



24 April 2026

Tlou Energy Limited
("Tlou" or "the Company")

Quarterly Activities Report for the quarter ended 31 March 2026

Highlights

- **First monetisation of Lesedi gas achieved, marking a major milestone**
- **Data Centre commissioned and operational, generating initial revenue from CBM gas**
- **Integrated gas-to-power strategy validated through successful operations**
- **Advancement of solar and hybrid energy strategy**
- **Funding initiatives progressing, with expanded loan facility in place**

The March 2026 quarter represents a pivotal period for Tlou, with the Company achieving its first revenue milestone while continuing to advance its broader energy development strategy.

Lesedi Project – Botswana

The Lesedi Project remains the Company's core development asset, integrating gas production, power generation, and digital infrastructure.

Data Centre & Power Generation

During the quarter, Tlou achieved a major milestone with the commissioning of the Kala Data Centre, which is now operational and generating initial revenues at a proof-of-concept scale. The project remains at an early-stage and revenue generation is currently limited while operations are optimised and scaled.

- Gas from the Lesedi 4 production well is now supplying power to generators
- Generators have been successfully connected to the gas gathering system
- The Data Centre has commenced computational operations

This achievement represents:

- The first commercial utilisation of Tlou's CBM gas in Botswana
- Validation of the Company's end-to-end gas-to-power strategy
- A platform for future scaling of production and revenues

While operations are currently at a modest level, this marks a transition from pre-revenue to initial revenue generation, an important inflection point for the Company.

This milestone demonstrates the Company's ability to monetise its gas resources and represents a key step toward scalable energy and infrastructure development.

Gas Production and Field Development

Production testing and dewatering activities continued at the Lesedi 4 and Lesedi 6 wells.

- Both wells continue to produce gas and water
- Focus remains on reducing water levels to enhance gas flow rates
- Independent technical review completed to assess optimisation strategies

Potential development initiatives under evaluation include:

- Alternative well designs
- Targeting additional coal seams
- Well stimulation techniques
- Additional drilling to support future expansion

The Company continues to recognise that sustainable commercial gas flow rates remain a key technical milestone.

Substation and Grid Connection

- Substation construction remains approximately 90% complete
- Completion has been deferred pending funding availability
- Grid connection is a key near-term priority

Once completed, the substation is expected to:

- Enable grid-based electricity sales
- Support both gas and solar power integration

Solar and Hybrid Power Strategy

The Company continues to advance its hybrid gas-solar strategy, aimed at delivering reliable, 24-hour power.

Key developments:

- Tlou assessing initial 5MW solar project, expandable to ~20MW
- Battery Energy Storage Systems (BESS) and compressed natural gas (CNG) storage being evaluated
- The Company's data centre partner has indicated interest in installing 1MW of solar PV

This hybrid approach could:

- Provide baseload-style power generation
- Differentiate Tlou's offering from standalone renewable projects
- Enhance long-term commercial viability

No binding agreements are yet in place, and these initiatives remain subject to funding and approvals.

Project Funding and Corporate

Funding Progress

- Loan facility increased to A\$10 million, with A\$5.6 million drawn to date
- A\$4.4 million remains available under existing facilities
- Ongoing discussions with potential funding partners

The Company continues to:

- Evaluate debt, equity, and strategic funding options
- Prioritise funding to support substation completion and gas development

The Company remains dependent on securing additional funding to progress toward full commercialisation. Management continues to actively engage with funding counterparties and strategic partners and maintain the cash position carefully while progressing funding initiatives.

Financial Summary

On 31 March 2026, the Company held approximately A\$117,000 in cash (unaudited). Payments to related parties and their associates during the quarter amounted to A\$97,000, as disclosed in the Appendix 5B. These payments relate to directors' salaries, fees, and associated statutory payments including tax and superannuation.

Metric	March 2026 Quarter
Cash at end of quarter	A\$117k
Net operating cash flow	(A\$267k)
Investing cash flow	(A\$501k)
Financing cash flow	A\$565k
Available funding	A\$4.51m

Appendix 5B

The Appendix 5B cash flow report for the quarter ended 31 March 2026 accompanies this announcement.

Outlook

Following the successful commissioning of the Data Centre, Tlou enters a new phase focused on operational scaling. The timing and scale of future revenues remain dependent on technical performance, acquiring further funding and infrastructure completion.

Near-Term Priorities

- Optimise data centre and power generation performance
- Secure additional funding to support the Company
- Increase gas production capacity
- Complete substation and grid connection
- Advance solar project and hybrid energy strategy

The Company believes that:

- The commissioning milestone provides strong validation of its strategy
- The project now has a clear pathway toward scalable revenue generation
- Execution of near-term priorities could materially enhance shareholder value

However, progress remains subject to:

- Securing required funding
- Achieving sustainable gas flow rates
- Signing Power Purchase Agreements
- Completing infrastructure and regulatory steps

By Authority of the Board of Directors

Mr. Colm Cloonan
Interim Managing Director

For further information regarding this announcement please contact:

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