



**ASIC**  
Australian Securities &  
Investments Commission

## INFRINGEMENT NOTICE

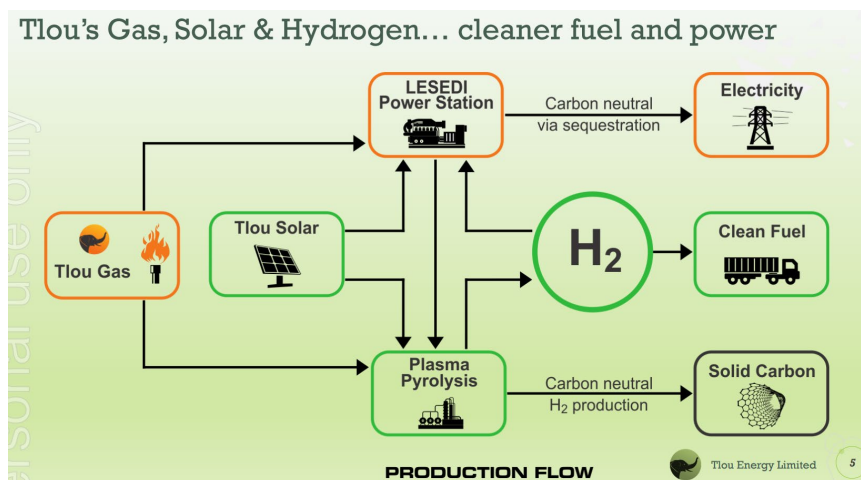
### Section 12GX of the *Australian Securities and Investments Commission Act 2001*

Date of giving this notice: 18 October 2022

Unique identification code: S02563037

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 20 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) Page 5 of the Clean Energy Presentation included the following diagram under the heading 'Tlou's Gas, Solar & Hydrogen... cleaner fuel and power':



- (d) By publishing the Clean Energy Presentation, 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](mailto: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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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

