

TLOU ENERGY LIMITED



30 October 2015

OPERATIONAL REPORT - QUARTER ENDING 30 SEPTEMBER 2015

HIGHLIGHTS

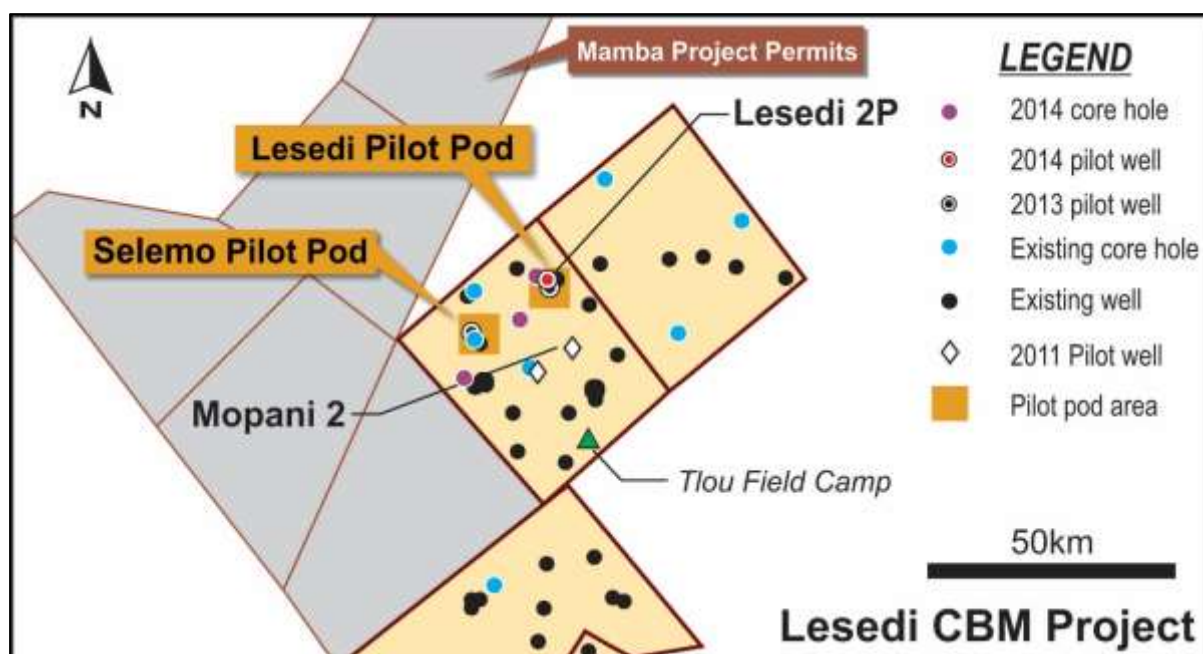
- Tlou Energy successfully completed drilling two new lateral production wells at Selemo;
- Commenced production testing of the new wells at Selemo which are performing in line with expectations with gas pressure building; and
- Tlou Energy has lodged a Pre-Admission Announcement and Appendix to dual list on AIM.

TLOU ENERGY LIMITED PROJECTS

Botswana

PLs 001-003/2004 and PLs 35 & 37/2000 – Lesedi CBM Project Area, Botswana

Tlou Energy Limited 100%



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Activities during the quarter focused on the completion of the Selemo expanded pilot pod drilling program which involved the drilling of two additional horizontal pilot well pods adjacent to the current Selemo Pilot. Tlou successfully completed the drilling of the two new lateral production wells on 3 September 2015. Production testing operations commenced shortly thereafter.

Tlou was able to achieve drilling efficiencies having incorporated the experience of previous drilling campaigns. The Company is very pleased with the final cost of the wells and is confident that further efficiencies can be achieved with economies of scale from larger drilling programs.

The Selemo expanded pilot program now consists of three vertical pumping wells each having a single inseam lateral intersection well. The aim of the expanded Selemo pilot program is to maximise reservoir drainage area, measure long-term gas flow potential and achieve reserve certification in advance of field development.

Each new vertical production well was completed with down-hole equipment to enable water level reduction and allow gas to be liberated from the coal. This process of dewatering is anticipated to take a number of weeks.

The dewatering process includes:

- 1) gradually reducing the water level from pumping operations in each of the three vertical production wells;
- 2) reaching the critical gas desorption point;
- 3) gas pressure building up in each well; and
- 4) flowing and testing the gas production rates.

The completed drilling program was designed to expand the number of dewatering wells and ultimately increase gas production at Selemo, in advance of initial reserves certification.

