

TLOU ENERGY LIMITED**1 May 2014**

Key points:

- **The upgrade of pump lift capacity at the Lesedi and Selemo pods has been successfully completed;**
- **Both the Lesedi and Selemo pods continue to steadily dewater with first gas anticipated in 2Q14.**

Note: All times quoted are referenced to Central African Time Zone (CAT) unless otherwise stated

Pilot Production Well Update

The Lesedi and Selemo production pods have successfully undergone recompletions with the installation of larger capacity down-hole pumps in both production wells. As the first horizontal pilot pods in the area, a cautious approach was adopted in sizing the initial pumps which were selected to more closely control and facilitate our understanding of the reservoir performance. Monitoring and interpretation of early production data confirmed the need to increase the capacity of the down-hole pumps in both production wells (Lesedi 1P and Selemo 1P) to complete the dewatering process and bring the pods into gas production more efficiently.

As part of the recompletion program, the wells were flushed to total depth to remove accumulated sediment. The re-commencement of dewatering is progressing smoothly with all data being received and validated on a regular basis. Both Lesedi and Selemo now have the capacity to pump water at a greater rate than previous configurations. First gas is anticipated in 2Q14 and Tlou will continue to provide regular updates on the dewatering process.

Down-stream gas marketing initiatives have been steadily progressed in the background while the focus of activities remains on the dewatering process.

TLOU ENERGY LIMITED – KEY STATISTICS (as of 31 March 14)

- ASX Code – TOU
- Shares on issue ~ 148 million
- Fully diluted ~ 163 million
- Cash balance (as at 31 Dec 2013) ~ \$11.3 million (AUD)
- Debt = Nil
- Primary Focus is the Lesedi CBM Project in Botswana

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TLOU ENERGY LIMITED

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