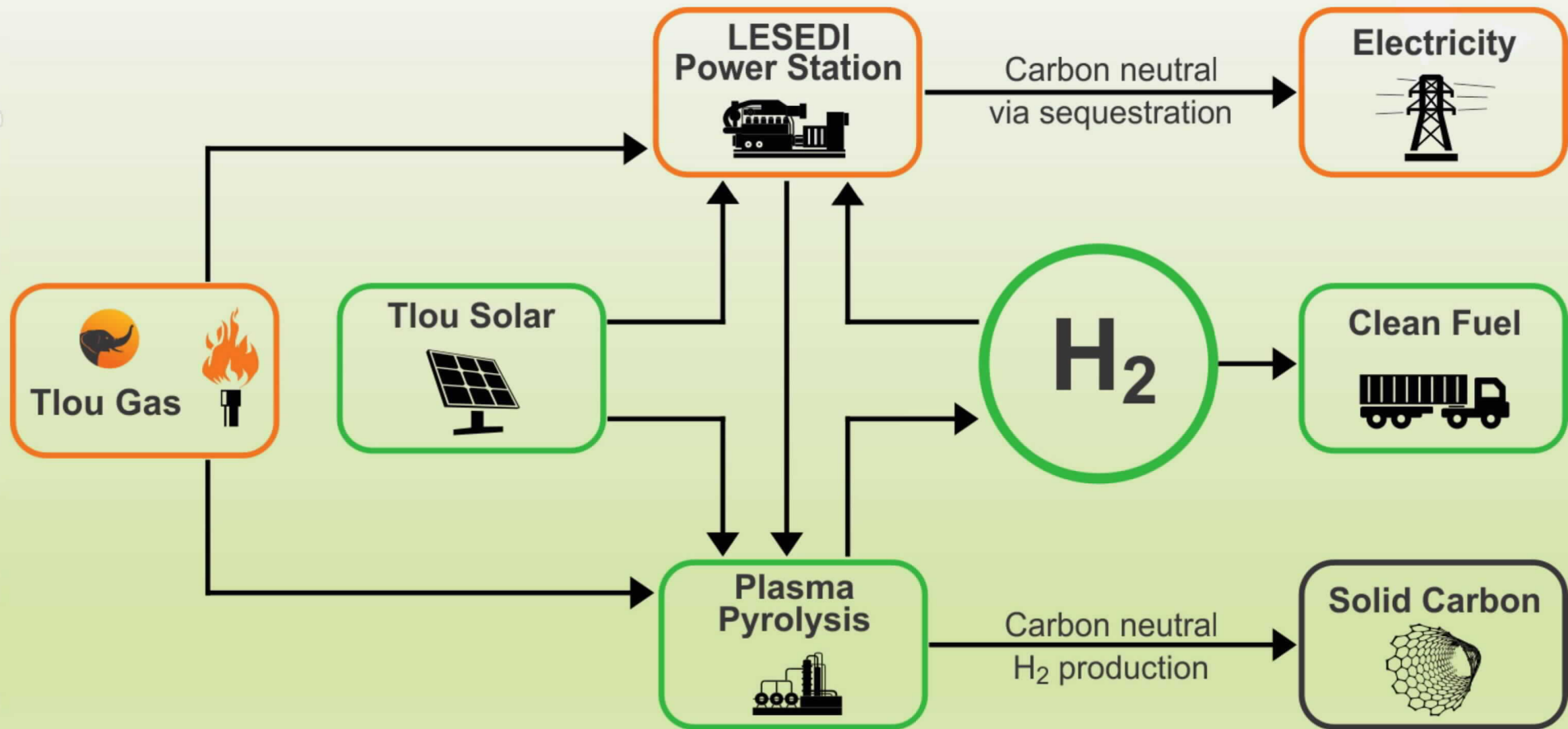
### ...Gas, Solar and Hydrogen

- 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 (H<sub>2</sub>) 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



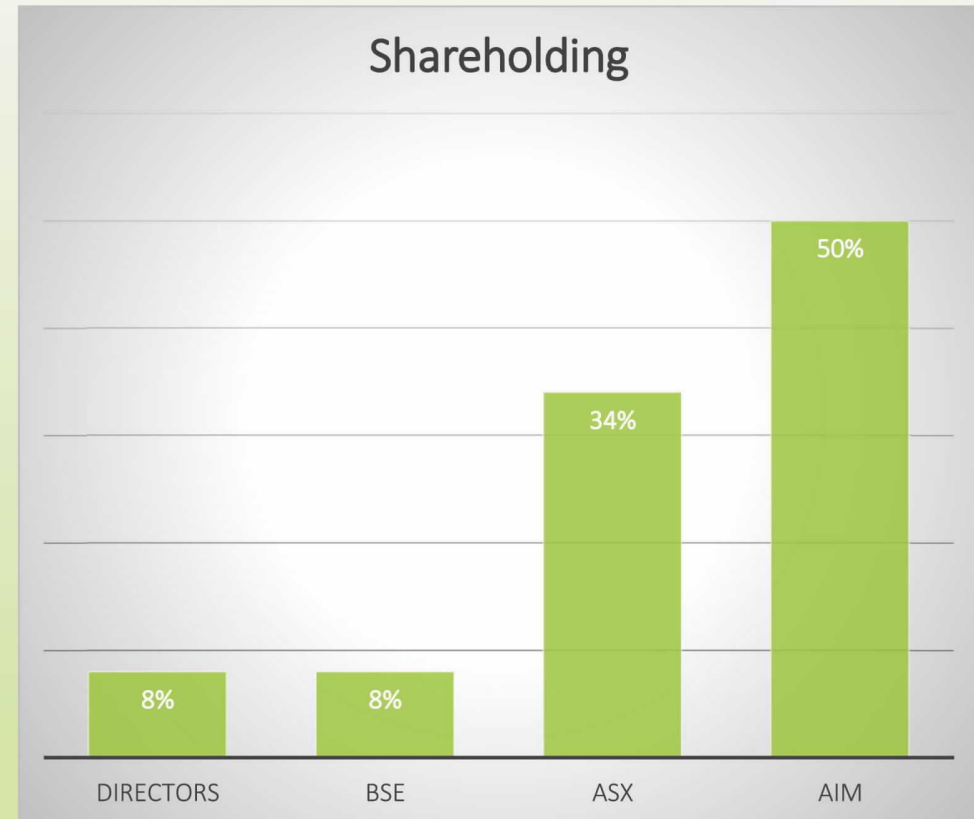
**PRODUCTION FLOW**



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

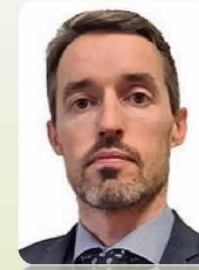
20 years experience in finance  
and mining services



