



INFRINGEMENT NOTICE

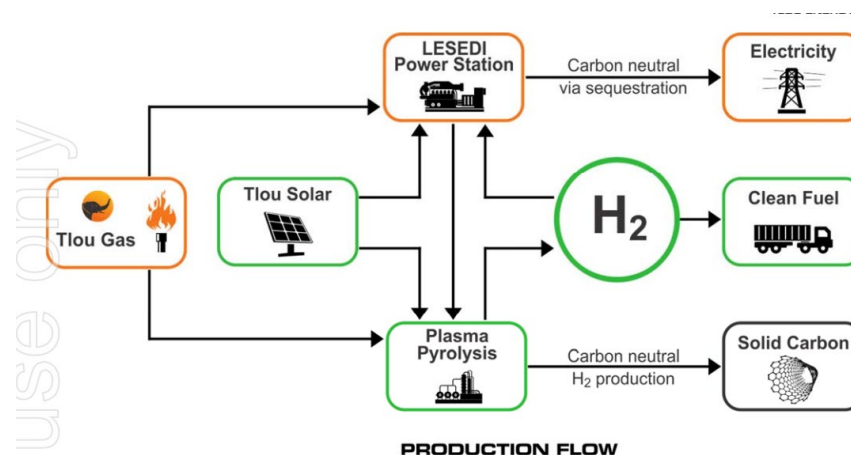
Section 12GX of the *Australian Securities and Investments Commission Act 2001*

Date of giving this notice: 18 October 2022

Unique identification code: S02563038

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 25 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 report titled Operational Report – Quarter Ending 30 September 2021 concerning the business operations of Tlou (in the same form or substantially the same form as Annexure A) (**Operations Report**).
 - (c) Page 4 of the Operations Report included the following diagram:



- (d) By publishing the Operations Report, which included the above diagram, Tlou conveyed that all electricity generated at the Lesedi power station would be carbon neutral via sequestration from around the outset of power generation (**Carbon Neutrality Representation**). The Carbon Neutrality Representation is a representation about the standard, quality, value or grade of services (Tlou's securities) namely that the services were an investment in a company that would, through its Lesedi power station, produce carbon neutral energy from the outset of power generation.
- (e) The Carbon Neutrality Representation was false or misleading because at the time the Clean Energy Presentation was published Tlou had:
- i. not undertaken any substantive modelling of the likely carbon dioxide emissions that would be generated by the Lesedi Project and would be required to be offset via sequestration for the electricity generated to be 'carbon neutral via sequestration';
 - ii. not investigated or obtained any studies in relation to whether it would be feasible to use carbon sequestration as a method to offset carbon dioxide emissions associated with the Lesedi project;
 - iii. not undertaken any meaningful investigation of the feasibility of the Lesedi project producing carbon neutral electricity via sequestration, including the likely cost of doing so or the timeframe for achieving that;
 - iv. not undertaken any meaningful investigation as to whether it would be possible to obtain carbon credits or offsets in relation to any sequestration activities undertaken at the Lesedi project.; and
 - v. accordingly, at the time the Clean Energy Presentation was published Tlou had no reasonable basis to conclude that it was possible or feasible to achieve carbon neutrality via sequestration, or any certainty in relation to the cost or timeframe for doing so.

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
BRISBANE QLD 4000
or by email: ACLInfringementNotices@asic.gov.au



