

**Tlou Energy Limited (ASX: TOU)**  
**ACN 136 739 967**

**ENTITLEMENT OFFER BOOKLET**

This Offer Booklet is being issued in relation to a pro-rata non-renounceable entitlement offer of four (4) New Shares for every 11 Shares held at an issue price of \$0.035 (equivalent to BWP 0.31) per New Share to raise approximately \$13.3 million (~BWP 118 million) (before costs).

The Entitlement Offer closes at 5.00pm (AEST) on 12 January 2024 and on 11 January 2024 at 9:00AM CAT for BSE holders.\*

**Not for release to US wire services or distribution in the United States**

**This document is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt as to what to do, you should consult your suitably qualified professional adviser without delay.**

**This document is provided for information purposes and is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.**

**An investment in the Shares offered in connection with this document should be considered of a speculative nature.**

\*The Company reserves the right, subject to the Corporations Act and ASX Listing Rules to extend the Closing Date for the Entitlement Offer.

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## Important Information

This Entitlement Offer Booklet (**Offer Booklet**) is dated 15 December 2023. Capitalised terms have the meaning given to them in Section 5.

This Offer Booklet has been issued by Tlou Energy Limited (ASX: TOU) ACN 136 739 967.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) to Eligible Shareholders with a registered address in Australia, New Zealand, and Botswana at 7.00pm (AEST) on 20 December 2023 (**Record Date**).

This document is not a prospectus under Australian law or under any other law. Accordingly, this document does not contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required by Australian law or any other law to be disclosed in a prospectus. This Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to ASX available at [www.asx.com.au](http://www.asx.com.au).

This Offer Booklet may contain forward-looking statements, opinions and estimates. Forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, and which may cause actual results to differ materially from those expressed in the statements contained in this document and the attached materials. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to the Company as of the date of this Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules) the Company undertakes no obligation to update these forward-looking statements.

Before making any decision to invest, Eligible Shareholders must make their own investigations and analyses regarding the Company, its business, financial performance, assets, liabilities and prospects, rely on their own inquiries and judgements in the light of their own personal circumstances (including financial and taxation issues) and seek appropriate professional advice.

This Offer Booklet and accompanying Entitlement and Acceptance Form do not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular this Offer Booklet and the accompanying Entitlement and Acceptance Form may not be distributed to any person, and the New Shares may not be offered, in any country outside Australia except to the extent permitted in Section 3.2.

The distribution of this Offer Booklet in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this document should observe any such restrictions, including those in Section 3.2. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Offer Booklet has been prepared for publication only in Australia and may not be released to US wire services or distributed in the United States. This Offer Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Any securities described in this Offer Booklet have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Unless otherwise stated, the rates of exchange used for the purpose of this document are:

A\$1.00	BWP 8.9
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# Corporate Directory

## Directors

Mr Martin McIver  
Mr Anthony Gilby  
Mr Gabaake Gabaake  
Mr Colm Cloonan  
Mr Hugh Swire

Non-Executive Chairman  
Chief Executive Officer & Managing Director  
Executive Director  
Finance Director, CFO  
Non-Executive Director

## Company Secretary

Mr Solomon Rowland

## Registered and Principal Office

210 Alice Street, BRISBANE, QLD,  
AUSTRALIA, 4000  
Telephone (07) 3040 9084  
<http://www.tlouenergy.com>

## Share Registry\*

LINK MARKET SERVICES LIMITED  
Level 21, 10 Eagle Street, BRISBANE, QLD,  
AUSTRALIA, 4000  
1300 554 474

## Legal Adviser (Australia)

HWL Ebsworth Lawyers  
Level 19, 480 Queen St  
Brisbane QLD 4000

**ASX Code:** TOU

**AIM Code:** TLOU

**BSE Code:** TLOU

## Auditor\*

BDO Audit Pty Ltd  
Level 10, 12 Creek Street  
Brisbane QLD 4000

\* These entities are included for information purposes only. They have not been involved in the preparation of this Offer Booklet.

## Letter from the Chairman

Dear Shareholder

On behalf of the Directors, I am pleased to invite you as a valued Shareholder of Tlou Energy Limited (**Company**) to participate in a four (4) for 11 non-renounceable pro rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.035 (equivalent to BWP 0.31) per New Share (**Issue Price**) to raise up to approximately \$13.3 million (~BWP 118 million) (**Entitlement Offer**).

### Entitlement Offer

Pursuant to the Entitlement Offer, the Company intends to raise up to approximately \$13.3 million (BWP 118 million) (before costs) by the issue of up to 379,626,948 New Shares.

Under the Entitlement Offer, Eligible Shareholders are entitled to acquire four (4) New Shares for every 11 Shares held on the record date, being 7:00pm (AEST) on 20 December 2023 (**Record Date**). New Shares issued under the Entitlement Offer will rank equally with existing Shares.

The Directors have indicated that they will participate in the Entitlement Offer on the basis described in Section 1.7.

### Use of funds

The proceeds of the Entitlement Offer along with existing cash at 1 December 2023 are planned to be used in accordance with the table set out below:

Inflows	Allocation	AUDm
Entitlement Offer	88%	13.3
Existing Cash at 1/12/2023	12%	1.7
<b>Total</b>	<b>100%</b>	<b>15.0</b>
Allocation of Funds	Allocation	
Transmission line and substations	29%	4.3
Drilling and field operating costs	21%	3.1
Gas Gathering and Generation	25%	3.7
Corporate G&A	15%	2.2
Working Capital	7%	1.0
Costs of the Offer	4%	0.7
<b>TOTAL</b>	<b>100%</b>	<b>15.0</b>

### Actions required to take up your Entitlement

As an Eligible Shareholder, subject to the terms in this Offer Booklet, you may choose one of the following options:

- (a) apply for all of your Entitlement under the Entitlement Offer;

- (b) apply for all of your Entitlement and apply for additional shares under the Shortfall Facility;
- (c) apply for part of your Entitlement; or
- (d) take no action.

The Entitlement Offer closes at **5.00pm (AEST) on 12 January 2024 for ASX holders** and at **9.00am CAT on 11 January 2024 for BSE holders**. To participate in the Entitlement Offer, your application for New Shares must be received before this time in accordance with the instructions in the accompanying Entitlement and Acceptance Form and in Section 2.

Entitlements are non-renounceable and will not be tradeable on ASX, or otherwise be transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

It is important that you carefully read this Offer Booklet, including the risks in Section 4, and the other publicly available information about the Company on its market announcement platform before making any investment decision. With this Offer Booklet you will also find your Entitlement and Acceptance Form which details your Entitlement and provides instructions on how to participate in the Entitlement Offer.

On behalf of the Directors, I invite you to consider this opportunity and thank you for your continued support.

Yours sincerely



**Martin McIver**  
**Non-Executive Chairman**

## Summary of Offer

Key Information	
Issue Price	\$0.035 (equivalent to BWP 0.31) per New Share.
Entitlement Ratio	Four (4) New Shares for every 11 Shares held.
Record Date	7.00pm (AEST) on 20 December 2023
Number of New Shares to be issued under Entitlement Offer	Approximately 379,629,948 (subject to rounding and assuming no convertible notes are converted into Shares before the Record Date).
Total Shares on issue on completion of the Entitlement Offer	Approximately 1,423,612,305
Amount to be raised under the Entitlement Offer (before costs)	Approximately \$13.3 million (~BWP 118 million).

