



ASIC
Australian Securities &
Investments Commission

INFRINGEMENT NOTICE

Section 12GX of the *Australian Securities and Investments Commission Act 2001*

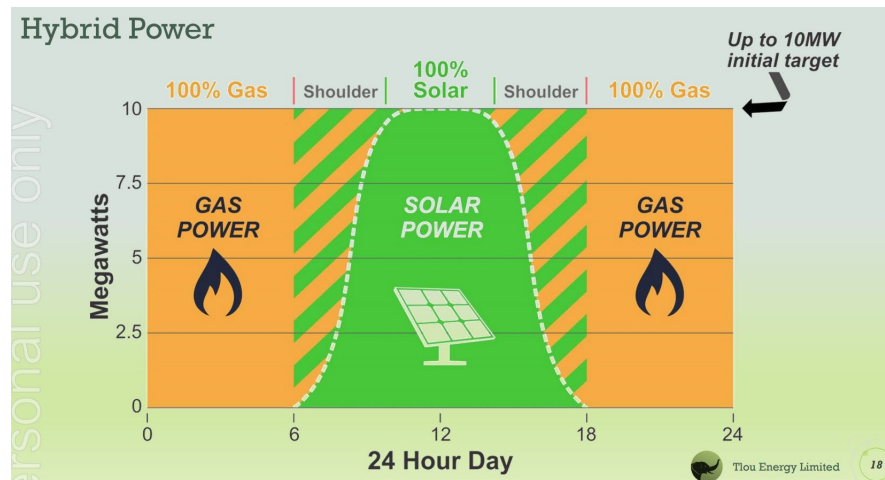
Date of giving this notice: 18 October 2022

Unique identification code: S02563039

TO: Tlou Energy Limited
ACN 136 739 967
210 Alice Street
BRISBANE, QLD, 4000

1. ASIC gives this infringement notice under section 12GX of the *Australian Securities and Investments Commission Act 2001* (the **ASIC Act**).
2. ASIC has reasonable grounds to believe that Tlou Energy Ltd (**Tlou**) has contravened an infringement notice provision as follows:
 - (a) On 21 October 2021, Tlou contravened section 12DB(1)(a) of the ASIC Act by, in trade or commerce, in connection with the supply or possible supply of financial services or in connection with the promotion by any means of the supply or use of financial services, making false or misleading representations with respect to the standard, quality, value or grade of services.
 - (b) Tlou published to the Australian Securities Exchange a presentation concerning the business operations of Tlou (in the same form or substantially the same form as Annexure A) (**Clean Energy Presentation**).
 - (c) The Clean Energy Presentation stated:
 - i. on page 12, under the heading ‘Lesedi Power Project – Tlou’s most advanced project’:

‘Environmental approval for 20MW gas-fired power and 20MW of Solar Power’ (**Representation 1**)
 - ii. on page 18, under the heading ‘Hybrid Power’ it contained the following diagram:



(Representation 2)

(d) By making representation 1 and 2 Tlou conveyed that, at the time of publishing the Clean Energy Presentation:

- i. Tlou had obtained environmental approval to develop a solar farm that could generate up to 20MW of electricity in addition to approval to generate 20MW of electricity through gas fired power;
- ii. Tlou would be capable of generating up to 10MW of electricity using solar generation; and
- iii. Tlou would be capable of generating electricity using solar generation from around the time the Lesedi project started selling electricity generated from natural gas.

(e) Representations 1 and 2 are representations about the standard, quality, value or grade of services (Tlou's securities) namely that the services were an investment in a company that had the environmental approval and capacity to generate certain quantities of electricity from solar power.

(f) Representation 1 and 2 were false or misleading because at the time the Clean Energy Presentation was published Tlou:

- i. did not have environmental approval to construct a 20MW solar farm in addition to generating 20MW through gas fired power as part of the Lesedi project;
- ii. did not have a generation licence allowing it to generate or sell up to 10MW of electricity generated through solar power;
- iii. had not acquired or installed solar power infrastructure at the Lesedi project site to allow it to generate up to 10MW of electricity through solar power;

- iv. did not plan to generate electricity from solar power until after it was selling electricity generated through the combustion of coal bed methane; and
- v. accordingly, at the time the Clean Energy Presentation was published Tlou had no reasonable basis to convey the matters in paragraph (d) above.

Amount payable under this notice

- 3. The amount payable under this notice in relation to the alleged contravention is \$13,320. This amount can be paid using the method detailed in the covering letter accompanying this notice.
- 4. The payment period for the notice will be 28 days, beginning after the day on which the notice is given, unless the period is extended, an arrangement is made for payment by instalments or the notice is withdrawn.

Consequences of complying with this notice

- 5. If Tlou pays the penalty stated in this notice within the time for payment mentioned above then (unless this notice is subsequently withdrawn and any penalty paid refunded):
 - (a) no proceedings (whether criminal or civil) will be brought against Tlou by the Commonwealth or ASIC for the alleged contravention of the infringement notice provision or an offence constituted by the same conduct; and
 - (b) Tlou will not be regarded as having contravened the infringement notice provision or having been convicted of an offence constituted by the same conduct.
- 6. Tlou may, in writing, apply to ASIC to have the period in which to pay the amount extended or for an arrangement to pay the amount by instalments.
- 7. Payment of the amount payable under this notice is not an admission of guilt or liability.

Consequences of failing to comply with this notice

- 8. If Tlou does not pay the penalty specified in this notice within the time for payment mentioned below, and the notice is not withdrawn, the Commonwealth or ASIC may bring proceedings under Subdivision G of Division 2 of Part 2 the consumer protection provisions of the ASIC Act (whether criminal or civil) against Tlou for the alleged contravention of the infringement notice provision or offence constituted by the same conduct.
- 9. The maximum pecuniary penalty that a court may order Tlou to pay for the alleged contravention is the greatest of:
 - (a) \$11,100,000; and

(b) if the Court can determine the benefit derived and detriment avoided because of the contravention – that amount multiplied by 3; and

(c) either:

- i. 10% of annual turnover of the body corporate for the 12-month period ending at the end of the month in which the body corporate contravened, or began to contravene, the civil penalty provision;
- ii. if the amount worked out under subparagraph (i) is greater than an amount equal to \$555 million - \$555 million.

Applying for more time to pay the penalty under this notice

10. ASIC may extend the compliance period for this infringement notice if ASIC is satisfied that it is appropriate to do so. The extension must not be for longer than 28 days.
11. If you wish to apply for an extension of time to pay the penalty specified in this notice, you should do so in writing within 28 days after the day the notice is issued to you (see paragraph 17).

