



Tlou Energy Limited
210 Alice Street
Brisbane QLD 4000
Phone: +61 7 3012 9793
Fax:- +61 7 3003 0675
Info@tlouenergy.com

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR PUBLICATION, RELEASE OR DISSEMINATION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN THE UNITED STATES, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF SUCH JURISDICTIONS.

FURTHER, THIS LETTER IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY NEW ORDINARY SHARES OF TLOU ENERGY LIMITED IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

8 June 2018

Dear Shareholder

Letter to Eligible Holders - Tlou Energy Limited One (1) for Six (6) Party Underwritten Non-Renounceable Pro Rata Entitlement Offer

Tlou Energy Limited (**Company**) announced on 6 June 2018 a one (1) for six (6) partly-underwritten non-renounceable pro-rata offer to Eligible Holders to subscribe for fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.10 (£0.0575) per New Share (**Issue Price**) to raise approximately \$5.5 million (£3.2 million) (before transaction costs) (**Entitlement Offer**).

The Entitlement Offer is party underwritten by Taylor Collison Limited (ACN 008 172 450) up to A\$1.37 million.

In addition, the Company has also announced that it has completed a placement of new ordinary shares in the Company with professional and sophisticated investors in the UK and Australia (**Placement**) to raise approximately an additional \$2.5 million (£1.4 million) (before transaction costs) through the issue of 24,752,582 new ordinary shares (**Placement Shares**). The Placement Shares will be issued within the Company's existing ASX Listing Rule 7.1 placement capacity. Application will be made for the admission of the Placement Shares to trading on ASX, AIM and BSE, with admission to trading on AIM expected to occur at 8.00 a.m. on Wednesday, 20 June 2018 (London time), ASX quotation on Wednesday, 20 June 2018. The Placement Shares will not be eligible for the Entitlement Offer.

Any New Shares not taken up by Eligible Holders pursuant to the Entitlement Offer can be applied for by other Eligible Holders in accordance with the Excess Application Facility outlined in the offer document for the Entitlement Offer (**Offer Booklet**).

Shortly, Eligible Holders will receive an Offer Booklet including (where applicable) a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. Eligible Holders that hold their shares through depositary interests will receive a credit to their appropriate stock accounts in CREST in respect of the Entitlement and Excess Shares.

The net proceeds of the Entitlement Offer and Placement will be used primarily to undertake an accelerated production well drilling programme, including lateral production pods at the Company's Lesedi CBM Project, additional core-hole drilling, progression of power purchase negotiations, regulatory requirements including environmental and licencing approvals, further fieldwork as well as general working capital expenses.

The Entitlement Offer is being conducted under section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and does not require a Prospectus.

Details of the Entitlement Offer are set out in the Offer Document and Appendix 3B that have been lodged with the ASX. Please ensure you read the Offer Booklet in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Entitlement Offer. Both documents are available on the ASX's website (www.asx.com.au) and on the Company's website <http://tlouenergy.com/>.

If you do not wish to participate in the Entitlement Offer you do not need to take any action.

Summary of Key Information

Type of offer	Partly underwritten non-renounceable pro rata one (1) for six (6) rights issue of approximately 54,911,938 fully paid ordinary shares to Eligible Shareholders that are recorded as holding shares on the Company's share register as at the Record Date, being 7.00 pm (AEST) (or in the case of Eligible Depository Interest Holders, 6pm (BST)) on Friday, 15 June 2018.
Issue Price	\$0.10 (£0.0575) per New Share.
Offer ratio	One (1) New Share for every six (6) existing Shares held at the Record Date. Fractions will be rounded down to the next whole New Share.
Non-renounceable	Your entitlement to subscribe for New Shares may not be sold on the ASX, AIM or otherwise transferred.
Ranking of New Shares	The New Shares will be fully paid and will rank equally in all respects with the Company's existing shares, on and from their date of issue.
Number of Shares quoted on ASX, AIM and BSE	The number of fully paid ordinary shares to be quoted on ASX, AIM and BSE on completion of the Rights Issue, including the New Shares to be issued pursuant to the Rights Issue and Placement, will be approximately 54,911,938.
Excess Shares	If you take up your Entitlement to New Shares in full you are entitled to apply for Excess Shares. There is no guarantee that applications for Excess Shares will receive all or any of the additional shares applied for.
Eligible Holders	Eligible Holders are persons who are registered as a holder of shares or depository interests as at the Record Date that are recorded in the Company's share register as having an address in the United Kingdom, Australia or New Zealand or are a Shareholder that the Company has otherwise determined (in its absolute discretion) is eligible to participate in the Rights and are not located in the United States and are not a US Person or acting for the account of or benefit of a person in the United States or US Person.
Underwriting Fee	A fee of 6% (split 2% management fee and 4% underwriting fee) of of Underwritten Amount under the Offer is payable to the Underwriter who remains responsible for the payment of any fee to a sub-underwriter. A 5% placement fee on the Australian and UK components of the Placement is payable to the Brokers handling the Placement for Tlou energy.

