas flow recorded
- 2014 Core hole
- Well
- Existing lateral well
- Proposed lateral & vertical production well
- Potential area for gas production of 10 MMcfd (1 x 45MW Gas Turbine)
- Potential extent of Selemo CBM Gas Field at Lower Moropule Coal level