Applying to have this notice withdrawn

12. Within 28 days after the day on which this notice is issued, Tlou may apply to ASIC in writing to have this notice withdrawn.
13. Evidence or information that Tlou or Tlou's representative gives to ASIC in the course of applying for this notice to be withdrawn is not admissible in evidence against Tlou or Tlou's representative in any proceedings (other than proceedings for an offence based on the evidence or information being false or misleading).

Withdrawal of this Notice

14. ASIC may, by written notice given to Tlou, withdraw this infringement notice if ASIC is satisfied that it is appropriate to do so, whether or not Tlou has applied to have this notice withdrawn.
15. A withdrawal notice must be given to you within the time for payment of this infringement notice to be effective.
16. If the withdrawal notice is given after Tlou has paid the penalty specified in this infringement notice, ASIC will refund to Tlou the amount paid under the infringement notice.

Requirements for applications

17. An application to have this notice withdrawn, or for more time to pay the penalty under this notice:

(a) must be in writing; and

- (b) must include the unique identification code set out at the top of this notice; and
- (c) must include your reasons for making the application; and
- (d) may be made by forwarding your application to ASIC at the address in paragraph 18.

18. You may contact ASIC in relation to this notice by contacting

Claire LaBouchardiere
Australian Securities and Investments Commission
GPO Box 9827
SYDNEY NSW 2000
or by email: ACLInfringementNotices@asic.gov.au



Claire LaBouchardiere
as a delegate of the Australian Securities and Investments Commission

Clean Energy for Botswana & Beyond

Powered by Tlou Energy Limited



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Disclaimer continued

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Shore Capital Stockbrokers Limited ("Shore Capital") is acting in the provision of corporate finance business to the Company, within the meaning of the Financial Conduct Authority's Conduct of Business Sourcebook ("COBS"), and no-one else in connection with the proposals contained in this Presentation. Accordingly, recipients should note that Shore Capital is neither advising nor treating as a client any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital under the COBS nor for providing advice in relation to the proposals contained in this Presentation.

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These Presentation Materials contain forward-looking statements, including in relation to the Company, the Group and the Group's proposed strategy, plans and objectives. Such statements are generally identifiable by the terminology used, such as "may", "will", "could", "should", "would", "anticipate", "believe", "intend", "expect", "plan", "estimate", "budget", "outlook" or other similar wording. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. By its very nature, such forward-looking information requires the Company to make assumptions that may not materialise or that may not be accurate. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from any future results, projections, guidance on future earnings and estimates, performance or achievements expressed or implied by such forward-looking statements and such statements should not be relied upon as an indication or guarantee of future performance. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates, and other factors, many of which are beyond the control of the Company. Furthermore, the forward-looking information contained in the Presentation Materials is made as of the date of the Presentation Materials and the Company accepts no obligation to disseminate any updates or revisions to such forward-looking statements. The forward-looking information contained in the Presentation Materials is expressly qualified by this cautionary statement.

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Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information on detailed resource statements can be found in the Company's ASX and AIM press releases. Resource statements are provided to comply with ASX guidelines but investors are urged to read supporting information in full on the Company's website.

The gas reserves and resource estimates for the Lesedi CBM Project provided in these Presentation Materials (refer slide 15) were released by RNS on 20 February 2018 ("Previous Announcement"). Tlou confirms that it is not aware of any new information or data that materially affects the information included in the Previous Announcement and that all of the material assumptions and technical parameters underpinning the estimates in the Previous Announcement continue to apply and have not materially changed. The gas reserve and resource estimates are based on and fairly represents, information and supporting documentation and were determined by Dr. Bruce Alan McConachie of SRK Consulting (Australasia) Pty Ltd, in accordance with Petroleum Resource Management System guidelines. Dr. McConachie is considered to be a qualified person as defined under the ASX Listing Rule 5.42 and has given his consent to the use of the resource figures in the form and context in which they appear in these Presentation Materials.

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Overview

Tlou is contributing to a cleaner, sustainable and more secure energy future for Botswana and beyond

