Botswana’s energy landscape is moving through a rapid transformation with larger companies increasingly taking an active role within the country.

Tlou Energy has a first mover advantage over other new regional entrants, in terms of; choice of permits, relationships, political factors and technology.

The reason for the recent interest is due to the energy shortages in the region and the greater understanding of the commercial opportunities and associated risks. Botswana is approximately 7 years behind where Queensland is in terms of CBM development on a country basis.

ORIGIN AND SASOL TO JOINTLY EXPLORE FOR CSG IN BOTSWANA

Origin Energy Limited (Origin), the leading Australian integrated energy company, and Sasol Limited (Sasol), the leading provider of liquid fuels in South Africa, today announced a joint venture to explore for coal seam gas (CSG) in Botswana.

The 50:50 incorporated joint venture, established through wholly owned subsidiaries of Origin and Sasol, brings together Sasol's gas development capability and strong position in southern Africa with Origin's proven CSG development experience in Queensland.

The joint venture will be known as Kubu Energy Resources (Pty) Ltd (the Kubu Joint Venture).

The Kubu Joint Venture has signed an agreement with Sekaname (Pty) Ltd to acquire
three prospecting licences in the central province of Botswana covering an area of approximately 3,000km²: PL134/2010, PL135/2010, PL136/2010. Sekaname is a local CSG exploration company based in Gaborone, Botswana. The transaction is subject to final approval by the Botswana government.

Origin Managing Director, Mr Grant King said, "We are pleased to be working in joint venture with Sasol in Botswana. Sasol's long history of operating in southern Africa, complements Origin's CSG experience as the upstream operator of Australia Pacific LNG, the largest producer of CSG in Australia.

"Establishment of the Kubu Joint Venture is consistent with Origin's strategy to target greenfield resources close to markets at low entry prices.

"The delineation of a large CSG resource in Botswana could be used for power generation and liquid fuels production in southern Africa," King said.

Origin and Sasol, as joint venturers, plan to conduct a number of exploration activities in the Botswana prospecting licence areas during the next two years to determine the potential quantity of CSG available and the feasibility for future commercial development. The first phase of the planned exploration will include an airborne magnetic survey, extraction, sampling of borehole cores and the drilling of test wells. Origin and Sasol will evenly share the permit acquisition and work program costs over the next two years.

Based on the success of the first exploration phase, the Kubu Joint Venture may consider committing to a more extensive exploration program in Botswana.