**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

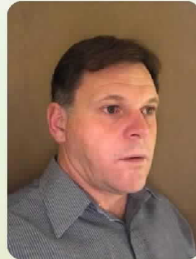
# Key Management



**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



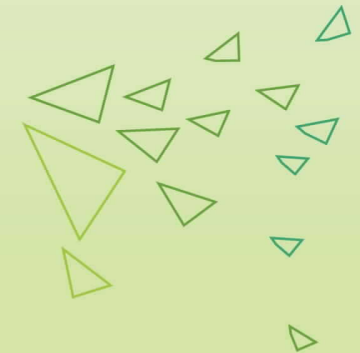
**Remigiyo Mavata**

Chief Geologist

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



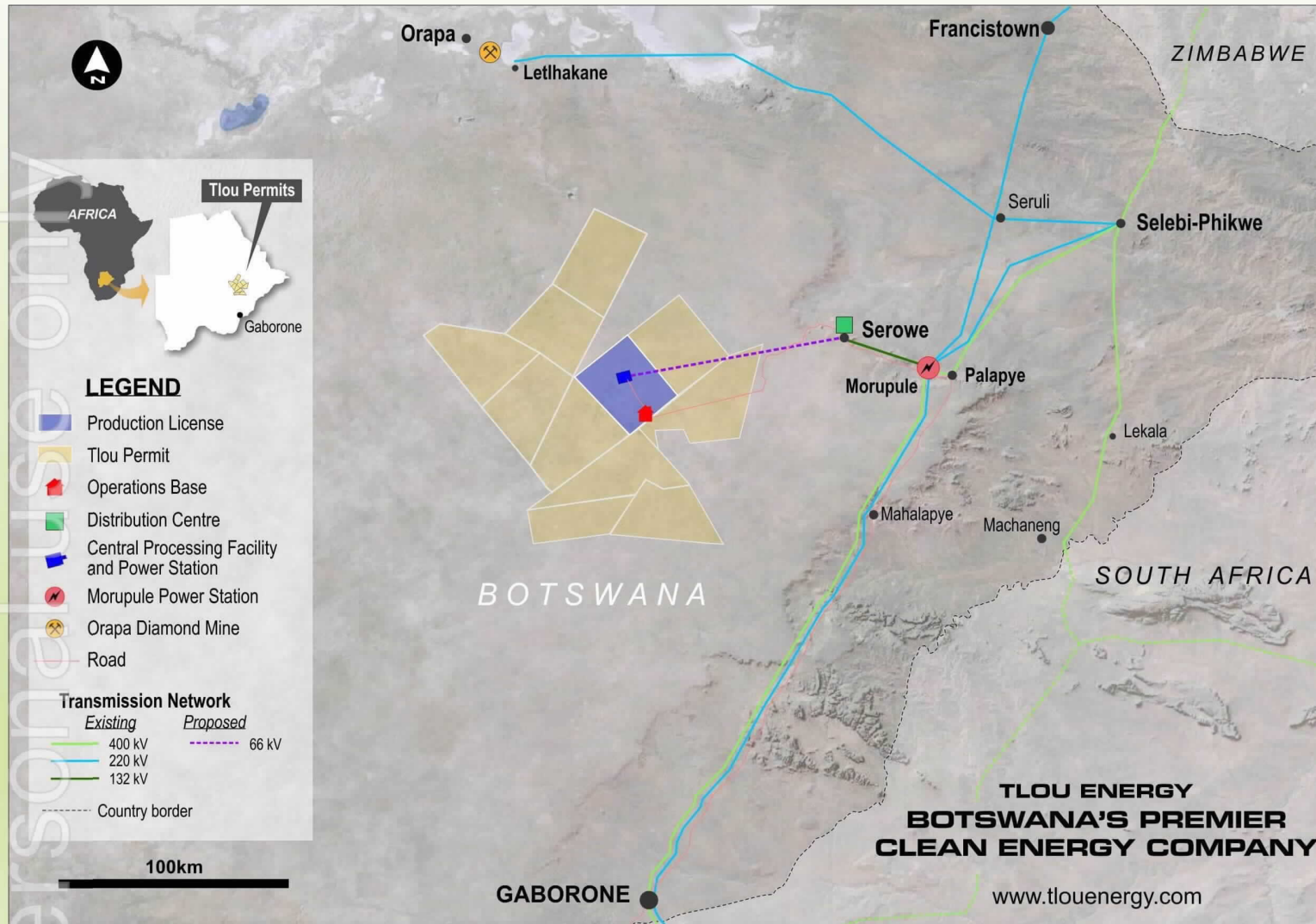
Tlou Field Camp – Lesedi Project, Botswana