Tlou Energy

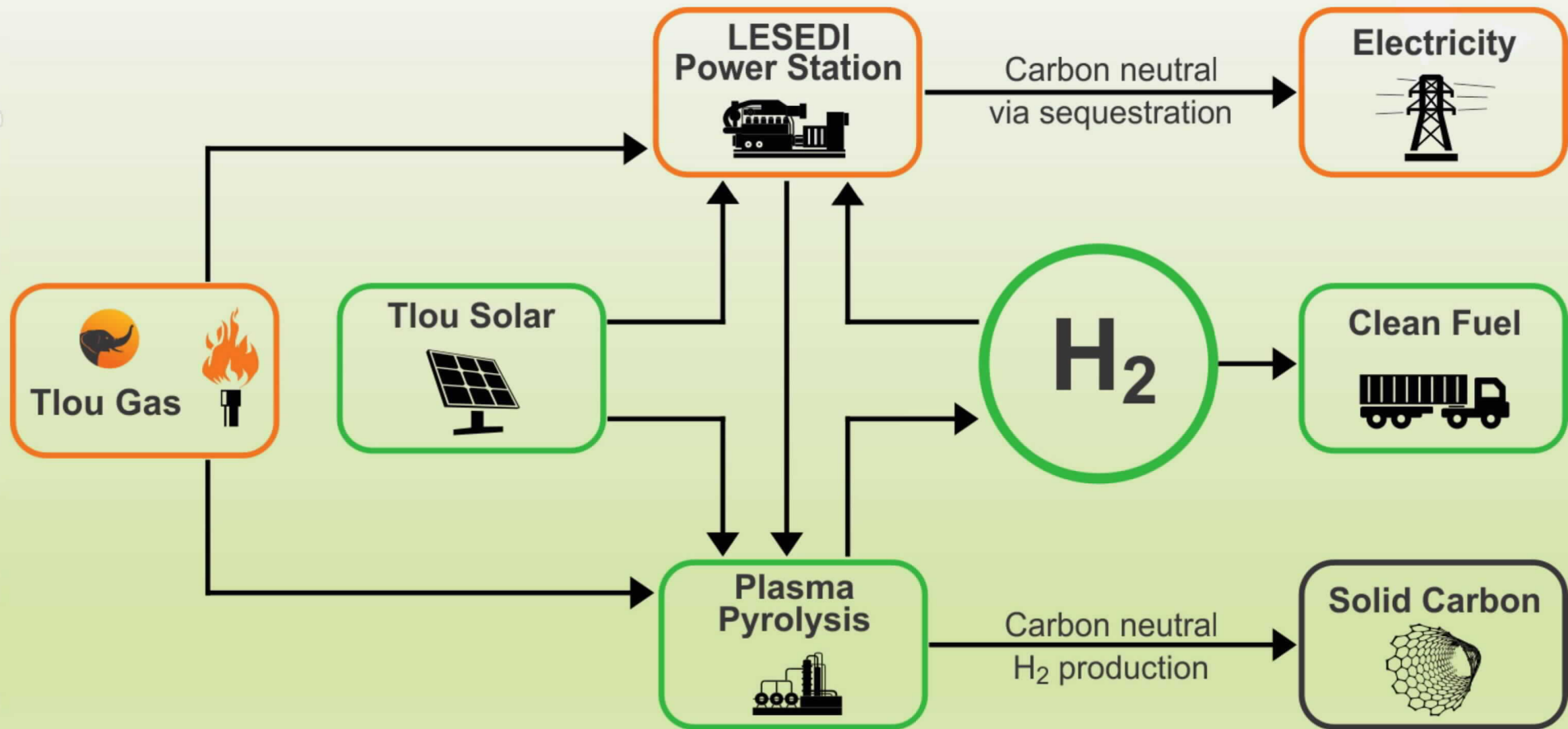
...Gas, Solar and Hydrogen

- Tlou is developing sources of clean energy in Botswana
- Strategic location in Botswana's Central District
 - ✓ Cleaner energy to displace coal and diesel power
 - ✓ Gas and solar power solutions
 - ✓ Hydrogen (H₂) and solid carbon production
- 10MW Power Purchase Agreement signed with BPC
- Extensive environmental approvals in place
- Generation licences secured to produce electricity from gas and solar
- Established and consistent gas flows
- Hydrogen prototype advancing



Tlou Energy Limited

Tlou's Gas, Solar & Hydrogen... cleaner fuel and power



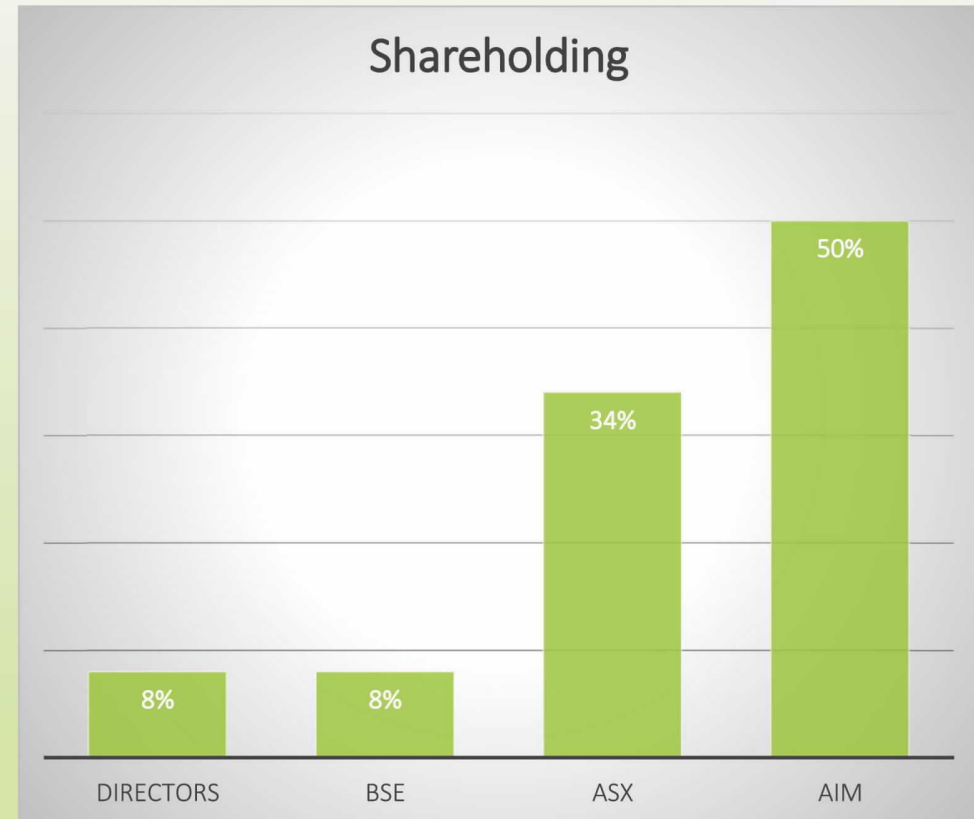
PRODUCTION FLOW



Tlou Energy Limited

Corporate Information

- The Company is listed on three markets
 - Botswana Stock Exchange – BSE
 - Australian Securities Exchange – ASX
 - London Stock Exchange – AIM
- Issued share capital: 600,199,039
- Top 20 holders: ~55%
- Office Location
 - 132 Independence Avenue, Gaborone, Botswana
 - 210 Alice St, Brisbane, Australia
- Key Advisors:
 - Nomad: Grant Thornton UK LLP
 - Broker: Shore Capital Stockbrokers Limited (UK)
 - Engineering: Mott MacDonald
 - Environmental: Ecosurv Consultants
 - Reserve Certifiers: SRK Consultants



The above information is based on data as at 3 September 2021



Tlou Energy Limited

Board



**Martin
McIver**

Non-Executive Chair

20 years experience in finance
and mining services



**Gabaake G.
Gabaake**

Executive Director

Geologist, former Botswana
Permanent Secretary at
Ministry of Minerals Energy &
Water



**Colm
Cloonan**

Finance Director & CFO

Finance professional;
20 years experience
including power generation
in Australia



**Anthony (Tony)
Gilby**

MD / CEO

MD or Director of public
companies for ~20 years;
Co-founder Tlou Energy;
BSc (Hons 1)



**Hugh
Swire**

Non-Executive Director

Worked in China for 10 years
including solar sector selecting
premium solar suppliers for UK
market; Former JP Morgan VP