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

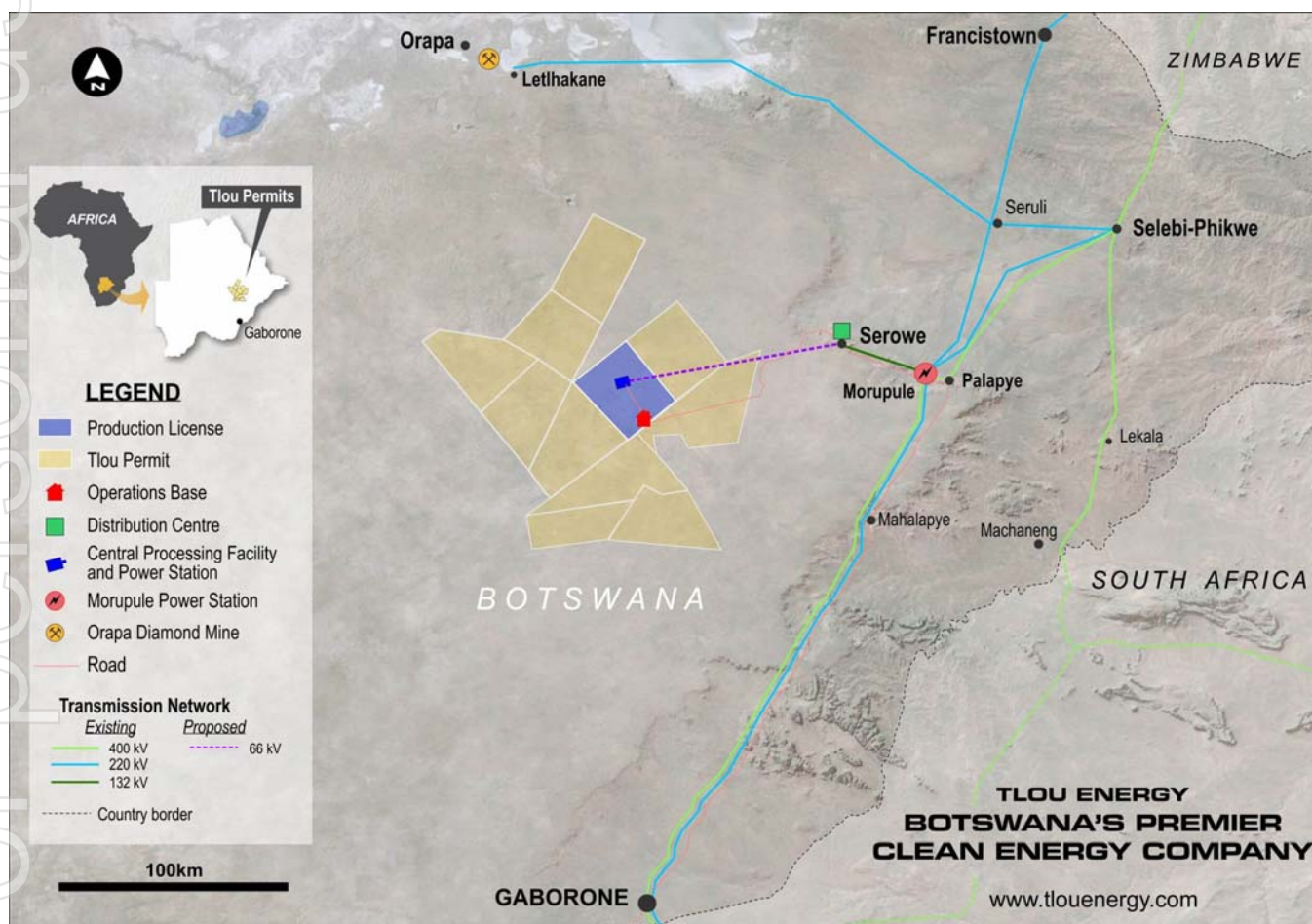


25 October 2021

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

Operational Report - Quarter ending 30 September 2021

Tlou Energy Limited is developing power solutions in Sub-Saharan Africa through gas-fired power, solar power and hydrogen projects. The company is listed on the ASX (Australia), AIM (UK) and the BSE (Botswana). The Lesedi Power Project ("Lesedi") is the Company's most advanced project. Tlou plans to develop gas and solar power generation assets at Lesedi with electricity to be sold into the power grid.



Project Areas

The Company has three project areas in Botswana:

- Lesedi Project – *Gas & Solar Power, Hydrogen production*
- Mamba Project – *Exploration & Evaluation*
- Boomslang Project – *Exploration & Evaluation*



Lesedi Project Area, Botswana

Licences: Production Licence 2017/18L, Prospecting Licences 001 & 003/2004 and 35 & 37/2000

Ownership: Tlou Energy Limited 100%

The Lesedi project license covers an area of approximately 3,800 Km² and consists of four Prospecting Licences (PL) and a Production Licence. The Lesedi Power project is located in the Company's Production Licence area (~800 km²).

The Lesedi project has all approvals in place to allow development to commence. The first phase will be a 10MW power project with electricity to be sold to Botswana Power Corporation. Once in full production, 10MW of generation could provide annual revenue of approximately US\$10m.

Key stages of the development are outlined below:

- Construction and installation of an overhead transmission line and substations to connect Lesedi to the electricity grid
- Installation of generation assets
- Commissioning and testing
- Sale of first power

During the quarter, the Company agreed the terms including the interest rate for a facility to fund initial development of the Lesedi project. Legal agreements in relation to this proposal are being prepared. These agreements will need to be finalised and signed before the package becomes binding.

The status of the Lesedi area licences is as follows:

Licence	Expiry	Status
Production Licence 2017/18L	August 2042	Current
PL 001/2004	September 2023	Current
PL 003/2004	September 2023	Current
PL 035/2000	September 2022	Current
PL 037/2000	September 2022	Current

Mamba Project Area, Botswana

Licences: Prospecting Licences 237-241/2014

Ownership: Tlou Energy Limited 100%

The Mamba project consists of five Prospecting Licences covering an area of approximately 4,500 Km². The Mamba area is situated adjacent to Lesedi. In the event of a gas field development by Tlou, the Mamba area provides the Company with flexibility and optionality.

The Mamba project is in the exploration and evaluation phase with further operations required on these licences. The next stage of exploration is likely to be core hole drilling. Positive results from operations at Mamba could expand the reserves footprint across Tlou's project areas.



In the event of successful development at Mamba, it is envisioned that this area would be developed as a separate project from Lesedi, again with the potential for gas-fired power, solar power and hydrogen production.