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





# 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

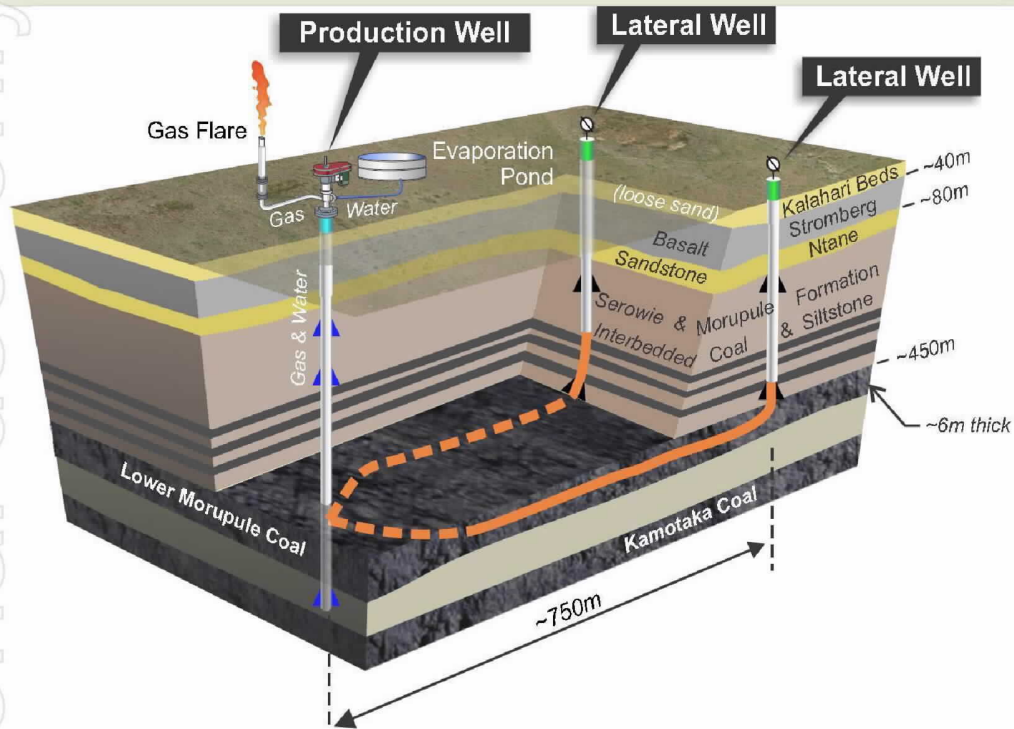
## Planned

- 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



# Gas Production

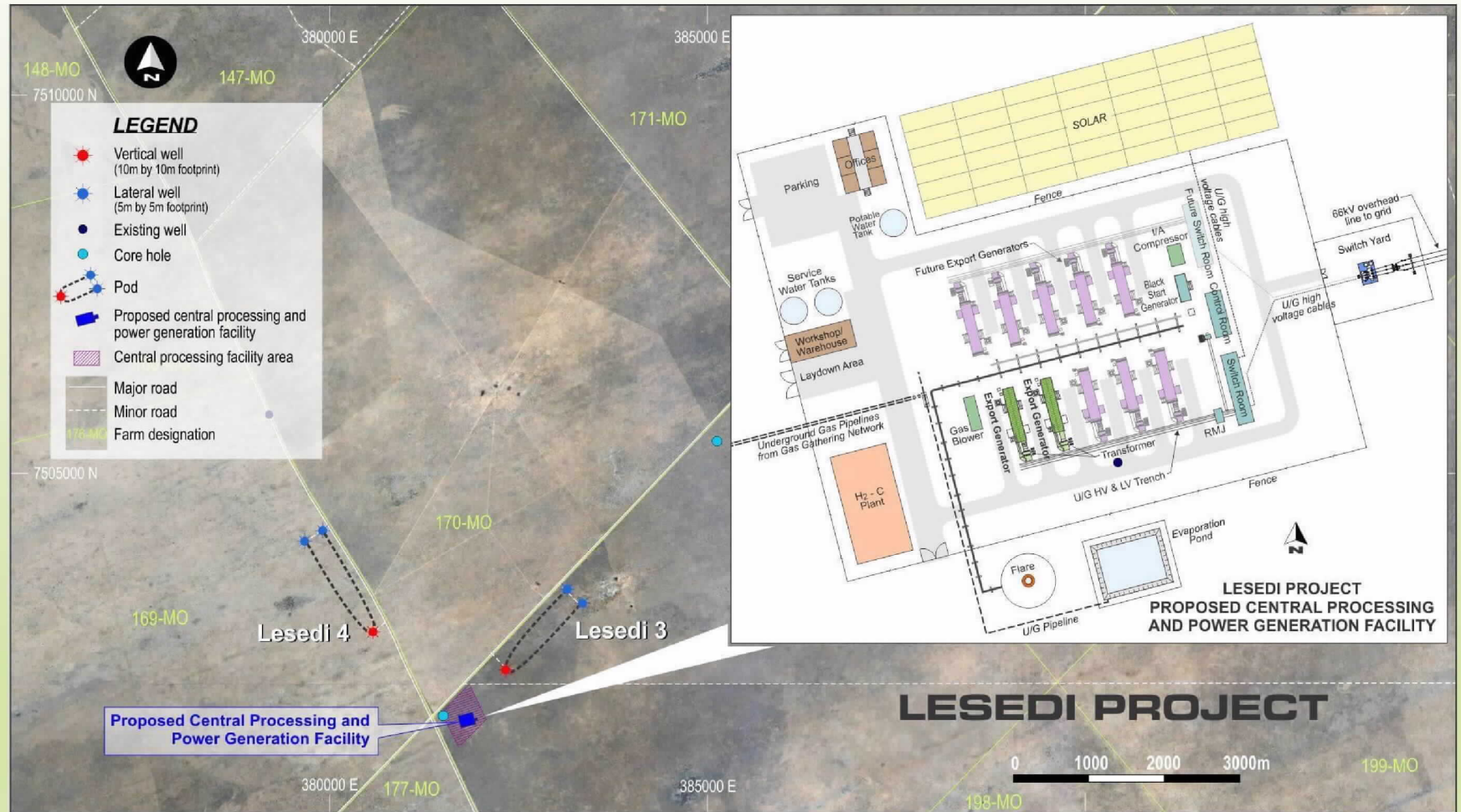
Tlou's gas wells, referred to as 'Dual lateral Pods' consist of two lateral wells that intersect with a vertical well to produce gas.



Tlou Energy Limited

# Central Processing Facility (CPF)

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



Tlou Energy Limited



# Independent Gas Reserves Certification<sup>(1)</sup>

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

			Gas Reserves <sup>(1)</sup>			Gas Contingent Resources <sup>(2)</sup>			
Location	Project	Tlou Interest	1P (BCF)	2P (BCF)	3P (BCF)	1C (BCF)	2C (BCF)	3C (BCF)	Gas Prospective Resource (BCF) <sup>3</sup>
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) <sup>4</sup>	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 <sup>6</sup>