## Key Dates

Event	Date
Announcement of Entitlement Offer, Appendix 3B, and Offer Booklet	Friday, 15 December 2023
Ex date	Tuesday, 19 December 2023
Record Date	Wednesday, 20 December 2023
Opening Date Dispatch of Offer Booklet and Entitlement and Acceptance Forms	Friday, 22 December 2023
Last day to extend the Closing Date	Tuesday, 9 January 2024 (before noon)
Closing Date	5.00pm (AEST) Friday, 12 January 2024 for ASX holders  9.00am CAT Thursday, 11 January 2024 for BSE holders
New Shares quoted on a deferred settlement basis	Monday, 15 January 2024
Announcement of results of Entitlement Offer	Wednesday, 17 January 2024
Issue of New Shares under Entitlement Offer Lodgement of Appendix 2A applying for quotation of the new shares	Friday, 19 January 2024
Quotation of New Shares under Entitlement Offer	Monday, 22 January 2024

Eligible Shareholders that wish to participate in the Entitlement Offer are encouraged to subscribe for New Shares as soon as possible after the Entitlement Offer opens. The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the Listing Rules, and other applicable laws, the Directors reserve the right to vary the dates of the Offer in which event details of the new times and dates will be notified by means of an announcement through a Regulatory Information Service and on the Company's announcement platform of the ASX.

The Directors reserve the right not to proceed with the whole or part of the Offer at any time prior to issue of the Offer Shares. In that event, Application Monies (without interest) will be returned in full to the Applicants. An extension of the Closing Date for the Offer will delay the anticipated date for issue of the Offer Shares. The commencement of quotation of Offer Shares is subject to confirmation from ASX, and BSE.

Unless otherwise stated, references to times in this document are to times in Brisbane, Australia for holders of Shares on ASX and to times in Gaborone, Botswana for holders of shares on BSE.

Eligible Shareholders wishing to participate in the Offer are encouraged to submit their Entitlement and Acceptance Form and Application Monies as soon as possible after the Offer opens.

BSE holders who have any queries on the procedure for acceptance and payment should contact Corpserve Botswana on +267 393 2244 between 8.00 a.m. and 4.30 p.m. (Gaborone time) Monday to Friday (except public holidays) or via email at [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com). The helpline cannot provide advice on the merits of the Offer nor give any legal or tax advice.



## 1. Details of the Entitlement Offer

### 1.1 Overview of the Entitlement Offer

The Company proposes to raise up to approximately \$13.3 million (~BWP 118 million) under the Entitlement Offer through the issue of approximately 379,629,948 New Shares. Under the Entitlement Offer, the Company is offering Eligible Shareholders the opportunity to subscribe for four (4) New Shares for every 11 existing Shares held at the Record Date, at the Issue Price of \$0.035 (equivalent to BWP 0.31) per New Share (**Entitlement Offer**).

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Share.

The Entitlement Offer also comprises a shortfall facility under which New Shares attributable to Entitlements:

- (a) not taken up by Eligible Shareholders; and
- (b) that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer,

will be offered to Eligible Shareholders that have accepted their Entitlement in full (**Shortfall Facility**). The allocation policy for Additional New Shares under the Shortfall Facility is described in Section 1.3. Any offer of Shares not issued under the Entitlement Offer and the Shortfall Facility may be placed to new professional and sophisticated investors by the Board of the Company in accordance with the ASX Listing Rules.

### 1.2 Eligible Shareholders

This Offer Booklet contains an offer of New Shares to Eligible Shareholders. Eligible Shareholders are those holders of Shares who:

- (a) are registered as a holder of Shares on the Record Date;
- (b) have a registered address in Australia, New Zealand, and Botswana; and
- (c) are eligible under all applicable laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or similar disclosure document to be lodged or registered.

Shareholders that are not Eligible Shareholders are Ineligible Shareholders. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

The Company has determined that it is unreasonable to extend to Ineligible Shareholders the opportunity to participate in the Entitlement Offer because of the limited expected take-up from these holders and the cost of complying with the applicable regulations in jurisdictions outside Australia, New Zealand, and Botswana.

The Entitlements of Eligible Shareholders who also hold options to acquire Shares or convertible notes will be calculated on the basis of the number of Shares they hold on the Record Date, disregarding any options or convertible notes which have not been exercised or converted before that time.

### 1.3 Shortfall Facility

A Shortfall Facility will allow Eligible Shareholders that have fully subscribed for their Entitlements under the Entitlement Offer to subscribe for additional New Shares in excess of their Entitlement (**Additional New Shares**). Eligible Shareholders can apply for Additional New Shares by completing the relevant part of the Entitlement and Acceptance Form, or through BPAY®. Refer to Section 2.3 for further details.

Any Additional New Shares will be limited to the extent there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer.

In addition, the Board may elect to cap the number of Additional New Shares that are allotted to Eligible Shareholders under the Shortfall Facility, having regard to:

- (a) the number of Shares that an Eligible Shareholder is entitled to subscribe for pursuant to its Entitlement relative to the number of Additional New Shares that it has applied for;
- (b) the total number of Additional New Shares available for subscription; and
- (c) the number of Shares held by an Eligible Shareholder after the completion of the Offer.

The Board may scale back allocations of Additional New Shares prior to allotting and issuing those Shares. The Board will give priority to Shareholders who, after the allocation of their Entitlement, would not hold a marketable parcel of Shares without being allocated a sufficient number of Additional New Shares under the Shortfall Facility. Otherwise, the Board anticipates that should it receive applications for Additional New Shares in excess of the number of Shares made available for subscription under the Shortfall Facility, it will cap or scale back allocations of Additional New Shares on a pro-rata basis having regard to each Eligible Shareholder's holding in Shares as at the Record Date.

In any event:

- (a) no Additional New Shares will be issued to an Eligible Shareholder which would, if issued, result in them increasing their voting power in the Company above 20%; and
- (b) no Additional New Shares will be issued if their issue would contravene any law or ASX Listing Rule.

There is no guarantee that those Eligible Shareholders will receive the number of Additional New Shares applied for. The Company's decision on the number of New Shares and Additional New Shares to be allocated to you will be final.

In the event of a scale back, the difference between the Application Monies received, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded by the Company, without interest, following allotment.

To the extent that there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer and those New Shares are not otherwise allocated to persons applying for Additional New Shares, the

Directors reserve the right, subject to the Corporations Act and the Listing Rules, to place any or all of the shortfall at their discretion (other than to related parties of the Company) within three months after the close of the Entitlement Offer at a price not less than the Offer Price of \$0.035 (equivalent to BWP 0.31) per New Share.

#### 1.4 Ranking of New Shares

New Shares issued under the Entitlement Offer will rank equally with existing Shares.

#### 1.5 Effect of the Entitlement Offer capital structure

##### (a) Share capital

The proposed capital structure of the Company following the issue of the New Shares in connection with the Offer will be as follows:

Event	Shares
Shares on issue on announcement of the Entitlement Offer	1,043,982,357
Maximum number of New Shares to be issued under the Entitlement Offer	379,629,948
<b>Maximum total number of Shares on issue on completion of Entitlement Offer</b>	<b>1,423,612,305</b>

The final number of New Shares to be issued under the Offer is subject to the rounding of Entitlements.

##### (b) Other securities

##### (i) Convertible Notes

As at the date of this Offer Booklet, the Company has on convertible notes issued as per the table below. These do not carry an entitlement to participate in the Entitlement Offer, unless exercised prior to the Record Date.