Tlou Energy Limited

ersonal use only

Key Management



**Solomon
Rowland**

General Manager

Lawyer, Co. Secretary, over 18 years experience



**Danny
Horne**

Chief Operations Officer

30 years in the drilling industry including 18 years in the Oil & Gas Sector



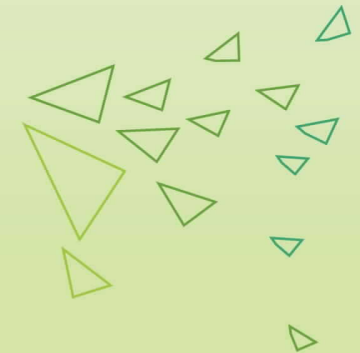
**Remigiyo
Mavata**

Chief Geologist

Geologist, 20+ years African experience in multidisciplinary exploration in conventional and unconventional reservoirs

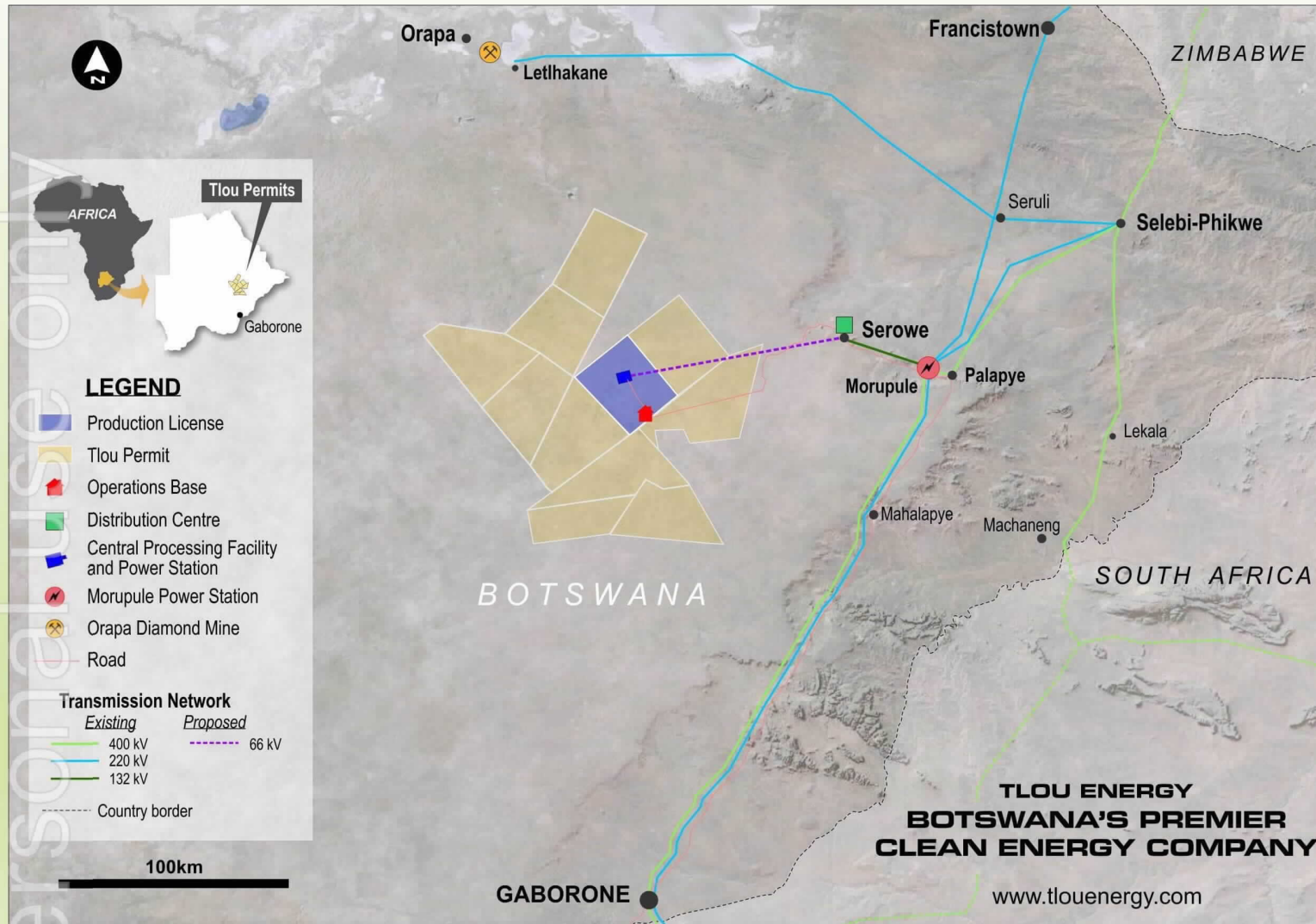


Tlou Field Camp – Lesedi Project, Botswana



Tlou Energy Limited

Location



*Project located in
Botswana's Central
District*



Tlou Energy Limited

Power need in Sub-Saharan Africa



A Changing Environment

Strong momentum towards cleaner energy to prevent environmental degradation



Over-reliance on Carbon-intensive Power

Existing electricity is largely produced from carbon intensive coal and diesel



Power Deficits

Regional power supply is currently unable to meet demand and reliance on imported energy is costly and unsustainable



A Clean Solution

Cleaner power can help alleviate power deficits and reduce carbon footprint



Green Future

A greener and less carbon intensive future is possible with evolving technologies



Clean Energy – Gas, Solar, Hydrogen

Strategy

Cleaner energy with planned modular expansion as risk is reduced

Proven gas has enormous potential as does solar in Botswana

Opportunities to leverage that potential are constantly being evaluated

Ability to rapidly change direction as business landscape changes

Gas-to-Power

Tlou's low emission gas-to-power strategy is steadily progressing

10MW PPA signed with Botswana Power Corporation (BPC)

Construction of Transmission lines to connect to the electricity grid is set to commence

Huge potential for expansion due to the regional power demand

Solar

Project located in an ideal location in Botswana

Desire in the region to move to cleaner products and remove reliance on coal fired power

A hybrid process using gas and solar could be developed to provide 24-hour baseload power

Shift to cleaner energy could help attract foreign investment

Hydrogen

Hydrogen is becoming increasingly recognised as an ideal source of zero carbon emission energy

Hydrogen production processes and technology have advanced and costs have decreased

Hydrogen production has considerable synergies with Tlou's current operations

Potential to also produce lucrative solid carbon products



ersonal use only

Lesedi Power Project – Tlou's most advanced project

The Lesedi Gas-to-Power project is proposed to generate electricity from gas for sale into the power grid. The first phase of development is planned to produce up to 10MW with further expansion thereafter.

