

30 March 2021

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

**Boomslang Project – Environmental approval**

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Tlou Energy Limited is an ASX, AIM and BSE listed company focused on delivering cleaner electricity in Botswana and southern Africa using gas and solar power. The Company's first proposed development is the Lesedi Power Project ("Lesedi") which includes the construction of a power station and sale of electricity in Botswana. In addition, the Company has two large exploration areas designated Mamba and Boomslang.

**Boomslang Project - Environmental Impact Statement (EIS) Approved**

Botswana's Department of Environmental Affairs (DEA) has approved the EIS for Tlou's Boomslang project. The Boomslang Prospecting Licence PL011/2019 is located adjacent to the Company's Lesedi power project.

All proposed project activities outlined under the EIS have been authorised. These include:

- Drilling of core holes and stratigraphy boreholes;
- Conducting seismic and geomagnetic surveys;
- Pilot testing pods, monitoring wells and evaporation ponds; and
- Installation of pumping monitoring, gathering lines and evaluation equipment.

Tlou believes the Boomslang project can complement the more mature Lesedi and Mamba projects, particularly given the presence of the highly prospective Serowe coal seam. The Lesedi and Mamba projects primarily target the deeper Morupule coal seam.

EIS approval for exploration of the Boomslang permit (Tlou 100%) represents another key milestone for the Company. Successful exploration and development of the Boomslang area could facilitate Tlou's longer term strategy of expansion beyond the current Lesedi project area.

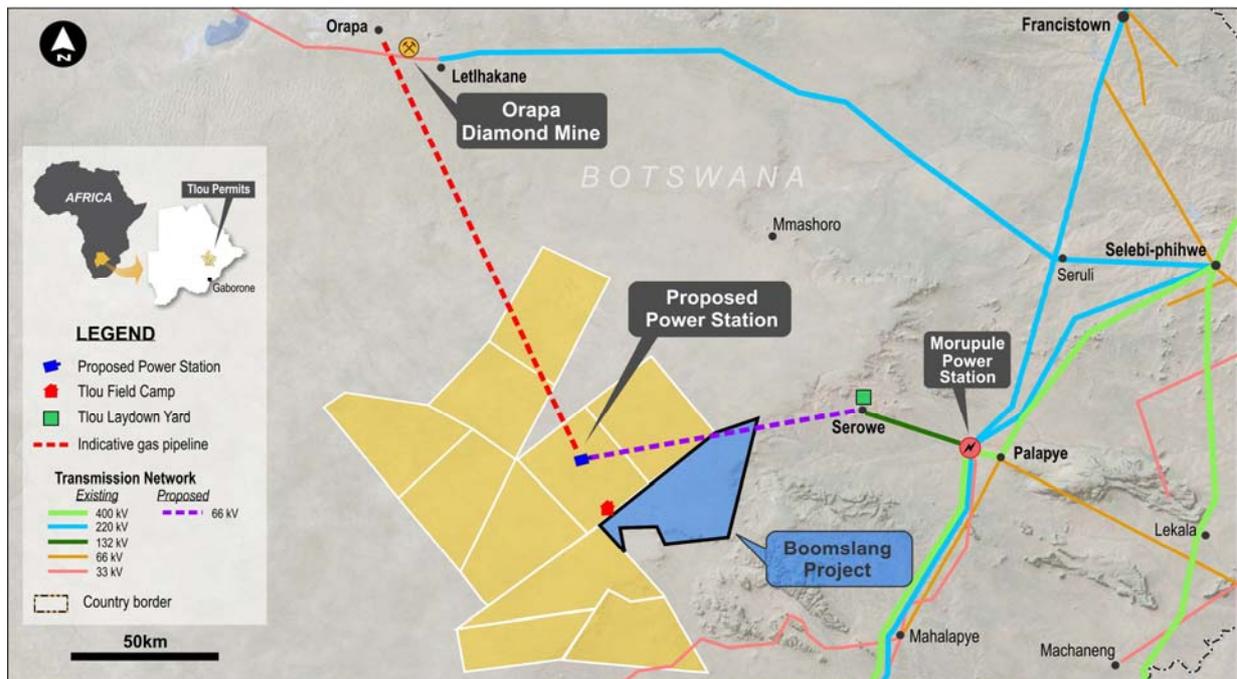
**Lesedi Project – Commencement of Development**

The Company plans to commence work on the development of the Lesedi project as soon as possible. Key stages to achieve first revenue are as follows:

1. Construction of the transmission line to connect Lesedi to the existing power grid;
2. Installation of substations at the Lesedi site and at Serowe to integrate with the grid;
3. Installation of generation assets at Lesedi;
4. Commissioning and testing;
5. Sale of first power.

Following the recent capital raising totalling £2.6m, the Company now has funds in place to allow the transmission line construction to commence. Crucially, the raising has allowed the Company to control the timing of project construction and it can now commence work on the transmission line regardless of the time it takes for other current funding negotiations to be completed.

