

TLOU ENERGY LIMITED**19 July 2018**

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

Key Points:

- **Tlou's core drilling rig has arrived at the Company's field camp in Botswana and when commissioned, will be utilised to provide flexible and cost-effective coring operations;**
- **Ordering of long lead time items, purchase of drilling equipment and rig selection for the gas production pods are progressing in a timely manner;**
- **A report detailing the optimum locations for the gas production pods is nearing completion.**

Core drilling rig

Tlou Energy Limited is pleased to announce that a recently purchased core drilling rig has arrived onsite at the Lesedi CBM project in Botswana. The rig has low hours and will be ideal for obtaining coal and gas data in regions of sparse geological information, noting that the Company holds 100% of licences covering over 8,000 Km².

Tlou already has its own desorption testing facilities onsite which allows the Company to test core-hole samples without the requirement to mobilise third party personnel. Owning the core rig and gas testing equipment is expected to greatly reduce the cost of Tlou's core-hole drilling and allows the company more flexibility and control of proposed coring operations.



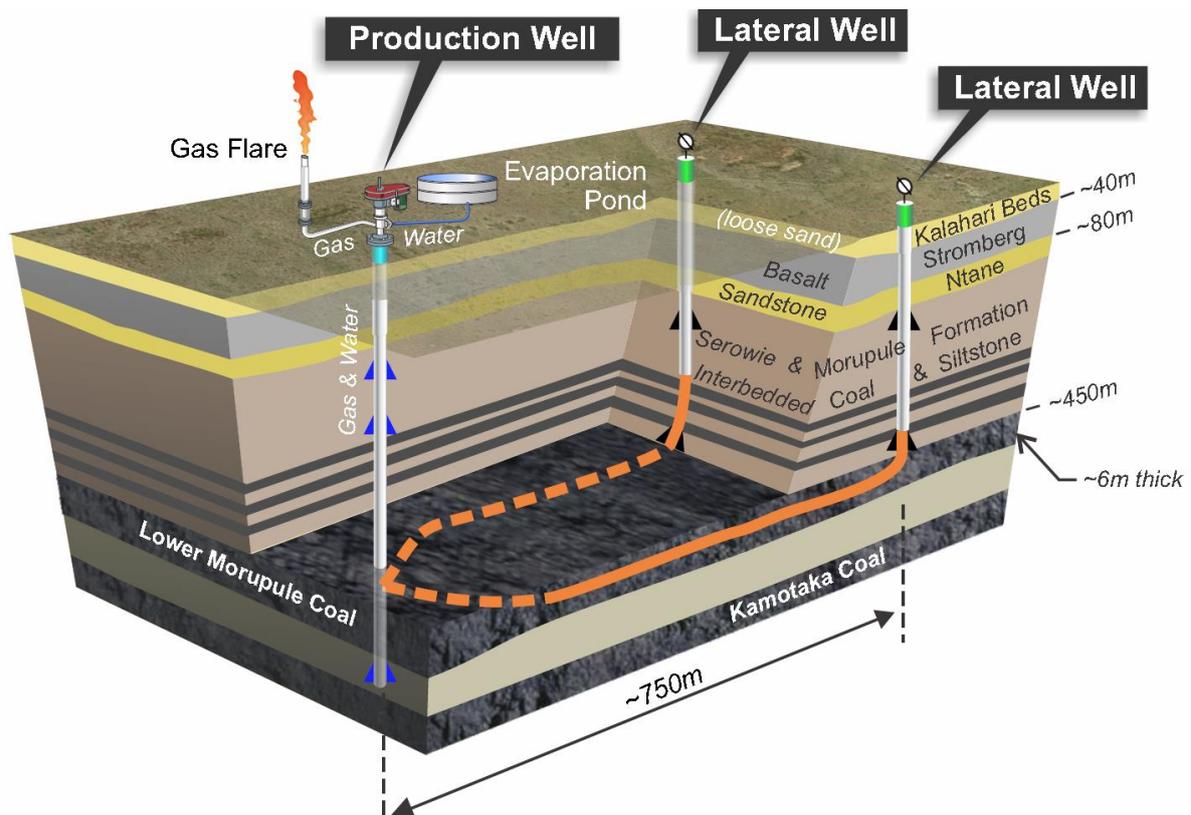
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Production drilling

As previously announced the Company is planning to drill production wells, commencing Q3 2018. Each gas production or “dual lateral” pod consists of three wells in total (two lateral wells which intersect a vertical well). In advance of this planned work, long lead items have been ordered and drilling rig selection is progressing with drilling of the first of the pods scheduled to begin later this quarter. Note that the rig required for these pods is a larger unit than the core drilling rig mentioned earlier and therefore is being externally sourced.



Production well locations

Tlou completed a seismic survey in late 2017 and a core-hole drilling program in early 2018. Following this work the company obtained a substantial upgrade of gas reserves. In addition, a significant amount of vital sub-surface information was acquired by the Company which continues to be assessed by Tlou’s independent consultants. This process is nearing completion and a final report detailing optimum locations for the new gas production wells will be completed in the near term.

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TLOU ENERGY LIMITED**Corporate**

Tlou Energy Limited has completed the quotation of all shares following the Non-Renounceable Entitlement Offer (“Entitlement Offer”) announced on 6 June 2018 and placement of shares not subscribed for under the Entitlement Offer.

Following admission of the Shares, the total number of voting rights of the Company's ordinary shares is 409,113,535. This figure of 409,113,535 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. 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 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.

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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. 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.

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