Completed

Gas Produced from Lesedi wells

Mining Licence secured which allows project development; valid until 2042

Environmental approval for 20MW of Gas-fired power and 20MW of Solar power

10MW Power Purchase Agreement signed with Botswana Power Corporation (BPC)

Generation Licence approved by Botswana Energy Regulatory Authority (BERA)

Construct 66kV Transmission Lines to connect the Lesedi project to the grid (~100 Km)

Install generation assets

Planned

Drill additional gas wells

Once the initial 10MW is in place the Company plans further expansion

Secure further offtake agreements and supply power into the SADC region

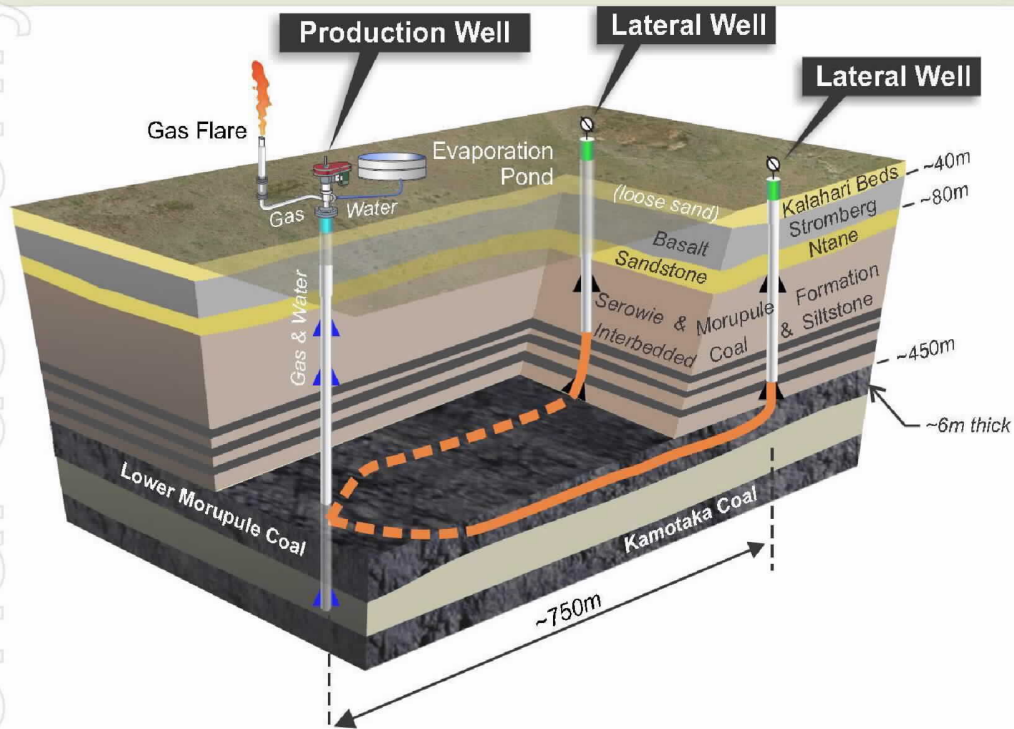


Tlou Energy Limited

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Gas Production

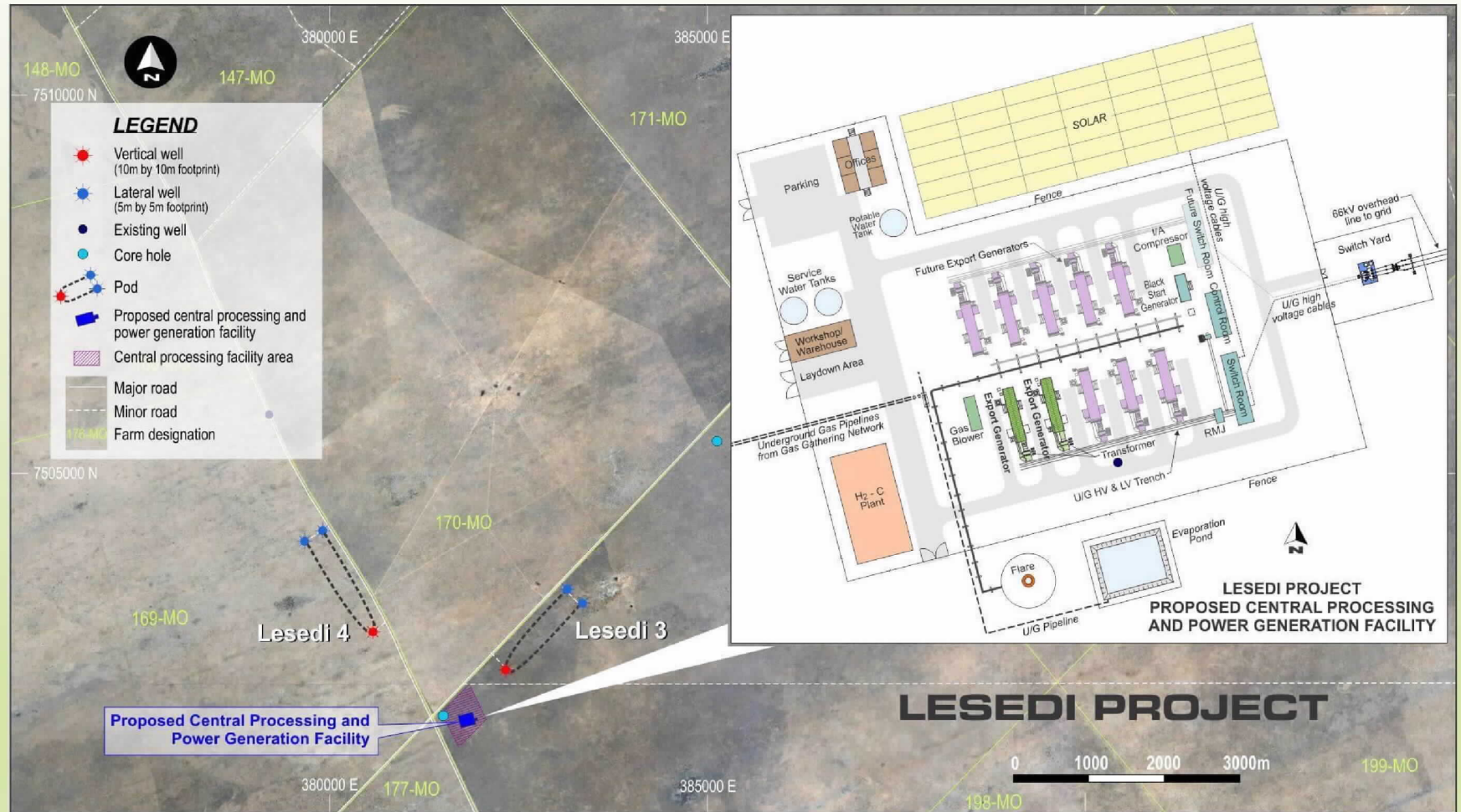
Tlou's gas wells, referred to as 'Dual lateral Pods' consist of two lateral wells that intersect with a vertical well to produce gas.