Holder	Coupon p.a.	Amount	Minimum conversion price (AUD)	Number of Shares to be issued on conversion
Botswana Public Officers Pension Fund (note 1)	7.75%	USD 5,604,064	0.06	143,055,700
ILC Investments Pty Ltd (note 2)	10%	AUD 4,000,000	0.035	114,285,714
ILC BC Pty Ltd (note 2)	10%	AUD 1,000,000	0.035	28,571,429

*Note 1:* The shares to be issued where a conversion option has been exercised shall be priced at the higher of (i) a 10% discount to the weighted average traded price of the Company's shares on the ASX over the 90 (ninety) trading days on the ASX prior to the conversion date or (ii) AUD \$0.06

(equivalent to BWP 0.50). The final exact number of share is subject to AUD:USD exchange rate on the business day prior to the conversion date.

*Note 2:* Subject to shareholder approval at a general meeting scheduled for 22 Dec 2023 these loans (and any accrued or unpaid interest at the time of conversion) may be converted into shares at \$0.035 per share.

(ii) Performance Rights

As at the date of this Offer Booklet, the Company has on issue 18,625,000 performance rights subject to certain performance milestones and expiry dates as outlined below. For performance rights to vest and become exercisable into ordinary shares the share price needs to be at or above the hurdle price for a period of 10 consecutive trading days. The performance rights do not carry an entitlement to participate in the Entitlement Offer, unless vested and exercised prior to the Record Date.

Issue Date	Hurdle Price	Number	Expiry Date
21/01/2017	\$0.28	2,275,000	31/01/2024
19/10/2018	\$0.165	2,175,000	31/01/2025
19/10/2018	\$0.22	2,175,000	31/01/2025
15/12/2021	\$0.10	3,000,000	31/01/2025
15/12/2021	\$0.165	3,000,000	31/01/2025
1/02/2023	\$0.165	2,000,000	31/01/2025
1/02/2023	\$0.22	2,000,000	31/01/2025
1/02/2023	\$0.28	2,000,000	31/01/2025
		<b>18,625,000</b>	

## 1.6 Use of funds

The Company intends to apply the funds raised from the Entitlement Offer towards development of its Lesedi gas-to-power project, corporate expenditure and general working capital. A summary of the proposed use of funds is set out in the table below:

Inflows	Allocation	AUDm
Entitlement Offer	88%	13.3
Existing Cash at 01/12/2023	12%	1.7
<b>Total</b>	<b>100%</b>	<b>15.0</b>
Allocation of Funds	Allocation	
Transmission line and substations	29%	4.3
Drilling and field operating costs	21%	3.1
Gas Gathering and Generation	25%	3.7
Corporate G&A	15%	2.2
Working Capital	7%	1.0
Costs of the Offer	4%	0.7
<b>TOTAL</b>	<b>100%</b>	<b>15.0</b>

The above table is a statement of current intentions as of the date of this offer booklet. As with any budget, intervening events and new circumstances have the potential to materially affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis and otherwise having regard to their fiduciary duties.

## 1.7 Directors' interests

The relevant interest of each of the Directors in Shares as at the date of this Offer Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Name <sup>1</sup>	Existing Shares	Existing holding %	Entitlements
Mr Anthony Gilby	50,000,000	4.79%	18,181,818
Mr Hugh Swire	12,065,921	1.16%	4,387,607
Mr Colm Cloonan	4,581,387	0.44%	1,665,958
Mr Gabaake Gabaake	385,999	0.04%	140,363
Mr Martin McIver	1,097,816	0.11%	399,205

Note 1: Shares are held either directly or via related entities of each director.

As at the date of this Offer Booklet, the Directors intend to take up Entitlements as outlined below:

Name	Entitlements	Intended participation (\$)	Intended participation (%)
Mr Anthony Gilby	18,181,818	\$560,000	88%
Mr Hugh Swire	4,387,607	\$50,000	33%
Mr Colm Cloonan	1,665,958	\$58,308	100%
Mr Gabaake Gabaake	140,363	\$0	0%
Mr Martin McIver	399,205	\$5,000	36%

The Directors collectively hold 10,250,000 performance rights, none of which have vested and the vesting of which is not expected during the Offer. The performance rights will not be affected by the Offer.

## 1.8 Impact of the Offer on your Shareholding and Possible Dilutive Effect

The dilutionary effect of the Offer on your shareholding will depend on whether you are an Eligible Shareholder and if so, whether you elect to subscribe for some or all of your Entitlement.

If an Eligible Shareholder does not take up its entitlement under the Offer, it will suffer a dilution of up to approximately 36.4% of its interest in the Company assuming the Offer is fully subscribed.

## 1.9 Effect of Offer on Voting Power in the Company

As the acquisition of Shares under the Offer and the Shortfall Facility does not satisfy the requirements of exception 10 of section 611 of the Corporations Act, no person will be entitled to acquire New Shares pursuant to the Offer or the Shortfall Facility if to do so would result in theirs, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%, unless an exception to the restrictions contained in section 606 of the Corporations Act applies.

Accordingly, as there are currently no exceptions to the restrictions contained in section 606 of the Corporations Act and in light of the size of the Offer, the Offer is not expected to have any material effect or consequence on the control of the Company.

#### **1.10 Withdrawal of Entitlement Offer**

The Board reserves the right to withdraw all or part of the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund Application Money without payment of interest in accordance with the Corporations Act.

#### **1.11 No cooling off rights**

Cooling off rights do not apply to a subscription for New Shares under the Entitlement Offer. You cannot withdraw your application or payment once it has been accepted, except as allowed by law.

#### **1.12 No Entitlements trading**

Entitlements are non-renounceable and will not be tradeable on ASX, or otherwise be transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements that they do not take up.

#### **1.13 Minimum subscription**

There is no minimum subscription for the Entitlement Offer.

#### **1.14 Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

#### **1.15 Opening and Closing Date for applications**

The Entitlement Offer opens for acceptances on Friday, 22 December 2023 and all Entitlement and Acceptance Forms and payments of Application Money must be received by no later than 5.00pm (AEST) on Friday, 12 January 2024 for ASX holders and 9.00am CAT on Thursday 11 January 2024 for BSE holders, subject to the Company varying the Closing Date in accordance with the ASX Listing Rules.

#### **1.16 Quotation of New Shares and Admission of New Shares to trading on AIM**

Application will be made within seven (7) days of the date of this Booklet to the ASX for the New Shares issued pursuant to the Offer to be granted official quotation by ASX.

If granted, official quotation of the New Shares on ASX will commence as soon as practicable after allotment of the New Shares to Applicants and an application will be made to the BSE for admission at the same time. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within 3 months after the date of this Booklet, none of the New Shares offered under this Booklet will be issued and all Application Monies will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

#### **1.17 Allotment of New Shares**

It is expected that allotment of the New Shares will take place as soon as practicable after the Closing Date. It is expected that the New Shares will be allotted no later than 22 January 2024. However, if the Closing Date is extended, the date for allotment may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

Holding statements for New Shares issued under the Entitlement Offer will be mailed in accordance with the ASX Listing Rules and timetable at the commencement of this Offer Booklet as soon as practicable after their issue.

## 2. How to participate

### 2.1 General

Before taking any action, you should carefully read this Offer Booklet and the other publicly available information about the Company on our website (<http://www.tlouenergy.com>) and consider the risk factors summarised in Section 4.

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form. If you are an Eligible Shareholder you may:

- (a) take up your Entitlement in full or in part (refer to Section 2.2);
- (b) take up your Entitlement in full and apply for Additional New Shares (refer to Sections 2.2 and 2.3); or
- (c) allow your Entitlement to lapse (refer to Section 2.6).

