

**TLOU ENERGY LIMITED****7 September 2015**

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**Operations Update****Key points:**

- Tlou Energy has successfully completed drilling the second of two new lateral production wells at Selemo;
- The Company is very pleased with the final cost of the program;
- The new wells will now be completed for production testing.

*Note: All times quoted are referenced to Australian Eastern Standard Time (AEST) unless otherwise stated*

**Completion of the expanded lateral well program at Selemo**

On 3 September 2015, Tlou successfully completed the drilling of Selemo 4A, the second of two new lateral production wells at Selemo. The Selemo 4A lateral well intersected the recently drilled Selemo 4P vertical production well.

The Selemo expanded drilling program was efficiently completed having incorporated lessons learned by previous field operations. The Company is very pleased with the final cost of the wells and is confident that even further efficiencies can be achieved with economies of scale in future campaigns.

With the drilling phase of the expanded Selemo pilot program now finished, preparations to complete the wells for production are underway. The vertical pumping wells (Selemo 2P and 4P which flank Selemo 1P) will have down-hole pumps and associated equipment installed. The surface testing equipment will then be installed and commissioned with dewatering operations to commence thereafter.

The objective of the expanded pilot program at Selemo is to dewater a larger area of coal from a multi horizontal well pilot (compared to the previous single horizontal pilot well) and undertake longer-term gas production testing commencing progressively throughout the remainder of 2015.

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