Tlou Energy Limited

Central Processing Facility (CPF)

*CPF designed for
Solar, Hydrogen
and Gas-fired
power generation*



Tlou Energy Limited

Independent Gas Reserves Certification⁽¹⁾

0.35 BCF (1P)
40.8 BCF (2P)
426.6 BCF (3P)

			Gas Reserves ⁽¹⁾			Gas Contingent Resources ⁽²⁾			
Location	Project	Tlou Interest	1P (BCF)	2P (BCF)	3P (BCF)	1C (BCF)	2C (BCF)	3C (BCF)	Gas Prospective Resource (BCF) ³
Karoo Basin Botswana	Lesedi CBM (Lower Morupule coal) (ML 2018/18L, PL001/2004)	100%	0.34	25.2	252	4.6	45.6	331	-
Karoo Basin Botswana	Lesedi CBM (all coal seams) (ML 2018/18L, PL001/2004) ⁴	100%	0.34	25.2	252	4.6	214	3,043	-
Karoo Basin Botswana	Mamba CBM (Lower Morupule coal) (PL238/2014- PL241/2014)	100%	0.01	15.5	175	n/a	n/a	n/a	-
Karoo Basin Botswana	PL003/2004, PL035/2000, PL037/2000	100%	-	-	-	-	-	-	8,596 ⁶

Notes:

Gas Resource numbers have been rounded to the nearest tenth for amounts less than 100 BCF, otherwise to the nearest whole number. Refer to Competent Persons Statement in the disclaimer slide of this presentation.

1) Tlou's Gas Reserves have not been adjusted for fuel or shrinkage and have been calculated at the wellhead (which is the reference point for the purposes of Listing Rule 5.26.5).

2) Contingent Gas Resources are (100%) Unrisked Gross and are derived from the SRK certification at 31 March 2015 for all coal seams (as previously announced by Tlou on 9 April 2015) with adjustment for the gas volumes which have now been certified by SRK in the Gas Reserves category.

3) ASX Listing Rule 5.28.2 Statement relating to Prospective Resources:

The estimated quantities of petroleum gas that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

4) The Gas Reserves and Contingent Gas Resources for all coal seams in PL001/2004 and ML 2018/18L shown in the table above includes the numbers for the Lower Morupule coal seam which are shown in the first row of the table.

5) The most recent Reserves assessment by SRK did not include a review and assessment of additional Contingent Resources in the Lesedi Project Area or Contingent Resources in the Mamba Project area.

6) Prospective Gas Resources are (100%) Unrisked Gross and are derived from a report to Tlou from Netherland, Sewell and Associates Inc (NSAI) dated 16th February 2012 regarding certification for all coal seams located in the remaining prospecting licences (as previously announced by Tlou in its prospectus dated 20 February 2013).



Tlou Energy Limited

15

Substation and Production well

Serowe Substation – where Tlou plans to connect its transmission line to the regional electricity grid



Gas Production well in the Lesedi project area



Tlou Energy Limited



Solar Power

Tlou's solar energy strategy is steadily progressing in a region of high solar incidence

Initial generation licence approved by BERA

Full environmental approvals in place for expansion

Can be used as a stand-alone clean and renewable power supply

Can be combined with Tlou's gas to provide 24 hours of cleaner baseload power supply

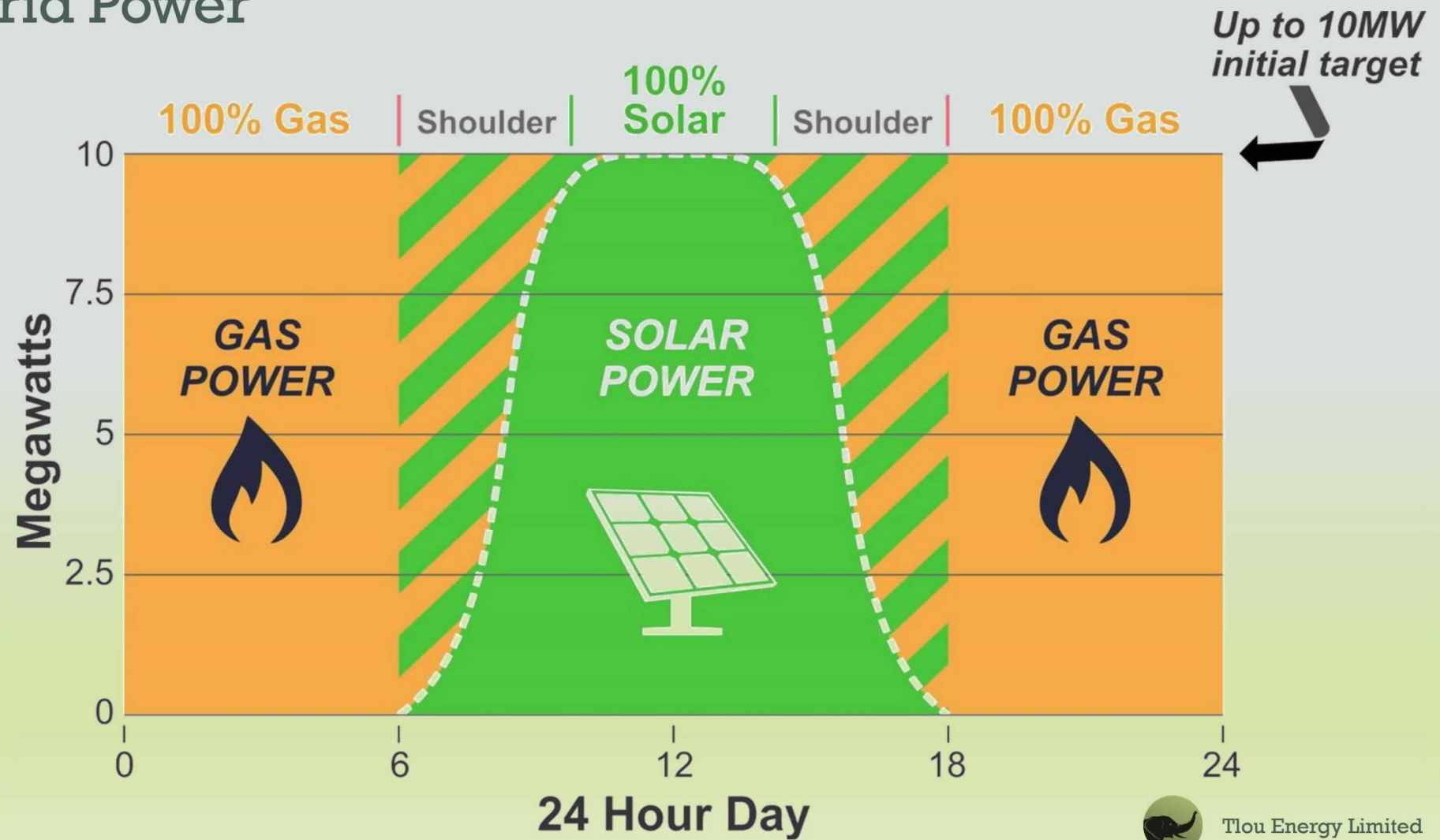
Can be used to produce "Green" hydrogen i.e. hydrogen sourced using renewables alone