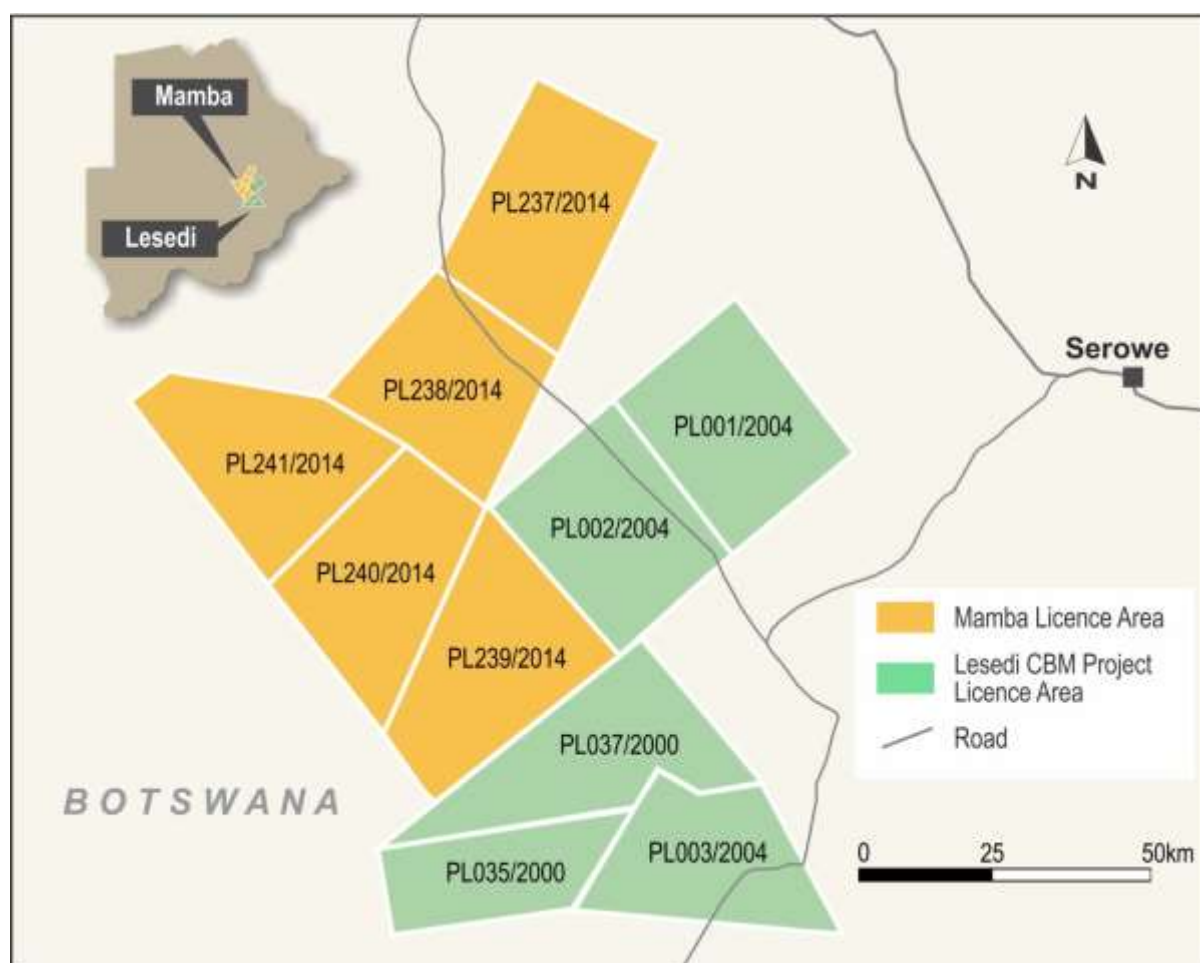
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PLs 237-241/2014 – Mamba Project Area, Botswana

Tlou Energy Limited 100%

In early July 2014, Tlou was awarded five new CBM permits in Botswana covering an area of approximately 4,500 km². The Mamba permits are considered to be highly prospective as they are situated adjacent to Tlou's Lesedi CBM Project and are on-trend with the encouraging results observed to date. In the event of a gas field development by Tlou, the acquisition of the Mamba area provides the Company with considerable flexibility and optionality.



TLOU ENERGY LIMITED**CORPORATE UPDATE****AIM Admission Application**

Tlou advises that it is proceeding with its previously announced plan to dual list on the AIM market of the London Stock Exchange plc (“**AIM**”). A pre-admission Schedule 1 announcement has been released and the AIM Admission Appendix and CPR have been uploaded to the Tlou website. Allowing for the required 20 business day notice period, it is anticipated that the Company’s entire issued share capital will be admitted to trading on AIM on or about 30 November 2015 with an AIM ticker code of “TLOU”. The Company’s shares will also continue to be listed and trade on the ASX under the existing ASX ticker code “TOU”. A separate announcement containing details of the AIM Admission Application and associated Placement was published on 28 October 2015.

In conjunction with the AIM Admission, Tlou will undertake a placement of up to £1.5 million and has received commitments for £1.2 million (equivalent to AUD\$2.6 million).

NEW VENTURES

Tlou is continuing discussions with a number of relevant stakeholders in an effort to secure additional prospective CBM acreage over time.

TLOU ENERGY LIMITED**Tlou- Key Statistics (as at 30 September 2015)**

- ASX Code – TOU
- Shares on issue ~ 187 million
- Fully diluted ~ 198 million
- Cash balance ~ \$2.4 million (AUD)
- Debt = Nil
- Primary Focus is the Lesedi CBM Project in Botswana

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Tlou Energy Limited

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