**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

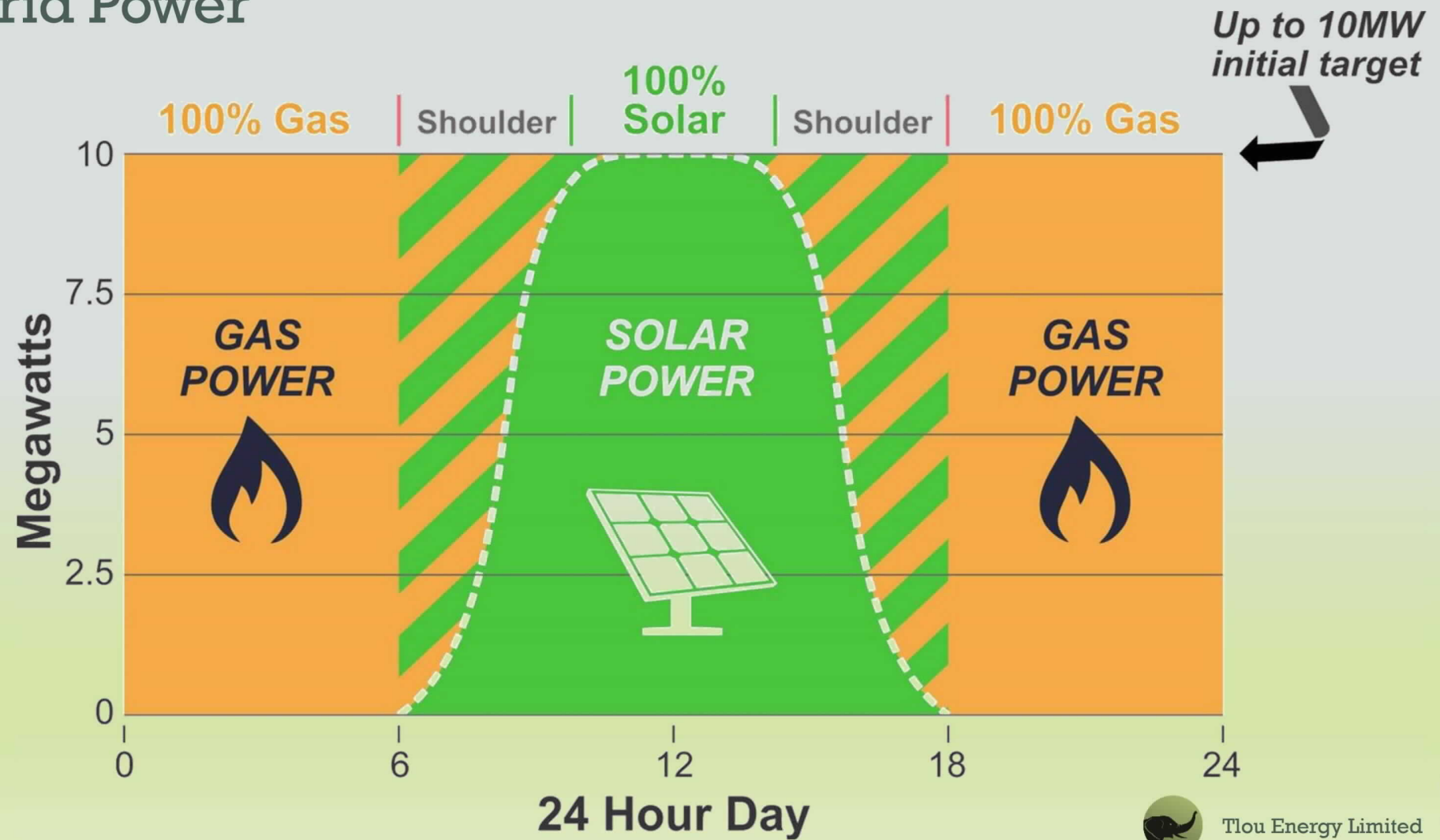


Tlou Energy Limited



17

# Hybrid Power

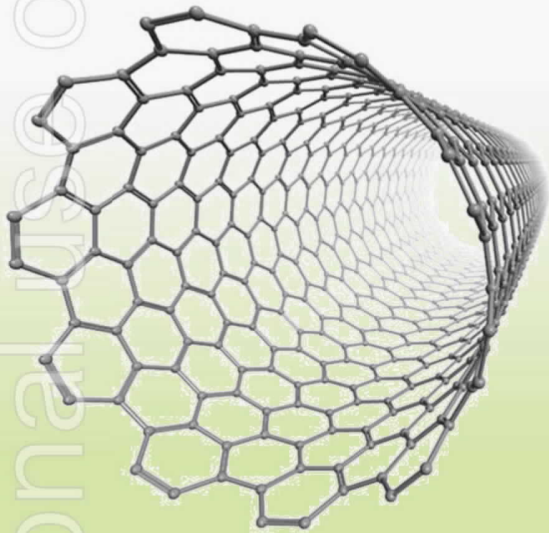


# Hydrogen



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

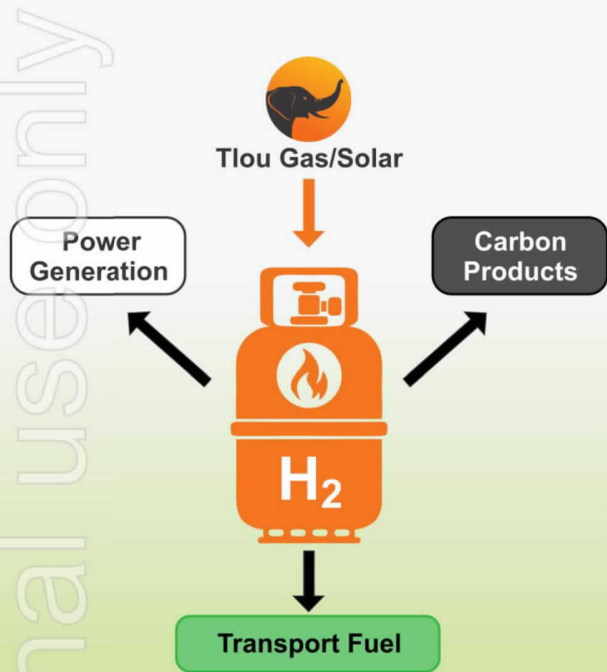
Compress  $H_2$  and use as clean fuel for field operations and power generation

