Tlou Energy Limited, the company focused on developing Gas-to-Power projects in Botswana and southern Africa through the development of coal bed methane ("CBM") natural gas, has issued shares following satisfaction of Conditions under its Performance Rights Plan.

At the Company’s Annual General Meeting ("AGM") on 10 November 2016, shareholder approval was granted for the issue of 2,000,000 Performance Rights to the Directors of the Company. In addition to the Performance Rights being issued to Directors, a further 2,550,000 Performance Rights were issued to senior management and consultants with the same performance conditions attached.

The Performance Rights are linked to the share price performance of the Company, ensuring alignment with the interests of the Company’s shareholders. The Performance Rights are split into two equal Tranches. For the Performance Rights issued under the Plan to vest and therefore become exercisable by a participant, the following performance conditions are required to be met:

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Performance Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tranche 1</td>
<td>The closing price of Shares being 50% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.</td>
</tr>
<tr>
<td>Tranche 2</td>
<td>The closing price of Shares being 100% or more above the price at the date of shareholder approval for a period of 10 consecutive trading days.</td>
</tr>
</tbody>
</table>

Notes:
- The date of shareholder approval was 10 November 2016
- The share price on 10 November 2016 was AUD $0.14
- For Tranche 1 to vest the share price needs to be AUD $0.21 per share or greater for a period of 10 consecutive trading days
- For Tranche 2 to vest the share price needs to be AUD $0.28 or greater for a period of 10 consecutive trading days

On vesting, holders of Performance Rights will be entitled to acquire Tlou Energy Limited ordinary shares at nil cost.
TLOU ENERGY LIMITED

The conditions for Tranche 1 have been met so 2,275,000 shares have been issued to Directors, staff and consultants of the Company in accordance with the terms of the Performance Rights Plan. Following the issue of the Performance Rights shares, the interests of Directors in the Company will be as per the table below. The Directors do not hold any share options.

<table>
<thead>
<tr>
<th></th>
<th>Ordinary Shares (including shares issued under Tranche 1 of the Performance Rights plan)</th>
<th>Percentage of the Company</th>
<th>Performance Rights not yet issued (Tranche 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Martin McIver</td>
<td>696,088</td>
<td>0.21%</td>
<td>250,000</td>
</tr>
<tr>
<td>Anthony Gilby</td>
<td>18,196,487</td>
<td>5.52%</td>
<td>250,000</td>
</tr>
<tr>
<td>Gabaake Gabaake</td>
<td>330,857</td>
<td>0.10%</td>
<td>250,000</td>
</tr>
<tr>
<td>Colm Cloonan</td>
<td>669,525</td>
<td>0.20%</td>
<td>-</td>
</tr>
<tr>
<td>Hugh Swire</td>
<td>3,064,366</td>
<td>0.93%</td>
<td>-</td>
</tr>
<tr>
<td>Linah Mohohlo</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Anthony (Tony) Gilby
Managing Director
Tlou Energy Limited

For further information regarding this announcement please contact:

Tlou Energy Limited
210 Alice St.
Brisbane 132 Independence Avenue
QLD 4000 Gaborone
Australia Botswana
+61 7 3012 9793 +267 316 0857

Website: www.tlouenergy.com
E-mail: info@tlouenergy.com
TLOU ENERGY LIMITED

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’s is developing projects using coal bed methane (‘CBM’) natural gas. Botswana has a severe energy shortage and is currently relying on expensive imported power and diesel generation to deliver its 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, and the Lesedi Project already benefits from significant independently certified Contingent Gas Resources of ~3.2 trillion cubic feet (3C) and independently certified Gas Reserves of ~261 billion cubic feet (3P).

The Company is planning an initial scalable gas-to-power project in Botswana. Following successful implementation of this first scalable project, the Company plans to expand to provide further power to Botswana and the southern African region.