



Tuesday, 29, November 2022

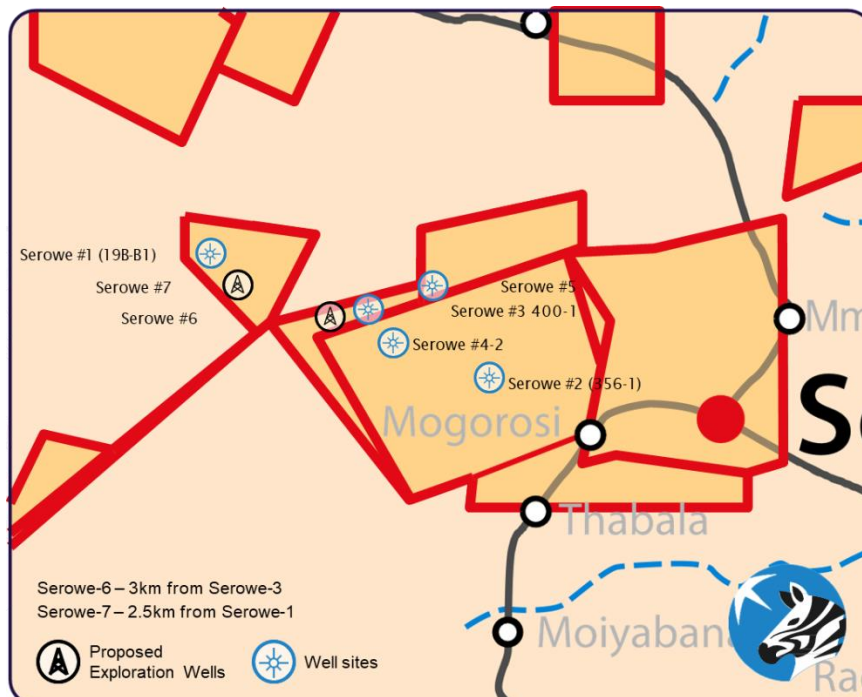
SEROWE-6 FLOW TESTING COMMISSIONED

Highlights:

- **Serowe-6 was drilled to a target depth of 540m.**
- **Logging ongoing to determine the depth, and thickness of coal seams encountered.**
- **Serowe-3 flow-testing ongoing with water flow rates averaging 42 bbls/day.**
- **Kalahari Gas Corporation rig has moved to Serowe-7 well site location and expected to spud the well during the week starting 5 December.**
- **AMT geophysical surveys have been completed for Serowe-7 and the data is being processed for final interpretation.**

Botala Energy Ltd (ACN 626 751 620) ("**Botala**") is pleased to announce that the Kalahari Gas Corporation (KGC) contracted drilling rig has successfully drilled the Serowe-6 well. The well reached a Target Depth (TD) of 540m and the well is currently being logged using Nuclear Magnetic Resonance (NMR) technology to determine adsorbed gas, free gas and indications of permeability of the targeted coal seams. Coals were encountered at 381m and extended to approximately 515m. Onsite logging is expected to be completed by 2 December 2022, with results and final report anticipated a week later.

The Serowe-6 is a 3km step-out from Serowe-3.



The KGC rig has moved to the Serowe-7 well site and is expected to spud during the week starting 5 December 2022. The Serowe-7 well is located 2.5km South-East of the Serowe-1 well and aims to extend the high-graded area between the Serowe-3 location and Serowe-1.

Flow-testing of the Serowe-3 well is progressing as planned, initial water flow results are above expectations with a stabilised water flow of 42 bbls/day in the Serowe Coal Seam (upper coal formation). Water flow-rate is an indication of permeability of the coals.

The 42km long Audio Magnetotelluric (AMT) geophysical survey has been completed and the contractor has demobilised.

Further details in respect of Botala's drilling programme are set out in Sections 2.6 and 3.7 of the Prospectus.

Botala CEO Kris Martinick commented "We are encouraged by the preliminary results encountered on the Serowe-6 well, the depth to the top of the coals is consistent with the Serowe-3 well suggesting we should see similar coal properties.

Additionally, the current water production rates from the Serowe-3 well are very encouraging. These are early days, but the programme is progressing well. Final flow-data will be used to design the commercial pilot programme."

Cautionary Statement

The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons Contingent Resources assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.

This ASX announcement was approved and authorised for release by the CEO.

Yours faithfully

BOTALA ENERGY LTD



Kris Martinick
Chief Executive Officer

For more information please contact:

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This report is lodged on Botala's website, www.botalaenergy.com

About Botala

Botala Energy Limited (ACN 626 751 620) is an ASX-listed coal bed methane (**CBM**) exploration and development company focussed on developing production from its 70% owned Serowe CBM Project (the remaining 30% of which is owned by ASX-listed Pure Hydrogen Corporation Limited pursuant to a joint venture agreement with the Company) located in a high-grade CBM region of Botswana (and related early-stage renewable energy opportunities). The Company (as Operator) is focussed on developing the Serowe CBM Project and believes that there is a considerable opportunity for it to commercialise the project due to the demand for stable power supply in Botswana.

Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward looking statements reflect Botala's views and assumptions with respect to future events as at the date of the Announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth due to various factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the gas industry, including environmental regulation; economic conditions in Botswana and globally; geological technical and drilling results; predicted production and reserves estimates; operational delays or an unanticipated operating event; physical, environmental and political risks; liabilities inherent in gas exploration, development and production operations;

fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Botala, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Announcement sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Appendix A – Listing Rule Requirements

The following information is provided in respect of this announcement and the reporting of contingent resources and prospective resources.

Listing Rule	Rule	Response
5.25.1	The date at which the estimates are reported.	28 November 2022.
5.25.2	Petroleum resources must be classified in accordance with SPE-PRMS and reported in the most specific resource class in which	The petroleum resources are contingent Resources and Prospective Resources in accordance with SPE-PRMS.
5.25.3	The disclosure of total petroleum initially-in-place, total resource base, estimated ultimate recovery, remaining recoverable resources or hydrocarbon endowment is prohibited unless all of the following information is included in the report proximate to that disclosure	There are currently no reserves in the permit. Estimates are Contingent Resources and Prospective Resources – These have not been adjusted for development risk.
5.25.4	The disclosure of discovered petroleum-initially-in-place is prohibited unless all of the following information is included in the report proximate to that disclosure.	Not Applicable.
5.25.5	Estimates of petroleum reserves, contingent resources and prospective resources must be reported according to the entity's economic interest in the petroleum reserves, contingent resources and prospective resources including its entitlements under production-sharing contracts and risk-service contracts	The Contingent Resources are reported as 100%, Botla Energy Ltd has a 70% working interest before royalties.
5.25.6	The entity must disclose whether the deterministic or probabilistic method was used to prepare the estimates of petroleum reserves, contingent resources and prospective resources in the report.	The Contingent Resources volumes were obtained by calculating the potentially recoverable portion of the gas-in-place using the overall prospect area, the mapped net coal thickness, raw gas content and coal density, as well as a range of estimates of the gas recovery factor of the coals. The review was carried out in accordance with the standards in the Canadian Oil and Gas Evaluation Handbook as amended from time to time, maintained by the Society of Petroleum Evaluation Engineers.
5.27.1	Contingent resources must be categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities of potentially recoverable petroleum	The Contingent Resources estimate is based on best estimate and low and high estimates.
5.28.1	Prospective resources must be categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities of potentially recoverable petroleum.	The best estimated Prospective Resource Gas Volume Net of Royalties is 8,008 Trillion Cubic Feet (tcf) for the Serowe Gas Project. The low estimate is 6,006 tcf and the high estimate is 10,010 tcf.
5.28.2	cautionary statement proximate to, and with equal prominence as, the reported prospective resources	The estimated quantities of petroleum that may be potentially recovered by the application of a future development project related to technology under development. These estimates have both an associated risk of technology under development and a risk of development. Further appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons. Contingent Resources assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.

5.30	<p>An entity publicly reporting material exploration and drilling results in relation to petroleum resources must include all of the following information in that report and give the report to ASX for release to the market.</p> <p>(a) The name and type of well.</p> <p>(b) The location of the well and the details of the permit or lease in which the well is located.</p> <p>(c) The entity's working interest in the well.</p> <p>(d) If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness.</p> <p>(e) The geological rock type of the formation drilled.</p> <p>(f) The depth of the zones tested.</p> <p>(g) The types of test(s) undertaken and the duration of the test(s).</p> <p>(h) The hydrocarbon phases recovered in the test(s).</p> <p>(i) Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions.</p> <p>(j) The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured.</p> <p>(k) If flow rates were tested, information about the pressures associated with the flow and the duration of the test.</p> <p>(l) If applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied.</p> <p>(m) Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur.</p> <p>(n) Any other information that is material to understanding the reported results.</p>	<p>a) Well title is Serowe-6 and is an exploration well targeting Coal Bed Methane.</p> <p>b) Serowe-6 is located at Latitude S 22.25359° Longitude E 026.16747° in Prospecting Licence PL-400.</p> <p>c) Botala Energy Ltd working interest is 70% in the well. Coal seam thickness is currently being logged and will be reported once available.</p> <p>d) Not Applicable.</p> <p>e) The Geological rock type is coal.</p> <p>f) The Serowe seam was encountered a depth of 381 metres, the lower most coal at approximately 515 metres.</p> <p>g) NMR logging underway on the well.</p> <p>h) Logging results should identify hydrocarbon content.</p> <p>i) Small water flows observed up to 7 litres per hour.</p> <p>j) Not Applicable.</p> <p>k) Not Applicable.</p> <p>l) Not Applicable.</p> <p>m) Not Applicable.</p> <p>n) Not Applicable.</p>
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