### 2.2 If you wish to accept your Entitlement in full or in part

#### Pay by BPAY®

If you are paying for your New Shares by BPAY®, please refer to your personalised instructions on your Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form;
- (b) amounts received by the Company in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional Shares as your Excess Amount will pay for in full; and
- (c) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

When completing your BPAY® payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the reference number applies.

Payment via BPAY® is encouraged.

#### Payment of Electronic Funds Transfer

For Eligible Shareholders whose holdings are registered in New Zealand, pay your Application Money via Electronic Funds Transfer (**EFT**) by following the instructions set out on the



personalised Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account.

Please note that should you choose to pay by EFT:

- (a) you do not need to complete or return the Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Money.

Please note that your bank and the receiving bank may apply fees or charges to any transfer and any conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by the Company.

When completing your EFT, please make sure to use the unique reference number provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the reference number specific to the Entitlement on that form. If you inadvertently use the same reference number for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the reference number applies.

### **General**

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® or EFT are received by **5.00pm (AEST) on the Closing Date**.

Excess Application Money that is not sufficient to subscribe for a number of New Shares multiplied by the Issue Price will be refunded to you except where that amount is less than \$2.00, in which case it will be retained by the Company. The method by which you receive the refund will be at the discretion of the Company. No interest will be paid to Eligible Shareholders on any Application Money received or refunded.

Your personalised Entitlement and Acceptance Form can be downloaded online at <https://events.miraqle.com/tou-offer> once the Entitlement Offer is open.

### **Botswana Holders**

BSE holders who have any queries on the procedure for acceptance and payment should contact Corpserve Botswana on +267 393 2244 between 8.00 a.m. and 4.30 p.m. (Gaborone time) Monday to Friday (except public holidays) or via email at [contactus@corpservebotswana.com](mailto:contactus@corpservebotswana.com). The helpline cannot provide advice on the merits of the Offer nor give any legal or tax advice.

## **2.3 Applying for Additional New Shares**

Eligible Shareholders may also apply for Additional New Shares, being New Shares in excess of their Entitlement.

The allocation policy for Additional New Shares is described in Section 1.3.

## 2.4 **Acceptance of the Entitlement Offer**

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you:

- (a) agree to be bound by the terms of this Offer Booklet and the provisions of the Company's constitution;
- (b) authorise the Company to register you as the holder(s) of the New Shares allotted to you;
- (c) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (d) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement Offer;
- (e) acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY® or EFT, you may not withdraw it except as allowed by law;
- (f) agree to apply for, and be issued with up to, the number of New Shares that your payment will pay for at the issue price of \$0.035 (equivalent to BWP 0.31) per New Share;
- (g) authorise the Company and its officers, employees or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details in the Entitlement and Acceptance Form;
- (h) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (i) acknowledge that the information contained in this Offer Booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs, and that the Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (j) acknowledge the statement of risks in Section 4, and that investments in the Company are subject to risks;
- (k) represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet or making an application for New Shares; and
- (l) represent and warrant that you are an Eligible Shareholder and have read and understood this Offer Booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements contained in this Offer Booklet and the Entitlement and Acceptance Form.

By completing, and the Company receiving, your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY® or EFT, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are not in the United States and are not acting for the account or benefit of, a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand, and Botswana, and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (c) agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in regular transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (d) agree to provide (and direct your nominee and custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (e) if you are acting as a nominee or custodian, each beneficial shareholder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, New Zealand, and Botswana and is exempt from any local prospectus or registration requirements and is compatible with applicable foreign laws; and
- (f) have not and will not send any materials relating to the Entitlement Offer to any person in the United States, or is acting for the account or benefit of a person in the United States.

## **2.5 Address details and enquiries**

There is no need to return the Entitlement and Acceptance Form if paying by BPAY or EFT.

If you would like further information you can:

- (a) contact your stockbroker, accountant or other suitably qualified professional adviser; or
- (b) contact the Company on +61 7 3040 9084 at any time from 8:30 am to 5:00 pm (AEST) Monday to Friday (excluding public holidays) during the Entitlement Offer period.

## **2.6 If you do not wish to accept all or any part of your Entitlement**

To the extent you do not accept all or any part of your Entitlement, it will lapse. Any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be offered as Additional New Shares. Any offer of Shares not issued under the Entitlement Offer

and the Shortfall Facility may be placed to new professional and sophisticated investors by the Board of the Company in accordance with the ASX Listing Rules.

Entitlements are non-renounceable and will not be tradeable on ASX, or otherwise be transferable. Shareholders who do not take up their Entitlements in full will not receive any value in respect of the Entitlements they do not take up, and their percentage shareholding in the Company will be reduced following the issue of New Shares.

## **2.7 If you are a Shareholder resident in Botswana**

The Offer may be made available to Shareholders who are resident in Botswana subject to the Company receiving approval from the BSE. If approval is granted by the BSE, an Entitlement and Acceptance Form will be sent to such Shareholders resident in Botswana, and they will be deemed to be “Eligible Shareholders” at such time. If applicable, the Entitlement and Acceptance Form sent to such Shareholders will include the action to be taken by you in respect on the Offer, and the number of New Shares available under their Entitlement that can be allotted.

## **3. Important information for Shareholders**

### **3.1 No prospectus or product disclosure statement and not investment advice**

The Entitlement Offer complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC.

It is also not investment advice and does not take into account your investment objectives, financial situation, tax position and particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest.

### **3.2 Shareholders outside Australia**

#### **(a) General restrictions**

This Offer Booklet and accompanying Entitlement and Acceptance Form do not constitute an offer of New Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Offer Booklet may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

The distribution of this Offer Booklet in jurisdictions outside Australia, New Zealand, and Botswana may be restricted by law and therefore persons who come into possession of this document outside Australia, New Zealand, and Botswana should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their application. Return of a duly completed Entitlement and Acceptance Form and/or payment of Application Money will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia, New Zealand, and Botswana .

(b) **New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

**3.3 Ineligible Shareholders**

The Company is not extending the Entitlement Offer to Ineligible Shareholders having regard to the cost of complying with legal and regulatory requirements outside Australia, New Zealand, and Botswana, the number of Ineligible Shareholders and the number and value of New Shares which could be offered to Ineligible Shareholders.

Where this Offer Booklet has been dispatched to Ineligible Shareholders, it is provided for information purposes only.

In limited circumstances the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be Ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing New Shares to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

**3.4 Notice to nominees and custodians**

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. Where any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, may only participate on behalf of beneficiaries who are resident in Australia, New Zealand, and Botswana. Any person in the United States with a holding through a nominee may not participate in the Entitlement Offer. Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside of Australia, New Zealand, and Botswana.

**3.5 Continuous disclosure**

The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half-yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its Shares. That information is available to the public from the ASX.

### **3.6 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Offer Booklet.

### **3.7 Taxation consequences**

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

### **3.8 Privacy**

If you complete an Entitlement and Acceptance Form and apply for New Shares, you will be providing personal information to the Company, its agents, contractors and third-party service providers. The Company, its agents, contractors and third-party service providers will collect, hold and use that information to assess your acceptance, carry out administration of your shareholding, service your needs as a Shareholder and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your acceptance is not able to be processed efficiently, if at all.

You may request access to your personal information held by (or on behalf of) the Company and by the Share Registry. You can request access to, or the updating of, your personal information by telephoning or writing to the Company or the Share Registry using the details shown in the Corporate Directory.

The collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) and the Corporations Act.

### **3.9 Future performance and forward-looking statements**

This document contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

Forward looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Entitlement Offer.

