

TLOU ENERGY LIMITED**10 February 2017**

Tlou Energy Limited
(‘Tlou’ or ‘the Company’)

ISSUE OF PERFORMANCE RIGHTS

At the Company’s Annual General Meeting (“AGM”) on 10 November 2016, shareholder approval was granted for the issue of Performance Rights to the Directors of the Company. Tlou’s Directors have now been invited to participate in the Company’s Employee Performance Rights Plan (“PRP”) for a total of 2,000,000 Performance Rights to be split equally amongst the four Directors. In addition to the Performance Rights being issued to Directors, a further 2,550,000 Performance Rights are being issued to senior management and consultants with the same performance conditions attached.

These Performance Rights will be linked to the share price performance of the Company, ensuring alignment with the interests of the Company’s shareholders. The Performance Rights will be split into two equal Tranches. For the Performance Rights issued under the Plan to vest and, therefore, become exercisable by a participant, the following performance conditions will be required to be met:

Tranche	Performance Condition
Tranche 1	The closing price of Shares being 50% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.
Tranche 2	The closing price of Shares being 100% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.

Notes:

- The date of shareholder approval was 10 November 2016
- The share price on 10 November 2016 was AUD \$0.14
- For Tranche 1 to vest the share price needs to be AUD \$0.21 per share or greater for a period of 10 consecutive trading days
- For Tranche 2 to vest the share price needs to be AUD \$0.28 or greater for a period of 10 consecutive trading days

On vesting, holders of Performance Rights will be entitled to acquire Tlou Energy Limited ordinary shares at nil cost.

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Following the issue of the Performance Rights, the interests of Directors in the Company will be as follows:

	Ordinary Shares	Percentage of the Company	Performance Rights
Martin McIver	296,088	0.12%	500,000
Anthony Gilby	17,796,487	7.30%	500,000
Gabaake Gabaake	80,857	0.03%	500,000
Colm Cloonan	269,525	0.11%	500,000

Further information about the issue of Performance Rights is shown below.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For further information regarding this announcement please contact:

Tony Gilby
Managing Director
 Email: info@tlouenergy.com

Solomon Rowland
Company Secretary
 Email: info@tlouenergy.com

Tlou Energy Limited
Website: www.tlouenergy.com

Company Information

Tlou Energy is an AIM and ASX listed company focused on delivering power in Botswana through the development of coal bed methane ('CBM') projects. Botswana has a severe energy shortage and is currently relying on expensive imported power and diesel generation to deliver its requirements. However, as the 100% owners of the most advanced gas project in the country, the Lesedi CBM Project, Tlou Energy provides investors with access to a compelling immediate and longer term opportunity using domestic gas to produce power and displace the expensive diesel and import market.

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The Company is led by an experienced Board, management and advisory team including individuals with successful track records in the Australian CBM industry.

Since establishment in 2009 the Company has significantly de-risked the project in consideration of its goal to become a significant gas to power producer. The Company has the most advanced CBM project in Botswana and flared its first gas in 2014. It holds 10 prospecting licences covering an area of ~8,300Km² and the Lesedi project already benefits from significant, independently certified contingent resources of ~3.2 trillion cubic feet (3C). In October 2016, the Company booked its maiden independently certified gas reserves, thereby becoming the first company in Botswana to do so.

The Company is planning an initial scalable gas-to-power project in Botswana. Following successful implementation of this first scalable project, the Company plans to expand in order to provide further power to Botswana and the southern African region.

ANNEX

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Martin McIver
2	Reason for the notification	
a)	Position/status	Chairman
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Tlou Energy Limited
b)	LEI	213800SHI2BVAY1A4L52

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4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted					
a)	Description of the financial instrument, type of instrument Identification code	Performance Rights Rights when exercised will result in the issue of Tlou Energy Limited ordinary shares with ISIN AU000000TOU2				
b)	Nature of the transaction	Grant of Performance Rights following shareholder approval obtained at the Annual General Meeting of shareholders held on 10 November 2016.				
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>Nil ¹</td> <td>500,000</td> </tr> </tbody> </table> <p>1. Nil – Performance Rights are part of remuneration arrangements and are subject to the achievement of various performance related milestones as set out in the notice of Annual General Meeting held on 10 November 2016.</p>	Price(s)	Volume(s)	Nil ¹	500,000
Price(s)	Volume(s)					
Nil ¹	500,000					
d)	Aggregated information - Aggregated volume - Price					
e)	Date of the transaction	10 February 2017				
f)	Place of the transaction	Outside a trading venue				

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1	Details of the person discharging managerial responsibilities / person closely associated					
a)	Name	Anthony Gilby				
2	Reason for the notification					
a)	Position/status	Managing Director and Chief Executive Officer				
b)	Initial notification /Amendment	Initial notification				
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name	Tlou Energy Limited				
b)	LEI	213800SHI2BVAY1A4L52				
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1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Gabaake Gabaake
2	Reason for the notification	
a)	Position/status	Executive Director
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Tlou Energy Limited
b)	LEI	213800SHI2BVAY1A4L52

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f)	Place of the transaction	Outside a trading venue				

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1	Details of the person discharging managerial responsibilities / person closely associated					
a)	Name	Colm Cloonan				
2	Reason for the notification					
a)	Position/status	Finance Director				
b)	Initial notification /Amendment	Initial notification				
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor					
a)	Name	Tlou Energy Limited				
b)	LEI	213800SHI2BVAY1A4L52				
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