

6 November 2018

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

Tlou Energy Limited, the ASX, AIM and BSE listed company focused on developing gas-to-power projects in southern Africa using coal bed methane ("CBM") natural gas from its gas field in Botswana, is pleased to provide an update on field operations at its Lesedi CBM project.

Key Points:

- **Vertical well 'Lesedi 3P' has been drilled and reached a total depth of 575m**
- **Drilling has commenced at the second vertical well 'Lesedi 4P' which was spudded on 4 November 2018**
- **Program aims to provide gas flow data in the area where the initial project development is proposed**

Update of Drilling operations

As previously announced Tlou Energy Limited commenced drilling operations at the Lesedi CBM Project ('Lesedi'), with the first well, 'Lesedi 3P' being spudded on 16 October 2018. This vertical production well has been drilled successfully and reached a total depth of 575m.



Wireline logs were acquired over the open hole interval of Lesedi 3P. The well intersected the Lower Morupule coal seam, which is the target seam for dual lateral wells, planned to be drilled for approximately 700m in-seam, which will then intersect with Lesedi 3P.

The rig was released from location on Friday 2 November and then set up at the Lesedi 4P location. Lesedi 4P was spudded on 4 November 2018. Operations at Lesedi 4P will follow the same program as for Lesedi 3P. The well is planned to be drilled to a proposed total depth of approximately 580m.

Background on Drilling program

Tlou will drill the Lesedi production wells as ‘dual lateral pods’, comprising a single vertical production well intersected by two lateral wells. This will be followed by production testing with the potential to ultimately convert a significant portion of the currently established gas resources to reserves and to deliver gas to a proposed central processing facility and power station located in close proximity.

The vertical wells along with the top-hole (vertical) sections of the lateral wells are being drilled first. Thereafter, the lateral sections of the wells will be drilled using specialist directional drilling equipment.

Once drilled, the wells will then be completed using a separate workover rig and surface facilities installed. Production start-up is targeted to commence in early 2019. The wells will be on production for an extended period of time to de-water and lower the pressure in the coal seam to achieve gas flow.

For further information regarding this announcement please contact:

Tlou Energy Limited	+61 7 3012 9793
Tony Gilby, Managing Director	
Solomon Rowland, General Manager	
Grant Thornton (Nominated Adviser)	+44 (0)20 7383 5100
Samantha Harrison, Colin Aaronson, Harrison Clarke	
Shore Capital (Broker)	+44 (0) 207 408 4090
Jerry Keen, Toby Gibbs, Mark Percy	
FlowComms Limited (Investor Relations)	+44 (0) 7891 677 441
Sasha Sethi	

Company Information

Tlou Energy is focused on delivering Gas-to-Power solutions in Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is developing projects using coal bed methane (“CBM”) natural gas. Botswana has a significant energy shortage and generally relies on expensive imported power and diesel generation to fulfil its power requirements. As 100% owner of the most advanced gas project in the country, the Lesedi CBM Project, Tlou Energy provides investors with access to a compelling opportunity using domestic gas to produce power and displace expensive diesel and imported power.

The Company is listed on the Australian Securities Exchange, London’s AIM market and the Botswana Stock Exchange and is led by an experienced Board, management and advisory team including individuals with successful track records in the CBM industry.

Since establishment, the Company has significantly de-risked the project in consideration of its goal to become a significant gas-to-power producer. The Company flared its first gas in 2014, holds a Mining Licence and nine Prospecting Licences, covering an area of ~8,300Km² in total. The Lesedi and Mamba Projects already benefits from significant independently certified Contingent Gas Resources of ~3 trillion cubic feet (3C) and independently certified Gas Reserves of 41 billion cubic feet (2C) and ~426 billion cubic feet (3P).

The Company is planning an initial scalable gas-to-power project. Following successful implementation of this first scalable project, the Company looks forward to evaluating longer-term prospects for the delivery of electricity generated from CBM in Botswana to neighbouring countries.