### **3.10 Past performance**

Past Share price performance provides no guarantee or guidance as to future Share price performance. Past performance information given in this Offer Booklet is provided for

illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Offer Booklet is, or is based upon information that has been released to the market. For further information, please see past announcements released to the ASX.

### **3.11 Risks**

Please consult with your stockbroker, accountant or other suitably qualified independent professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer.

In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are described in Section 4.

### **3.12 Disclaimer of representations**

No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by the Company in connection with the Entitlement Offer. Except as required by law, and only to the extent so required:

- (a) none of the Company, or any person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the information contained in this Offer Booklet; and
- (b) the Company, its officers, employees and advisers disclaim all liability that may otherwise arise due to the Offer Booklet being inaccurate or incomplete in any respect.

### **3.13 Authorisation and disclaimers**

This Offer Booklet is issued by, and is the sole responsibility of the Company.

None of the parties referred to in the Corporate Directory of the Offer Booklet (other than the Company), has:

- (a) authorised or caused the issue of this Offer Booklet; or
- (b) made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based.

To the maximum extent permitted by law, each of the parties referred to in the Corporate Directory of this Offer Booklet (other than the Company) expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet.

### **3.14 Governing law**

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of applications are governed by the laws applicable in Queensland.

### **3.15 Interpretation**

Some capitalised words and expressions used in this Offer Booklet have meanings given in Section 5.

A reference to time in this Entitlement Offer Booklet is to the local time in Brisbane, Queensland, unless otherwise stated. All financial amounts in this Offer Booklet are expressed in Australian dollars, unless otherwise stated.

### 3.16 **No handling fees**

There will be no handling fees payable to brokers for Entitlement and Acceptance Forms lodged by them on behalf of Eligible Shareholders.

## 4. **Risks**

The New Shares offered under the Offer Booklet are considered speculative.

An investment in the Company is not risk free and the Directors strongly urge potential investors to consider the risk factors described below, together with information contained elsewhere in this Offer Booklet and to consult with their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Booklet.

Prior to deciding whether to participate in the Offer, investors should read the entire Offer Booklet and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au) under the code **TOU**), in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

Securities do not carry any guarantee with respect to the payment of any dividends, returns of capital or the market value of those securities.

There are specific risks which relate directly to the Company's business. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is a not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 4.1 **Company and industry risks**

#### (a) Cash position

At the end of November 2023, the Company had ~AUD\$1.7m cash at bank. Without access to further funding through the Offer, at the pace of current levels of development activity, the Company will run out of cash within the next two months. The Offer is aimed at further funding the Company's ongoing development activities at current levels on its Lesedi Project in Botswana. If the Entitlement Offer is not fully subscribed, the Company may not have sufficient funds to meet the proposed work programs for completion of the Lesedi Project.

#### (b) Future Capital Requirements

The ability of the Company to meet future proposed work programs for completion of the Lesedi Project may be dependent on the Company's ability to raise further funds in future.

There can be no assurance that sufficient capital funding will be available to Tlou on favourable terms or at all. If Tlou is unable to raise necessary capital, there may be a reduction in planned capital expenditure (by a scaling back of development works), which could have an adverse effect on Tlou's ability to expand its business and/or maintain operations at current levels; this could, in turn, have a material adverse effect on Tlou's business, financial condition and operations.



If the Company undertakes additional equity offerings in the future, in addition to diluting existing Shareholders who do not participate, the increase in the number of Shares issued could have a depressive effect on the price of the Company's Shares.

(c) Development Risks, delays and cost overruns

The Company is constructing infrastructure to support the supply of electricity from its Lesedi Project to the national power grid, including a power line. This construction is complex and subject to variables, such as requirements imposed by the regulators and state-owned utilities that have potential to increase project development costs and cause delays to planned construction.

There are a number of risks inherent in the development of any CBM Project, in addition to other uncertainties set out elsewhere in this Section. These uncertainties include:

- (i) the ultimate timing and cost, which can be considerable, of the construction of gas and electricity production and processing facilities; and
- (ii) the availability and cost of skilled labour and specialised equipment.

Connection to the power grid requires specialised equipment and components and the cooperation of third party infrastructure owners and labour to allow connection to occur. Delays in procuring this equipment or labour or delays occasioned by a lack of cooperation from third parties, are beyond the Company's control, but have the potential to delay completion of the Lesedi Project works, increasing costs.

In addition, operating costs and capital expenditure estimates may fluctuate considerably as a result of changes in the prices of materials, labour and commodities used in the construction of the Company's projects. Accordingly, development of the Company's projects may ultimately be less profitable than anticipated or may not be profitable at all.

Delays to project development may also be caused by contractors of the Company defaulting on their obligations. Seeking redress for such defaults will delay project development and increase the Company's costs.

(d) Operational risks

Coalbed methane (CBM) exploration and development activities and electricity generation through gas fired power or solar power involve numerous operational risks. These risks include explosions, uncontrolled releases, spills and blowouts, encountering unusual or unexpected geological formations, mechanical breakdowns or failures, accidents, human errors, unforeseen increases in establishment costs, adverse weather conditions, shortages or delays to delivery of equipment, compliance with government requirements, industrial disputes, technical issues, supply chain failure, labour issues, deliberate destruction, adverse production results, uncertainty in resource and reserve estimation, uncertainty in deliverability estimation, IT system failure, cyber security breaches, political opposition and other unexpected events which occur in the process of drilling and operating wells.

In particular, the Group operates in areas where surface flooding can occur in the summer months, and wildfire can occur in the later winter, the latter being the bigger risk to the Group's operations.

The occurrence of any of these risks could result in substantial financial losses to Tlou due to injury or loss of life, hampering construction and operation activities, damage to or destruction of property, natural resources or equipment, environmental damage or pollution, clean-up

responsibilities and regulatory investigation, amongst other factors. Damages occurring to third parties as a result of such risks may give rise to claims against the Company which may not be covered fully by insurance or at all. The Directors will (in conjunction with Senior Management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of Tlou and its business operations. The ability of the Directors to do so may be affected by matters outside their control and no assurance can be given that the Directors will be successful in these endeavours.

(e) Exchange rates

If Tlou progresses to production, the majority of revenue from sales will be in Botswana Pula. Appreciation of the Pula against the Australian dollar could adversely affect the Company's margins and profitability.

(f) Exploration, appraisal and production risks

The exploration for, and development of, hydrocarbons is a highly speculative activity which involves a high degree of risk. Tlou may be unable to discover reserves of sufficient size or complete wells with flow rates sufficient enough to be commercially viable. Accordingly, the Shares should be regarded as a highly speculative investment and an investment in the Company should only be made by those investors with the necessary expertise to evaluate the investment fully and who can sustain the total loss of their investment.

As Tlou is currently in the exploration and project development stage, Tlou has not generated revenues from the commercial production or sale of natural gas. Accordingly, it is not possible to establish a track record based on the exploration projects of the Company. The production of gas from wells is inconsistent and production rates experienced do not guarantee that commercial production will be achieved in the desired time frames or at all. The Company's ability to move any or all of its projects into commercial production is subject to a number of factors, some of which will be outside its control.

Additionally, even if one or more of the Company's projects achieves profitability, the Company will need to continue to invest in both these and other projects and there can be no certainty as to when, if ever, the Group will be profitable as a whole or whether such profitability will be sustainable on an individual project or on a Group wide basis.

