

Chairman's address – AGM 25 October 2017

It gives me great pleasure to deliver the Chairman's address at Tlou's fifth AGM as a listed entity.

The past year has been an exciting one for Tlou, with the company hitting a number of significant milestones which will help us to reach our future goal of being the first CBM project in Botswana to move into production.

Tlou's primary focus over the years has been on developing the Botswana Lesedi CBM project through the drilling of exploration and pilot wells in order to prove up reserves. We were pleased to reach this goal and announced our maiden reserves on 12 October 2016 and then another upgrade in January 2017. In addition to this, the project has progressed and reached a number of other significant milestones. Operationally speaking, the project received the first Mining Licence ever awarded for CBM by the Botswana Government and converted the field to be powered by gas. Commercially, the team submitted a compelling tender for the Botswana Government's tender to development of up to 100MW CBM power projects. These are great milestones which Tony will discuss further in his address.

We are continuing production testing of the pilot wells, while working on the next steps in the Lesedi CBM project's development plan. This includes completing a 250km seismic survey and a program to drill a number core wells.

We remain committed to building shareholder wealth through progressing the Lesedi CBM project towards production.

Tlou is excited by the development of a CBM gas industry in Botswana. The establishment of this industry will not only help the country manage the current energy shortage it faces but will also provide a new industry, and associated employment. CBM will create an alternative and cleaner energy source for the country and its citizens.

Finally and most importantly, I would like to take this opportunity to recognise the continuing support of our shareholders, without whom our project would not be possible.

Thank you.

Martin McIver
Chairman