Those funding negotiations continue to move forward. The leading candidate has confirmed that the proposal has progressed to the next stage including an assessment by specialist advisors and due diligence. This is a precursor to making a final investment decision on a \$10m finance facility for Tlou.



*Tlou's current licences including the Boomslang project area*

## Transmission Line Tender

As outlined above, the first phase of development will be the construction of a transmission line to connect to the electricity grid. The line will be ~100 Km in length with a 66kV overhead cable. The route has been surveyed and full environmental approval is in place. The line will predominantly cross relatively flat, arid terrain with the last ~5 Km being through the outskirts of the Serowe township.

The Company issued tenders for the construction of the transmission line and substations and expect to award the tender early next quarter. The leading candidates are located in Botswana and South Africa. Therefore, access to Botswana to commence the work should not be an issue even if the pandemic persists. It is further noted that Tlou may stand to benefit from the relatively free movement over the border from South Africa to Botswana should goods and services be required from outside the country (subject to health checks and quarantine procedures in the event of positive COVID-19 tests).

## **10MW Power Purchase Agreement (PPA)**

The Company continues to have regular correspondence with the advisors assisting the Government of Botswana to conclude the 10MW PPA process. The advisors have confirmed that they are reviewing project documents including the draft PPA. The Company is focused on progressing this to a conclusion as soon as possible. The Company has already secured a 2MW pilot PPA with Botswana Power Corporation and has a grid connection agreement in place.

## **Orapa Gas Supply Tender**

Botswana Power Corporation has issued a tender for supply and delivery of natural gas to the Orapa 90MW power plant, further demonstrating that Botswana is serious about getting on with business this year. The power plant provides power to the Orapa diamond mine – one of the largest diamond mines in the world. Orapa is currently running on intermittent grid power and emergency diesel generation. Anglo American PLC, owner of the De Beers group, and co-owner of Orapa along with the Government of Botswana, has publicly stated their objective to move to cleaner fuel sources. Gas from Tlou’s nearby discoveries could be ideally suited to assist with meeting their cleaner energy objectives. The Company will review the tender documentation and subject to meeting the eligibility criteria plan to submit a response. The tender closes in May.

**Tlou’s Managing Director Tony Gilby said:** *“We are looking forward to a productive 2021 with significant progress in key areas of the Company’s business being achieved so far. We have great expectations for the Serowe CBM play within the 100% owned Boomslang permit area and subject to funding we can drill to evaluate it with environmental approval secured.*

*Tlou’s flagship Lesedi project continues to advance towards first revenue with funds secured to commence the transmission line linking it to the existing electricity grid. Project funding to install generating capacity and fund more work on the ground is anticipated in the near future.*

*It is noted that gas developments within the highly prospective Mamba and Boomslang permit areas can be readily tied back to the Lesedi power station and in time could provide additional revenue generating opportunities for the Company. Our environmental approvals include gas gathering lines.*

*We have a strong pipeline of projects that are gradually coming to fruition. The recent capital raise has allowed Tlou to better control our project development and provide a firm foundation for near term growth.”*

## **By Authority of the Board of Directors**

Mr. Anthony Gilby  
Managing Director

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which is part of UK law by virtue of the European Union (withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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### Company Information

Tlou Energy is focused on delivering power solutions to Botswana and southern Africa to alleviate some of the chronic power shortage in the region. Tlou is currently developing projects using gas and plans to combine this with solar power to provide a cleaner base load power source.

Botswana has a significant energy shortage and generally relies on imported power and diesel generation to fulfil its power requirements. Tlou's Lesedi Power Project provides investors with access to a compelling opportunity to displace expensive, carbon intensive diesel and imported coal-fired electricity with a cleaner and more environmentally friendly alternative.

In addition to plans for cleaner energy, the Company is also committed to developing community projects in Botswana adding real value to peoples' lives in a region with sparse services and where few opportunities exist for the local population. This includes work to assist communities to become self-sustaining, develop business opportunities, improve access to education and create opportunities for self-employment and wealth creation.

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.

The project is significantly de-risked. The Company produced its first gas in 2014, has a Mining (or development) Licence valid to 2042 and 10 Prospecting (or exploration) Licences. The Company's project acreage covers a vast area spanning approximately 9,300 Km<sup>2</sup> in total.

Tlou's 'Lesedi' and 'Mamba' projects already benefit from significant independently certified 2P gas Reserves of ~41 Billion Cubic Feet (BCF). In addition, 3P gas Reserves of ~427 BCF and Contingent Gas Resources of ~3,043 BCF provide significant additional potential.

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

### **Forward-Looking Statements**

This announcement may contain certain forward-looking statements. Actual results may differ materially from those projected or implied in any forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results. No representation is made that any of those statements or forecasts will come to pass or that any forecast results will be achieved. You are cautioned not to place any reliance on such statements or forecasts. Those forward-looking and other statements speak only as at the date of this announcement. Tlou Energy Limited undertakes no obligation to update any forward-looking statements.