(g) Gas Flow Rates and Gas Sales Agreement Risk:

The rate at which gas flows from Tlou's wells will be a determinant of its profitability. There is a risk that gas flow rates from Tlou's wells will not be sufficient to meet the requirements of future gas supply contracts. Gas flow rates may end up lower than anticipated and wells may not flow commercial rates of gas for a sufficient length of time. This may result in a breach of contract and open up Tlou to a claim for damages or further remedies and/or increased development expenditure to drill more wells than originally anticipated. There is also a risk that Tlou may not be able to procure gas sales agreements for its gas business on reasonable terms, which may adversely affect the profitability of Tlou.

(h) Geotechnical risk

Geotechnical risks arise from the movement of the ground during and following mining activity. This may result in temporary or permanent access to a mine being cut off. The loss of access may have a significant impact on the economics of the ore body.

Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic. Assessment of the extent and magnitude of ground movements that could take place or that have taken place within the mine and surrounding area will be evaluated by the Company.

(i) Resource and reserve estimates

The estimation of natural gas resources and reserves involves subjective judgements and determinations based on geological, technical, contractual and economic information. There is uncertainty in the estimates and it is not an exact calculation. The estimates may go up or down because of new information from operational activities or changes in economic factors, such as assumptions regarding incomes and costs, or due to other factors. It may also alter because of acquisitions and disposals, new discoveries and extensions of existing fields as well as the application of improved recovery techniques. Published resources and reserves estimates may also be subject to correction in the application of published rules and guidance and could go up or down.

There are numerous variables applied to the estimation of reserves. For these reasons, estimates of the economically recoverable gas reserves and targeted reserves in any particular tenement are subject to assumptions made in the assessments and so may vary substantially from the final result.

There can be no guarantee that the Company will successfully produce the volume of hydrocarbon that it estimates are reserves or that hydrocarbon resources will be successfully converted to reserves. Estimates may alter significantly or become more uncertain when new information becomes available due to, for example, additional drilling or production tests over the life of the field. As estimates change, development and production plans may also vary. Downward revision of reserves and resources estimates may adversely affect the Company's operational and financial performance.

(j) Tenement Risk

In Botswana, the government owns all the mineral and land rights and grants exploration and development licences pursuant to Botswana's Mines and Minerals Act. Along with the right for exploration and development, the licensee receives the right for surface access to the land. There are numerous temporary surface rights holders for each licence area. The holder of a licence, where its access causes disruption to another surface right holder, is obliged to negotiate with the other surface holder for access and appropriate compensation in respect of disruption. Tlou's licences are located in the Karoo-Kalahari Basin. Tlou must negotiate with the relevant government authorities to arrange access to these areas when undertaking drilling and exploration activities.

The Company holds one mining (or development) licence, ML2017/18L and ten prospecting (or exploration) licences. The current status of these licences is as follows:

Licence No.	Commodity	Status
ML2017/18L	Coal and CBM	Current – Valid to 20 Aug 2042

PL001/2004	Coal and CBM	Expired 30 Sept 2023 – Awaiting Renewal confirmation*
PL003/2004	Coal and CBM	Expired 30 Sept 2023 – Awaiting Renewal confirmation*
PL037/2000	Coal and CBM	Current – Valid to 31 March 2025
PL035/2000	Coal and CBM	Current – Valid to 31 March 2025
PL237/2014	Coal and CBM	Expired 30 Sept 2023 – Awaiting Renewal confirmation*
PL238/2014	Coal and CBM	Expired 30 Sept 2023 – Awaiting Renewal confirmation*
PL239/2014	Coal and CBM	Expired 30 Sept 2023 – Awaiting Renewal confirmation*
PL240/2014	Coal and CBM	Expired 30 Sept 2023 – Awaiting Renewal confirmation*
PL241/2014	Coal and CBM	Expired 30 Sept 2023 – Awaiting Renewal confirmation*
PL011/2019	Coal and CBM	Current – Valid to 30 June 2024

\*Renewal applications for licences that expired on 30 September 2023 were submitted in June 2023. The Company has been in contact with the relevant department and have been told that the delay is due mainly because of a new software system being implemented and that the renewed licences will be issued in due course.

Prospecting (or exploration) licences are granted for an initial period of up to three years and may be renewed up to two times for a period of two years per renewal. Additional “special” renewals are required thereafter.

Each licence requires the holder to fulfil minimum stipulated annual work and spending commitments. In the event that such minimum commitments are not met, the Botswana government has the right to suspend or cancel the prospecting licence. The Lesedi and Mamba Licences are considered by the Directors to be key to the exploration activities of Tlou in Botswana, and if the Company were unable to successfully renew these licences, if required, this could have a material adverse effect on the Group’s business, financial condition and prospects.

The conduct of the Group’s operations and the steps involved in satisfying the applications for renewal involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly completed, or whether it is possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken. The final grant of all renewals involves the exercise of administrative functions (including discretion), which are beyond the control of the Company.

In the event that Tlou believes there is enough gas to move into a production phase for any of its exploration tenements in Botswana, the exploration licences will need to be converted to mining licences. There is a possibility that the mining licences will not be granted.

Any failure to obtain a renewal of an exploration permit or the granting of a mining licence in any jurisdiction in which Tlou operates may have a material adverse effect on the ability of Tlou to explore and produce CBM in the areas comprised in those licences. There is also a risk that some or all of the granted prospecting licences are revoked in the future. Approvals for the development of stand-alone solar power projects will also need to be secured including authorisation for a proposed hybrid gas and solar power project. There is a possibility that the some or all, of these approvals will not be granted.

(k) Electricity Markets Risk

Tlou's possible future revenues are expected to be derived from electricity sales. The profitability of Tlou's business will be determined by the future market for electricity and the price available for power supplied by the Company. The price required to achieve adequate returns on Tlou's business will vary depending on factors including generation costs, cost of gas production including drilling costs, economies of scale and gas flow rates. Numerous factors outside the control of Tlou impact on electricity prices. The Company cannot provide a guarantee on the price of electricity. Botswana Power Corporation (BPC) is the government-owned electrical utility and is responsible for the supply, transmission, and distribution of electricity throughout Botswana. Access to the power grid in Botswana is controlled by BPC. Tlou has signed an initial 10MW power purchase agreement (PPA) with BPC.

In order for Tlou to expand generation the Company will need to secure further power purchase agreements for the supply of gas-fired power generation and solar power into the grid and access to the power grid. Any substantial decline in the price of electricity is likely to have a material adverse effect on the financial position of Tlou. The Company cannot guarantee that power purchase agreements or grid access will be secured, or the price of electricity.

(l) Price of gas volatility

The demand for, and price of gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major gas corporations, global economic and political developments and other factors all of which are beyond the control of the Company. As such, it is impossible to predict future commodity prices with confidence.

International gas prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect gas price are unrest and political instability in countries that have increased concern over supply.

(m) Drilling and Completion Techniques Risk

Tlou may use horizontal drilling and/or vertical drilling technology in its exploration and development activities. The use of these drilling technologies may be necessary for the production of commercial quantities of gas from geological formations of the type that Tlou is targeting. Restrictions on rig and personnel availability and the use of horizontal drilling technologies may reduce the amount of gas Tlou can produce and may have a material impact on Tlou's business.

(n) Environmental risks

The operations and proposed activities of the Company are subject to environmental laws and regulations. These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards, as well as establishing obligations to rehabilitate locations where were conducted.

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environment damage caused by previous owners or property acquired by the

Company, or noncompliance with environmental laws or regulations. The Company will attempt to minimise these risks by conducting its activities to the highest standard of environmental obligation and where possible, by carrying appropriate insurance coverage.