Shareholder approval is not required for the issue of New Shares or Placement Shares.

Indicative Timetable for the Entitlement Offer	
Activity	Date
Announcement of the Placement and Offer and lodgement of offer booklet, Appendix 3B and 708AA cleansing notice with the ASX	Wednesday, 6 June 2018
Letter to Eligible and Ineligible Shareholders Re: The Offer	Friday, 8 June 2018
Ex-entitlement Date	Thursday, 14 June 2018
Record Date for entitlement under the Offer (7.00pm AEST in respect of Eligible Shareholders and 6 p.m. (BST) in respect of Eligible Depository Interest Holders)	Friday, 15 June 2018
Issue Appendix 3B and Cleaning Notice for the Placing Shares Trading on Ex basis	Wednesday, 20 June 2018
Admission and dealings in the Placing Shares commenced on AIM and CREST accounts credited with Placing Shares (in Depository Interest form)	8 a.m. (BST) Wednesday, 20 June 2018
Publication and mailing of the Offer Booklet and Entitlement and Acceptance Form	Wednesday, 20 June 2018
Offer opens	Wednesday, 20 June 2018
Entitlements and Excess CREST Offer Entitlements credited to stock accounts of Eligible Depository Interest Holders	Wednesday, 20 June 2018
Recommended latest time for requesting withdrawal of Entitlements from CREST (to satisfy bona fide market claim only)	Tuesday, 27 June 2018
Latest time and date for depositing Entitlements into CREST (to satisfy bona fide market claim only)	Wednesday, 28 June 2018
Last day to extend the Offer Closing Date	Tuesday, 3 July 2018
Closing date – latest time and date for settlement of CREST application and payment in full under the Offer (11 am BST)	Tuesday, 3 July 2018
Closing date – latest time and date for receipt of completed Entitlement and Entitlement and Acceptance Forms and payment in full under the Offer (7pm AEST)	Friday, 6 July 2018
Trading on deferred settlement basis on the ASX	Monday, 9 July 2018
ASX and AIM notified of subscriptions for Offer Shares and Excess Shares	Wednesday, 11 July 2018
Excess Shares Settlement	Thursday, 12 July 2018
Allotment of Offer Shares issued under the Offer and Lodgement of Appendix 3B.	Friday, 13 July 2018
Expected Despatch of Holding Statement and Normal ASX trading for Offer Shares issued under the Offer.	Monday, 16 July 2018
Admission and commencement of dealings in Offer Shares on AIM and CREST accounts credited with Offer Shares (in Depository Interest form) (8 am BST)	Monday, 16 July 2018

Note: dates and times are indicative only and subject to change. Subject to compliance with the Corporations Act and the ASX Listing Rules, the Company reserves the right to: (i) not proceed with the Entitlement Offer and return any applications moneys received (without interest); or (ii) vary the dates and times above including closing the Entitlement Offer earlier or later.

For further information regarding the Entitlement Offer please refer to the Offer Booklet (which you will receive shortly) or contact the Company Secretary:

Solomon Rowland
Ground Floor
210 Alice Street,
Brisbane QLD 4000
Telephone: +61 7 3012 9793
Email: info@tlouenergy.com
Website: <http://tlouenergy.com/>

Subscribing to receive New Shares may have taxation, financial and other implications. If you are in any doubt as to how to deal with your entitlement to receive New Shares, you should contact your stockbroker or other professional adviser.

Yours sincerely

Tony Gilby
Managing Director
Tlou Energy Limited

IMPORTANT NOTICE

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this letter.

This letter does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company.

The content of this letter has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("**FSMA**").

This letter is not for publication or distribution, directly or indirectly, in or into the United States of America. This letter is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

This letter is not for release, publication or distribution, directly or indirectly, in or into the United States, Canada, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations (a "**Prohibited Jurisdiction**"). This letter and the information contained herein are not for release, publication or distribution, directly or indirectly, to persons in a Prohibited Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction. This letter has been issued by and is the sole responsibility of the Company.