Tlou Energy Limited



Hybrid Power



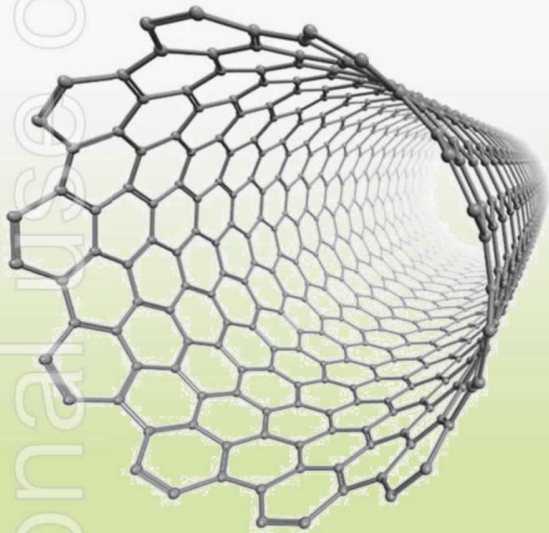
Tlou Energy Limited

Hydrogen



Tlou aims to produce Hydrogen initially by Pyrolysis

- A proven, clean transport fuel
- Potential to produce “Green” or “Turquoise” Hydrogen
- Transportation use + value added products, e.g. carbon black, graphite
- Blend hydrogen with methane and use in gas-fired generators to supply existing PPA
- Binding HOA with Australian based hydrogen developer Synergen Met covering all of Southern African Development Community (SADC)
- HOA with Synergen Met includes an option to participate in their IPO



Carbon Nanotube



Tlou / Synergen Met – Hydrogen proposal

Hydrogen and solid carbon prototype unit being built in Brisbane

Unit to be installed at the Lesedi Project in early 2022

Prototype planned to convert existing gas flow to Hydrogen and Solid Carbon using Plasma torch technology

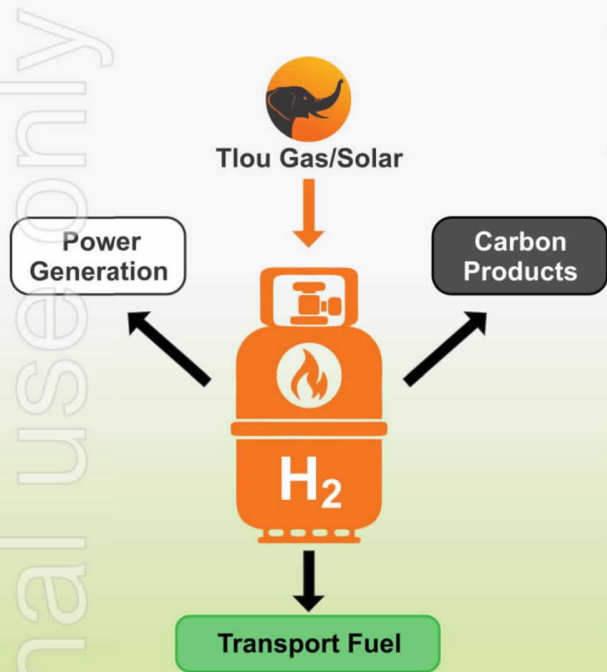
Compress H_2 and use as clean fuel for field operations and power generation

Potentially lucrative Solid Carbon (Carbon Black) or Graphite could create an additional revenue stream

Carbon black can be used in tyre manufacture

Graphite is the single largest input to lithium batteries

Botswana will have access to a clean transport fuel with enormous upside for Tlou and the region





Environmental, Social and Governance

Tlou Energy supports various groups to enhance the lives of the local population and regional communities



Tlou Energy Limited

Environmental, Social and Governance



Powering Botswana's communities

Potential benefits of Tlou's project include:

- Allowing farms and communities to become more productive using reliable and cleaner power.
- Facilitating clean cooking by reducing the need to burn wood as the affordable electricity network grows
- Enhancing energy security for Botswana
- Creating employment and upskilling Botswana's workforce
- Diversification of the economy
- Government revenue generation by broadening tax base, earning royalties and ultimately exporting power



Environmental, Social and Governance

Projects supported by Tlou Energy include:

Moralane

- ❖ Village Community Development Initiative
 - Consultation with local village and other stakeholders to identify:
 - Job Creation
 - Poverty Eradication
 - Youth Empowerment
 - Development of entrepreneurial business ventures founded on local skills and supported by resources that are easily available in the locality

Y-Care

- ❖ Charitable Trust
 - Non-profit organization raising funds for less privileged communities and individuals
 - Funds channeled through NGO's working with:
 - Youth / Children
 - Health
 - Environment
 - Arts and cultural issues

Broadcasters Organisation

- ❖ Youth organisation, to promote academic excellence in primary schools
 - 300 primary schools working with the organisation
 - Destiny Shapers National Awards (DSNA), annual event aimed at promoting academic excellence among students and teachers



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Environmental, Social and Governance

Western Sandveldt Farmers Association

The Company has been in consultation with the Western Sandveldt Farmers Association to progress ideas to develop the Lesedi project area and provide significant benefit of the community.