The status of the Mamba area licences is as follows:

Licence	Expiry	Status
PL 237/2014	September 2023	Current
PL 238/2014	September 2023	Current
PL 239/2014	September 2023	Current
PL 240/2014	September 2023	Current
PL 241/2014	September 2023	Current

Boomslang Project Area, Botswana

Licence: Prospecting Licence 011/2019

Ownership: Tlou Energy Limited 100%

Prospecting Licence, PL011/2019 designated "Boomslang", is approximately 1,000 Km² and is situated adjacent to the Company's existing licences.

To date, the Company has not carried out ground operations in the Boomslang area having only received environmental approval to commence exploration activities earlier this year.

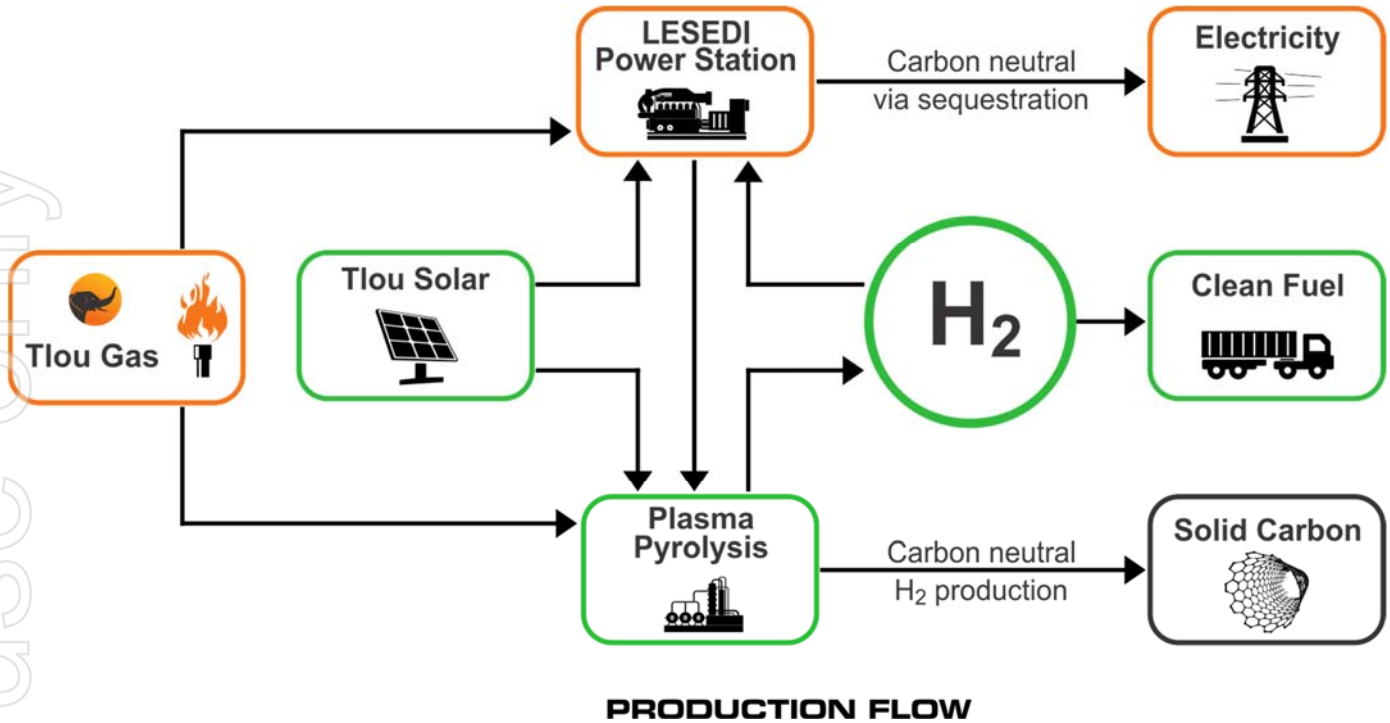
The status of the Boomslang area licence is as follows:

Licence	Expiry	Status
PL 011/2019	March 2022	Current

Hydrogen

Tlou's Hydrogen plans are also gathering pace. During the quarter Tlou signed a binding Heads of Agreement (HOA) with Synergen Met Pty Ltd, a leading hydrogen developer applying unique intellectual property in the form of plasma technology to convert methane to hydrogen. The HOA involves the construction and commissioning of a hydrogen and solid carbon prototype to be installed at the Lesedi Project.

Design work has commenced on the prototype unit which is proposed to produce hydrogen and solid carbon using Tlou's existing gas flows at Lesedi. The prototype will be constructed and tested in Queensland prior to transportation to Tlou's Lesedi project in 2022.



10MW Power Purchase Agreement

Post quarter end the Company announced that a 10MW Power Purchase Agreement (PPA) was signed between the Company and Botswana Power Corporation (BPC). Under the terms of the PPA, BPC will purchase up to 10MW of power generated at Tlou's Lesedi power project. The PPA is for an initial five-year term with the 10MW project being the first phase of Tlou's planned power project expansion.

By Authority of the Board of Directors

Mr. Anthony Gilby
Managing Director

For further information regarding this announcement please contact:

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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.

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