Amendments to current laws, regulations, policies and permits governing operations and activities of mining and mineral resources companies, or more stringent implementation, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or, in the event the Company develops its current or future projects to the production stage, cause increases in production costs or a reduction in level of producing properties or require abandonment or delays in development of new properties.

(o) Access to Infrastructure Risk

The ability for Tlou to do so is further dependent upon a number of factors, including matters which may be beyond the control of Tlou, for example Tlou may not be successful in securing identified customers or market opportunities. Part of Tlou's development plan and growth opportunities include the supply of CBM and electricity to the Botswana market and other external markets. There is no guarantee that suitable infrastructure will be available, or available on acceptable and economic terms, to deliver CBM or electricity to those markets.

The transportation and service infrastructure in Botswana are under-developed and can be unreliable in some of the areas where the Company is operating. Material delays in the transportation of equipment, supplies and resources may delay the exploration and development of the Company's projects and/or the commercialisation of those projects. Any such delay is likely to increase the cost of exploring and developing the projects, and such increase may materially affect the Company's business, results of operations and financial condition. Tlou's ability to sell and market any CBM produced, or electricity generated will be negatively impacted should it be unable to secure adequate transportation and processing. Access will depend on the proximity and capacity of transmission lines, pipelines and processing facilities. Further, Tlou may be required to develop its own transmission line or pipeline infrastructure or secure access to third party pipeline infrastructure in order to deliver CBM or electricity to key markets or customers. The development of its own transmission line or pipeline infrastructure will be subject to Tlou obtaining relevant approvals including transmission line or pipeline licences. Access to third party infrastructure cannot be guaranteed given that transmission lines or pipelines may not be developed with an open access regime. To supply electricity into the power grid, Tlou will need to agree connection with BPC. The Company cannot guarantee that such agreements or approvals will be achieved.

(p) Royalties and Taxes

In the event that Tlou believes it has sufficient CBM resources to move into a production phase, the CBM exploration licences will need to be converted to mining licences, under which a royalty is payable to the Botswana Government. This royalty is currently 3% of gross market value. Gross market value is defined as the sale value receivable at the mine gate in an arm's length transaction without discounts, commissions or deductions for the mineral or mineral product on disposal. In addition to the royalty payable, Tlou will also be subject to a corporate tax rate of at least 22% and a dividend withholding tax of up to 15% on any earnings in Botswana.

In the event Tlou moves into CBM production in connection with the Lesedi Licences (which is considered key to Tlou's operations), pursuant to a Farm-In Agreement, Sekaname, Sable Energy's farm-in partner, is also be entitled to a payment of the greater of South African Rand

2.0/Mcf produced at the wellhead, or 12.5% of the wellhead selling price, and Kalahari, Sable Energy's other farm-in partner, may also be entitled to develop and exploit any excess reserves. Wellhead selling price is based on actual proceeds received by Tlou less actual costs incurred to transport the gas and to gather, compress, treat and process the gas (or where such facilities are owned by Tlou, fees ordinarily payable for these services). If Tlou's farm-in partners become entitled to such payments, it could adversely affect Tlou's financial position, performance and prospects. Any change to the royalties or tax rates in Botswana or any of the countries in which Tlou is successful in producing gas may have a material adverse effect on the ability of Tlou to commercially produce and sell CBM from the areas comprised in those applications.

(q) Country, Geopolitical and Sovereign Risk

The Company is currently involved in CBM and proposed solar operations in Botswana and may explore CBM and solar opportunities in other Southern Africa countries in the future. Whilst Botswana is a relatively stable democratic system and diversifying economy, with a low corruption index (in the context of Africa), according to the Corruption Perceptions Index published by Transparency International, and civil unrest and disorder are rare, the Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors. There can be no assurance that the political environment in these jurisdictions will continue to be stable now or in the future and this could have an adverse impact on the Group's operations and assets. Other risks and uncertainties include, but are not limited to, high rates of inflation, labour unrest, currency exchange rate fluctuations, limitations on repatriation of profits, renegotiation or nullification of existing licences, changes in taxation policies, currency controls and regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens, or purchase supplies from, a particular jurisdiction.

The occurrence of any of these risks or any material changes in government policies, attitude or legislation that affect foreign investment, repatriation of foreign currency, taxation or mineral exploration, power generation, development or mining activities, may adversely affect the viability and profitability of the Company's assets and operations in Botswana or other southern Africa jurisdictions in a highly material manner. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development, could result in loss, reduction or expropriation of entitlements.

(r) Reliance on gas development and production activity

The Company is an explorer and developer of hydrocarbons, with a focus on natural gas development in Botswana. The level of activity in the gas industry may vary and is principally affected by the prevailing or predicted future gas prices, market demand and other factors. These other factors, including economic growth, the cost and availability of other energy sources (including renewable energy) and changes in energy technology and regulation, affect the industry. The future growth of the Company is dependent on the continued economic importance of gas, development and production industry in Botswana and internationally.

Any substantive and prolonged changes to the current economic importance of the gas development and production industry in Africa would be likely to have an adverse effect on the business, financial condition, and profits of the Company.

(s) Community opposition risk

Given community opposition to certain gas projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company. Such action by community opposition may include undertaking legal proceedings, media campaigns and protests.

(t) Legal Risks

The Company's operations in Botswana are subject to the jurisdiction of the courts in Botswana. The legal system may be affected by political instability in Botswana and additional legal risks, such as political influence in obtaining effective legal redress in courts and a high degree of discretion on the part of government agencies, may arise as a result. Further the introduction of new legislation, amendments to existing legislation, the application of developments in existing common law, or the interpretation of those laws, could adversely affect the viability and profitability of the Company's assets and operations in Botswana.

(u) Legislation and Regulatory Risk

Tlou's activities in the petroleum industry and energy generation industry are subject to legislation, regulation and approvals. The introduction of new legislation, amendments to existing legislation, the application of developments in existing common law or policies or the interpretation of those laws or policies, particularly in relation to land access arrangements, environmental approvals, a carbon tax or similar, the effect of greenhouse gases legislation, royalties, generation, production and exploration licensing may adversely affect Tlou's future operations and financial performance. Tlou will, from time to time, require various government regulatory approvals for its transactions and operations and must comply with those approvals, applicable laws, regulations and policies. In particular, Tlou may require licences and approvals in relation to mining activities, solar power installation and generation, environmental matters and the manufacture and supply of gas and generation of electricity. There is a risk that Tlou or a joint venture that it is a party to may not obtain, or there may be a delay in obtaining, the necessary licences and approvals. This may affect the timing and scope of transactions and work that can be undertaken. Further, a failure to comply with a licence, approval or applicable law may affect the timing and scope of work that can be done. The loss of granted tenements or failure to obtain relevant approvals in relation to them may have a material adverse effect on Tlou.

(v) Joint Venture Risk

Tlou Energy is not currently a party to joint venture or joint operating agreements for any of its tenements in which it holds an interest. If the interest held by Tlou in any of its tenements is relinquished or transferred to a third party this will likely give rise to the establishment of joint venture or joint operating agreement under which Tlou might be voted into programs and budgets which are not in line with the objectives and strategy of Tlou or that Tlou does not have the cash resources to fund. Tlou may be required to contribute to increases in capital expenditure requirements and/or operating costs where the requirements of the project change or in circumstances where any or all of the joint venture parties are unable to fund their pro rata contributions to expenditure.

