

TLOU ENERGY LIMITED



26 April 2017

Tlou Energy Limited

("Tlou" or "the Company")

Tlou completes Share Purchase Plan and an additional placement, raising a further A\$1.5 million (£0.9 million)

Key Points:

- **Tlou's Share Purchase Plan (SPP) closes with applications totalling A\$0.8 million (£0.5 million);**
- **Tlou has received demand for an Additional Placement to raise a further A\$0.7 million (£0.4 million);**
- **In total, Tlou has raised \$6.7 million (£4.0 million) from the Initial Placement announced on 24 March, the SPP and the Additional Placement;**
- **The total funds raised will be used to undertake additional field appraisal to expand Tlou's independent gas Reserves and to finalise licencing requirements prior to development of the Lesedi CBM Project.**

Share Purchase Plan

Tlou Energy Limited, the AIM and ASX listed company focused on delivering power in Botswana and Southern Africa through the development of coal bed methane ("CBM") projects, is pleased to announce the completion of its Share Purchase Plan (the "SPP") raising approximately A\$0.8 million (approximately £0.5 million).

The Share Purchase Plan will result in the issue of 8,276,275 new ordinary shares at an issue price of A\$0.10 per share (the "SPP shares"). The SPP shares will rank equally with Tlou's existing shares on issue. The SPP shares will be allotted to applicants on 27 April 2017. There has been no scale back of applications.

Additional Placement

Tlou previously announced a Placement of 51,788,334 new ordinary shares on 24 March 2017 at an issue price of A\$0.10 or £0.06 per share, raising approximately A\$5.2 million (approximately £3.1 million) (the "Initial Placement"). In conjunction with closing the SPP, Tlou has received additional demand from UK investors and accordingly the Company has resolved to undertake a further placement of 6,780,000 new ordinary shares also at an issue price of £0.06 per share (the "Additional

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Placement Shares"), to raise approximately A\$0.7 million (approximately £0.4 million) (the "Additional Placement").

The Additional Placement Shares will be issued within Tlou's existing placement capacity and as such, shareholder approval will not be required.

Application will be made for admission of the SPP Shares and Additional Placement Shares to trading on ASX and AIM, with admission to trading on AIM expected to occur at 8.00 a.m. on 2 May 2017 (London time) and ASX quotation on 27 April 2017.

Work Program

The proceeds of the Initial Placement, SPP and Additional Placement totals A\$6.7 million (approximately £4.0 million) and along with existing cash, will be applied by Tlou for the following:

- acquisition and interpretation of new 2D seismic data in areas considered to be highly prospective for additional Reserves by Tlou's reserve certifiers;
- drilling a limited number of vertical (cored) wells along the new seismic lines (with geophysical logging and coal core gas sampling) to a depth of approximately 500 metres;
- completing various studies (upstream and downstream) required for the submission of the mining licence application and tender for the Botswana Government's 100 MW CBM pilot project;
- on-going production testing at Selemo, including installing gas engines to run the pumps on the existing wells;
- costs of the various capital raisings noted above; and
- working capital for its Lesedi CBM Project and corporate costs.

The objective of the work program above is to expand the Company's independently certified gas Reserves and complete the licencing requirements for the Lesedi CBM Project, as well as continuing to progress the RFP with our joint venture partner, Independent Power Corporation PLC, for the proposed up to 100 MW CBM to power project utilising the Company's gas reserves.

The Additional Placement was managed by Shore Capital Stockbrokers Limited in the United Kingdom.

Following Admission of the SPP Shares and the Additional Placement Shares, the total number of voting rights of the Company's ordinary shares will be 304,042,848. This figure of 304,042,848 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

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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.

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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.

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 Gas Resources of ~3.2 trillion cubic feet (3C) and independently certified Gas Reserves.

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 to provide further power to Botswana and the southern African region.