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

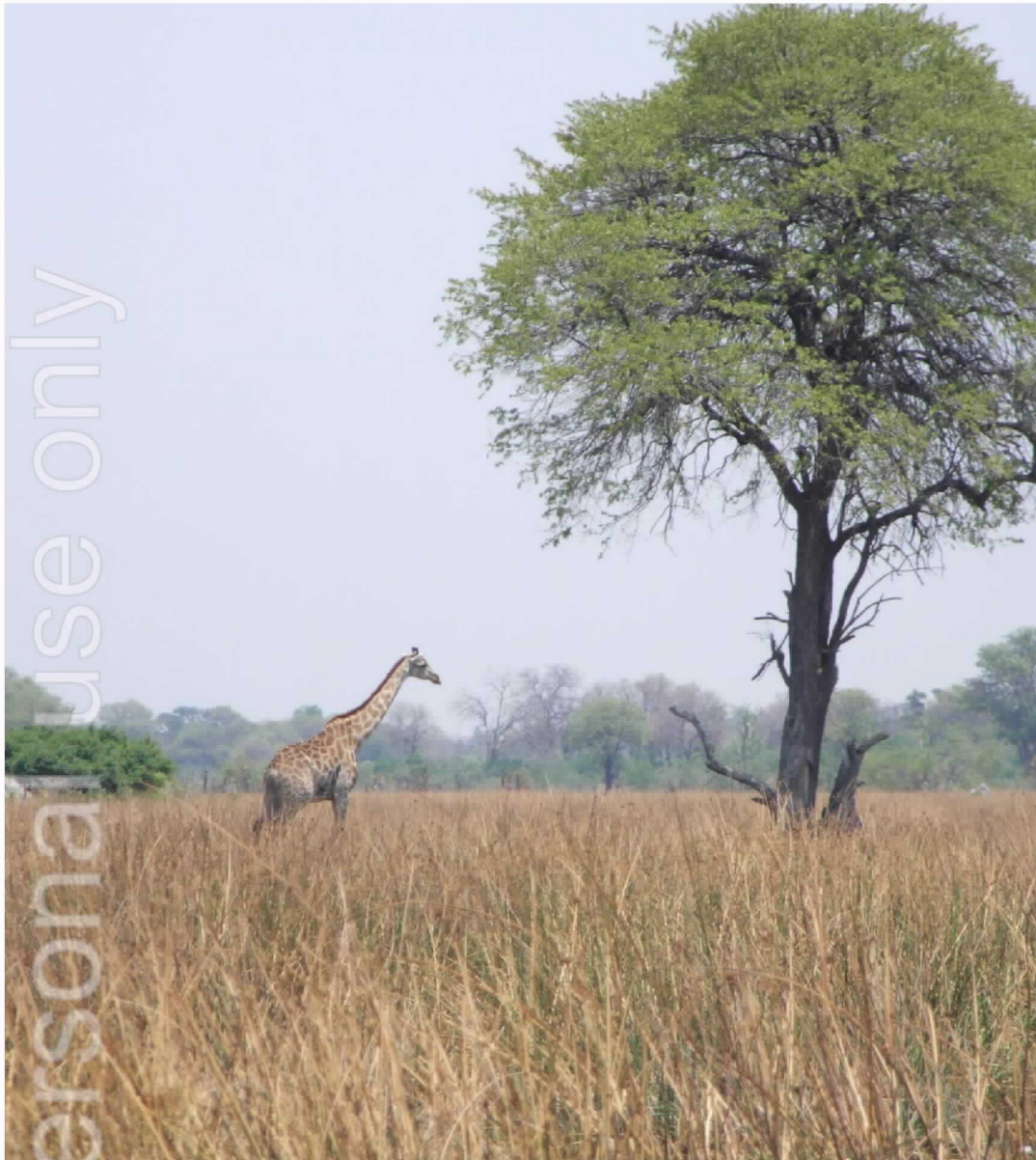
Carbon black can be used in tyre manufacture

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



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## 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