(w) Occupational Health and Safety Risk



All aspects of petroleum operations, including seismic, drilling, development and production are inherently hazardous. In addition to the risk of injury or damage to persons or property, health and safety failures represent a substantial reputational and regulatory risk for the Company. Furthermore, if any Company personnel are injured while undertaking operations, the Company may be financially liable to the individual. This would adversely impact the Company's financial performance.

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the industry. While the Company has a strong commitment to achieving a safe performance on site, a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Additionally, laws and regulations as well as the requirements of customers may become more complex and stringent or the subject of increasingly strict interpretation and/or enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities to suspended operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact the financial performance and growth prospects of the Company.

(x) Reliance on Key Personnel Risk

The Company is reliant on its senior management and key personnel. There is a risk that Tlou may not be able to retain or hire all necessary personnel. Tlou's progress in pursuing its development, exploration and appraisal programs within the timeframes and currently envisaged cost structure could be influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as Tlou's development, exploration and appraisal programs progress. The result of such loss would depend on the quality and timing of the employee's replacement. Although Tlou's key personnel have a considerable amount of experience and may have previously been successful in their pursuits of acquiring, exploring and evaluating mineral projects, there is no guarantee or assurance that they will be successful in achieving the Company's objectives.

(y) Insurance

The Company aims to maintain insurance with ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted and associated risks. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims. Moreover, insurance against risks such as environmental protection or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the mineral resources industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(z) Information systems and cyber risk

The Company is reliant on information technology systems. Despite the Company's security measures, it is possible that these systems may be breached. Unauthorised third party access to the Company's information technology systems and the resulting potential theft, loss or misuse of the Company's information could adversely impact the operations and performance of the Company and the price of its securities.

(aa) Force majeure

Events may occur within or outside the markets in which the Company operates that could impact upon global economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur.

(bb) Competition

The Company competes with other companies. Some of these companies have greater financial and other resources than the Company and as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will be able to compete effectively with these companies.

(cc) Climate change

There has been increasing concern by the public and regulators globally on climate change issues. As a gas development company, the Company is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for gas declines, the Company will find it difficult to commercialise any resources it discovers. In particular:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidences of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

- (dd) Not a suitable investment product for investors looking for exposure to Net Zero financial products

The Company does not consider its Shares to be currently suitable for investors looking for exposure to net zero financial products.

- (ee) Dividends

The Directors are unable to say if and when the Company will be able to pay dividends. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of profit, operating results, the financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

- (ff) Litigation

The Company may be subject to litigation and other claims. Any litigation could result in negative publicity, potential liability and additional expenditure.

## 4.2 **General Investment risks**

The risks outlined below are some of the general risks that may affect an investment in the Company.

- (a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies, may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

- (b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

- (c) Economic risk

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals of the Company's target markets or its cost structure and profitability. Adverse changes in the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory Policies), consumer spending, and employment rates, are outside the control of the Company and the management team and may have an adverse effect on the financial performance and/or financial position of the Company.

(d) Changes in laws and government policy

Changes to government regulations, law (including taxation and royalties) and policies, both domestically and internationally, under which the Company operates may adversely impact the Company's activities, planned projects and the financial performance of the Company.

(e) Taxation

There may be tax implications arising from Applications for New Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company, the participation in any on-market Share buy-back and on the disposal of New Shares.

(f) Global credit and investment markets

Global credit, commodity and investment markets volatility may impact the price at which the Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(g) Counterparty risk

There is a risk that contracts and other arrangements which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

The Company and its projects may suffer material adverse consequences such as increased costs, delayed projects, loss of market share, or loss of customers.

(h) Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been considered in the Company's planning. Although the Company is not aware of any such additional Expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of its Shares.

(i) Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are therefore outside the Directors' and Tlou's control. Changes to accounting standards issued by the AASB could materially adversely affect the way in which Tlou's financial performance is perceived by the market.

(j) Taxation risks

Changes to tax law in Botswana, Australia, New Zealand, the UK or other jurisdictions in which Tlou and its Shareholders operate may affect Tlou and its Shareholders. Personal tax

liabilities are the responsibility of each individual investor and Tlou has no responsibility for taxation or taxation penalties incurred by its Shareholders.

(k) List not exhaustive

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by Shareholders. The above factors and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Booklet. Accordingly, the New Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time.

Shareholders should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

## 5. Definitions

<b>\$ or A\$</b>	means Australian dollars.
<b>Additional New Shares</b>	means Shares subscribed for under the Shortfall Facility issued to Eligible Shareholders that have fully subscribed to the Entitlement Offer as described in Section 1.3.
<b>Application Money</b>	means money received in respect of an application for New Shares and Additional New Shares (if applicable).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as applicable.
<b>ASX Listing Rules</b>	means the official listing rules of ASX, as amended or waived by ASX from time to time.
<b>Board</b>	means the board of Directors.
<b>BSE</b>	The Botswana Stock Exchange Limited
<b>Business Day</b>	means a day which is a 'business day' as that expression is defined in the ASX Listing Rules.
<b>BWP</b>	The Botswana Pula, the currency of Botswana.
<b>CAT</b>	Central Africa Time.
<b>CBM</b>	Coalbed methane
<b>Closing Date</b>	means the last day for receipt of Application Money and return of Entitlement and Acceptance Forms being, 5.00pm (AEST) on Friday, 12 January 2024 for ASX holders and 9.00am CAT on Thursday 11 January 2024 for BSE holders (unless extended).
<b>Company or TLOU</b>	means Tlou Energy Limited ACN 136 739 967
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Eligible Shareholder</b>	means a Shareholder as described in Section 1.2
<b>Entitlement</b>	means the entitlement to four (4) New Shares for every 11 Shares held on the Record Date as shown on the personalised Entitlement and Acceptance Form.
<b>Entitlement and Acceptance Form</b>	means the entitlement and acceptance form accompanying this Offer Booklet.

<b>Entitlement Offer</b>	means the pro-rata non-renounceable entitlement offer to subscribe for New Shares on the basis of four (4) New Shares for every 11 Shares held by Shareholders as at the Record Date.
<b>Excess Amount</b>	has the meaning given in Section 2.2.
<b>Ineligible Shareholder</b>	means a Shareholder who is not an Eligible Shareholder.
<b>Issue Price</b>	means \$0.035 (equivalent to BWP 0.31) per New Share.
<b>New Shares</b>	means Shares offered under the Entitlement Offer.
<b>Offer</b>	means the Entitlement Offer.
<b>Offer Booklet</b>	means this entitlement offer booklet.
<b>Offer Materials</b>	means the Offer Booklet and other documents created in connection with the Offer.
<b>Option</b>	means an option to acquire one Share.
<b>Prescribed Occurrence</b>	has the meaning defined in the Underwriting Agreement.
<b>Record Date</b>	means 7.00pm (AEST) on 20 December 2023.
<b>Related Body Corporate</b>	means a 'related body corporate' as defined in section 50 of the Corporations Act.
<b>Relevant Company</b>	means the Company and its subsidiaries.
<b>Section</b>	means a section of this Offer Booklet.
<b>Securities</b>	means any securities, including Shares, options and convertible notes, issued or granted by the Company.
<b>Share</b>	means a fully paid ordinary share in the Company.
<b>Share Registry</b>	means Link Market Services Limited.
<b>Shareholder</b>	means a holder of Shares.
<b>Shortfall Facility</b>	means the offer of Additional New Shares to Eligible Shareholders that have fully subscribed to the Entitlement Offer as described in Section 1.3.
<b>US or United States</b>	means the United States of America.
<b>US Securities Act</b>	means the United States Securities Act of 1933, as amended.