



27 January 2026

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

Quarterly Activities Report for the quarter ended 31 December 2025

Lesedi Project Area

Tlou Energy Limited continues to advance development of the Lesedi Power Project in Botswana. The project comprises a gas-fired power generation facility to supply electricity to the national grid and to a modular data centre located on site. During the quarter, Tlou also progressed plans to incorporate solar generation at Lesedi to provide renewable power for use by the data centre.

Kala Data Centre Project

In early 2025, Tlou entered into an agreement with Kala Data FZCO ("Kala") for the development of a modular data centre at Lesedi. The facility will utilise containerised, high-density computing systems and will initially be powered by Tlou's coal bed methane (CBM) gas. Kala is responsible for the supply, operation, and maintenance of the facility, while Tlou will provide gas to fuel on-site power generation.

The first data centre unit has been set up at Lesedi close to the Lesedi 4 Gas Production Well ("Lesedi 4") which will supply initial gas to the data centre.

During the reporting quarter two 250kV gas-fired generators arrived following severe shipping delays. Both generators are now in place on the concrete pad beside the data centre unit.

The main section of the gas gathering line to connect Lesedi 4 to the generators was constructed earlier in 2025. Following the installation of the generators, the remaining section of the gas line is being completed to feed gas to the generators. Electrical work to connect the generator to the data centre is also in progress.

Following completion of the above, the data centre is expected to start initial production. The installed data centre is designed for up to 1MW of power. Initial production will be below this level and additional gas will be required to increase production, which will require drilling of further gas wells.

In addition to gas fired power, Tlou and Kala are planning to add solar power at Lesedi to provide power to the data centre alongside gas. A CNG storage facility is also proposed which would enable storage of gas produced during daylight hours for use at night, effectively allowing the project to utilise solar power by day and gas by night.

It is important to note that power generation from Lesedi gas has not been done before and the Lesedi wells have not previously been utilized for commercial projects; therefore, the team recognises that various challenges may arise. They acknowledge that the well, gas gathering line, and generators could perform differently than anticipated, despite thorough preparation.

Initial generation will be low as this first phase is effectively a first proof of concept. However, it is a key step to outline the potential from the gas field.



Data centre and generators – Lesedi Project, Botswana

Substation and Grid connection

Construction of the Lesedi electrical substation remains approximately 90% complete, with around 2-3 months required to complete remaining items. In the prior period, Tlou identified key contractors to finalise substation works and grid tie-in. While initially expected to be completed in 2025, the work has been pushed back until funds are in place to facilitate completion. The aim is to complete the substation so that it can provide grid access for gas-fired power as well as solar power.

Gas Production well field appraisal

The Lesedi 4 and Lesedi 6 wells have been in production for several years, producing gas and water. Dewatering the coal seam has been an ongoing issue as the wells are the only producers in the area. In CBM development, a dewatered seam generally allows gas to flow in higher quantities (and subject to other variables) than a saturated seam. CBM is in its infancy in Botswana so we are dealing with a coal

basin that has not been dewatered by other producers as may be the case in established basins in Australia or the US.

The Company has been working with an independent consultant to assess options that may help dewater and thereby potentially increase gas flow. The Company is considering these options. No decision has been reached at this time with options under consideration being further operations on the existing coal seam, different well design, targeting of other coal seams and well stimulation techniques. Regardless of the final decision, additional gas wells will be required to support the project. A work program will be put in place based on analysis of the consultant's report and input from experienced third parties.

Solar power

With the gas field development taking longer to progress, the Company is planning to develop a solar project that could utilise the substation and transmission line assets that are already available at Lesedi. Energising the line as soon as possible is a priority to start achieving value from these assets and revenue for the Company.

Tlou's data centre partner, Kala, has already indicated that they would like to install 1MW of solar PV for their near-term needs. The Company is evaluating the development of an initial 5MW solar field. The Company is progressing discussions for both a solar power purchase agreement and project funding. After the first 5MW is in place, the expectation is that the solar project could potentially grow to 20MW. For the avoidance of doubt, no funding or power purchase agreement is yet in place, however this has become a key target that the board is pursuing. Further information will be provided as plans develop.

Based on current gas flow rates, using a combined gas and solar facility could potentially support a baseload-style power facility, subject to technical performance and funding. A hybrid gas-solar project could provide 24-hour power, which is a key differentiator between this project and standalone solar projects.

Project Funding

The Company is working on critical funding options to support the Company going forward. ILC Investments Pty Ltd, the Company's largest shareholder, has been supporting the company over recent years. Discussions are ongoing with several parties including interested parties in Botswana and Australia. No firm commitments have been put in place at this time, however additional funding will be required and could be in the form of debt or equity. The Company prioritises securing additional funding within the next quarter.

Cash Position

On 31 December 2025, the Company held approximately A\$323,000 in cash (unaudited). Payments to related parties and their associates during the quarter amounted to ~A\$82,000, as disclosed in item 6.1 of the Appendix 5B. These payments relate to directors' salaries, fees, and associated statutory payments including tax and superannuation.

By Authority of the Board of Directors

Mr. Colm Cloonan
Interim Managing Director

For further information regarding this announcement please contact:

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