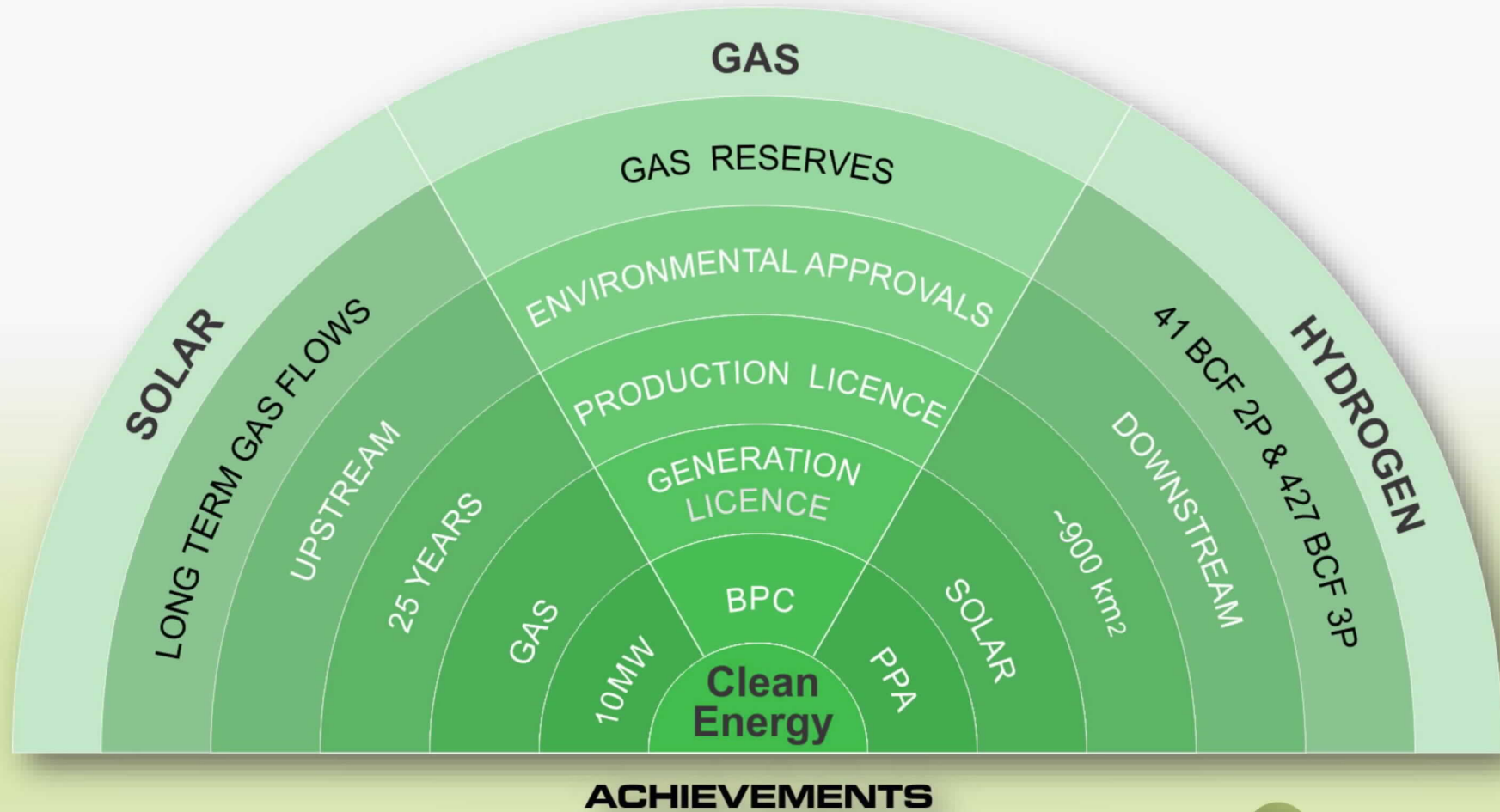
- Downstream operations include power generation assets, solar panels and a transmission line to connect to the grid
- Tlou's downstream EIS provides the Company the flexibility to rapidly expand
- The approved downstream EIS includes:
  - 20 MW of gas fired generation
  - 20 MW of solar power
  - A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

+267 316 0857

[contact@tlouenergy.com](mailto:contact@tlouenergy.com)

[www.tlouenergy.com](http://www.tlouenergy.com)

## Gas, Solar, Hydrogen...

- ✓ Clean energy for Botswana and beyond
- ✓ Production of electricity, H<sub>2</sub> 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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