Farming

- Access to power has the potential to significantly increase output from local farms

Abattoir

- Construction of a local abattoir would reduce the need for farmers to travel long distances to sell their livestock

School

- Tlou will supply power and assist with the construction of a school in the project area
- This would increase early childhood development and to reduce the need for children to travel long distances for education

Safety

- Accommodate a police station in the area
- Set up a wildlife station to protect against illegal poaching

Health

- A health clinic would provide the local population with vital access to a health professional and medicine





Environmental Impact Statement (EIS)

Tlou Energy is committed to providing continuous environmental and social monitoring of its operations to assure stakeholders of its sustainable operations that aim to preserve the environment

The Company has an approved EIS in place for the planned development including:

- ✓ Installation of power generation assets
- ✓ Drilling of gas wells
- ✓ Transmission line route and construction
- ✓ Exploration activities

As part of the EIS process, extensive engagement with stakeholders was undertaken including:

- Local population
- Key Government Departments
- Land Boards
- Farmers

All stakeholders are consulted so concerns are addressed and ideally that they can all benefit from Tlou's project

The project will have minimal impact on agricultural land

Farmers able to continue farming their land while Tlou produces gas

Compensation will be paid to Farmers affected

Project can create significant local direct and indirect employment



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Environmental Impact Statement (EIS) continued

➤ Upstream EIS

- Upstream operations involves the exploration and development of Tlou's gas fields
- The approved upstream EIS includes:
 - Drilling and completion of production pods, pilot wells, core-holes, stratigraphic boreholes, water wells
 - A central facility for the gathering and beneficiation of gas and water and associated pipework
 - Base camp and Fly camps and associated facilities
 - Seismic surveying
 - Installation of permanent or semi-permanent access roads

➤ Downstream EIS

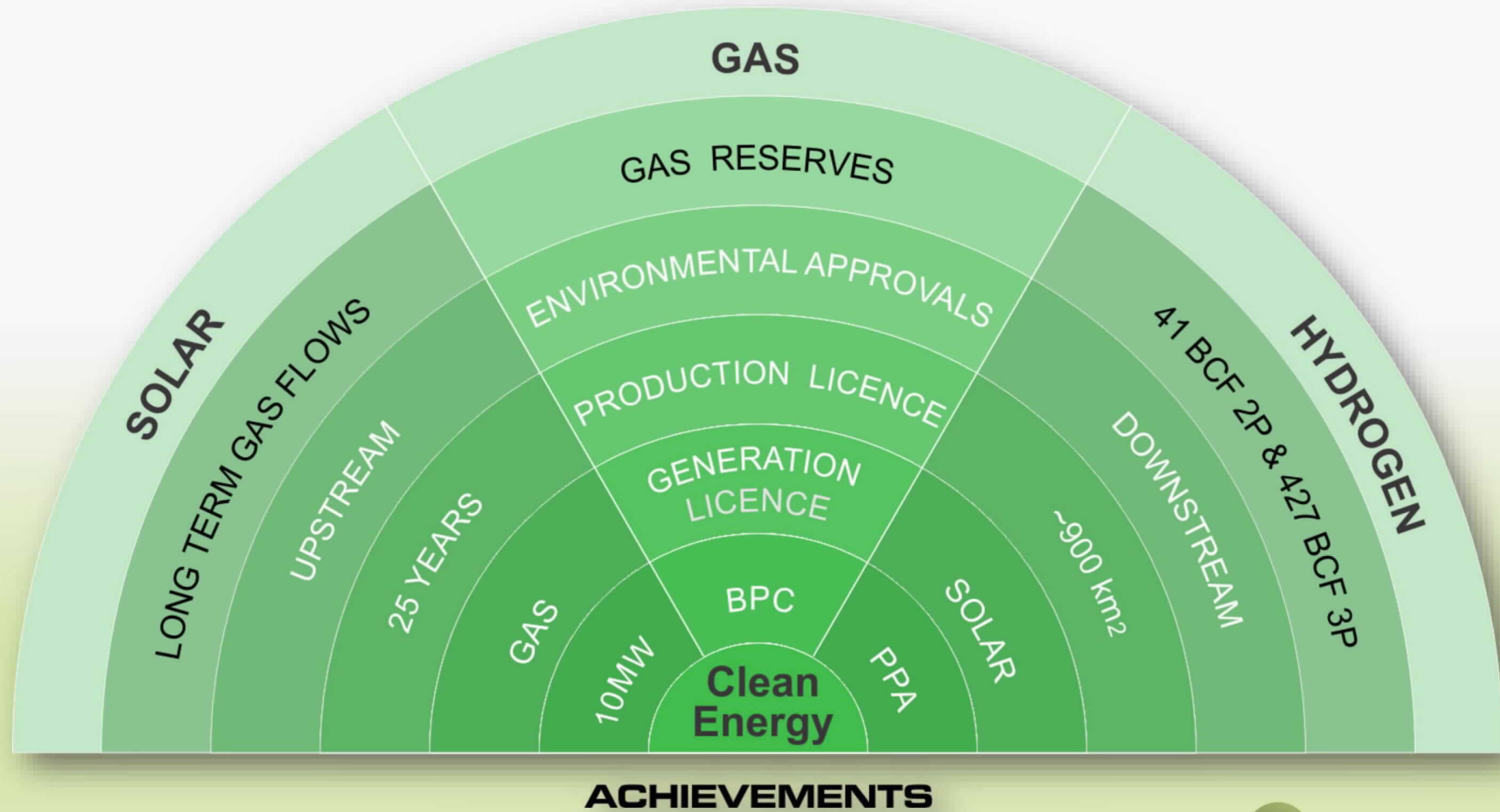
- Downstream operations include power generation assets, solar panels and a transmission line to connect to the grid
- Tlou's downstream EIS provides the Company the flexibility to rapidly expand
- The approved downstream EIS includes:
 - 20 MW of gas fired generation
 - 20 MW of solar power
 - A 66kV transmission line to connect Tlou's project to the power grid

➤ Carbon Neutral

- Tlou aims to reduce the impact the project has on the environment as much as possible
- Gas fired generation is much less carbon intensive than current sources of power which includes coal and diesel, thus reducing emissions
- Ideally the Company will be able to offset carbon emissions in the future in an effort to be Botswana's first carbon neutral power producer



Summary...ready for development and de-risked





Botswana Clean Energy Hub

Powered by Tlou Energy Limited

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www.tlouenergy.com

Gas, Solar, Hydrogen...

- ✓ Clean energy for Botswana and beyond
- ✓ Production of electricity, H₂ and carbon products
- ✓ Extensive environmental approvals secured
- ✓ Social and economic benefits for Botswana
- ✓ Supportive stakeholders including government
- ✓ Sustainable employment and an enhanced quality of life in the region



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