



Wednesday, 7 December 2022

## FLOW TESTING AND EXPLORATION WELL UPDATE

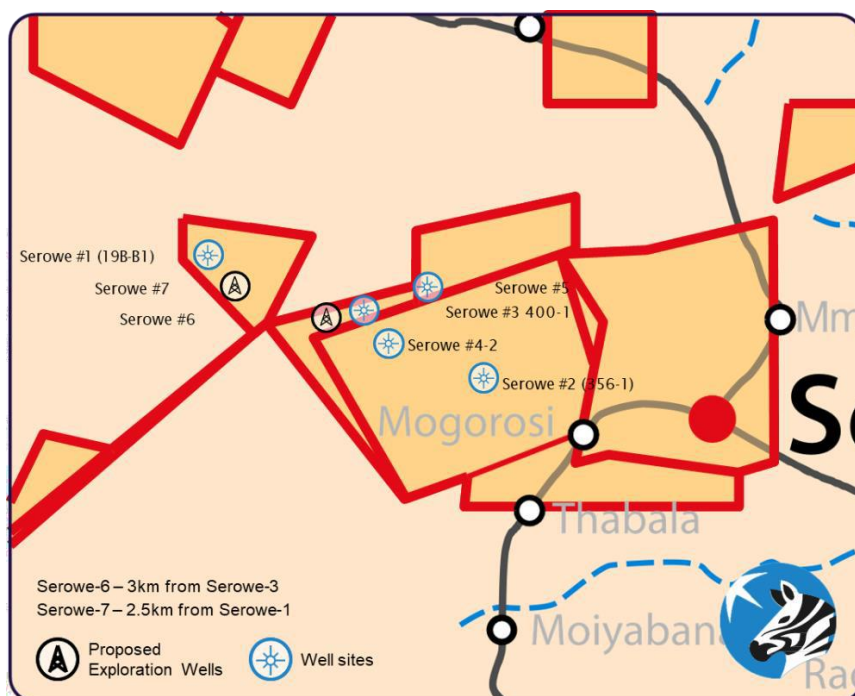
### Highlights:

- **Serowe-6 was drilled to a target depth of 540m.**
- **Logging has determined 30m of coal within the Serowe and Upper and Lower Morupule seams.**
- **Serowe-3 flow-testing ongoing with water flow rates increasing to an average 55 bbls/day.**

Botala Energy Ltd (ACN 626 751 620) ("**Botala**") is pleased to announce the logging results of the Serowe-6 well indicate that 30m of coal seams have been encountered. Coals were encountered at 388m prior to reaching a Target Depth of 540m, the well was logged using Nuclear Magnetic Resonance (NMR) technology to determine adsorbed gas, free gas and indications of permeability of the targeted coal seams. Results of the NMR are expected to take another week for the final report.

The primary target is the Serowe coal seam (upper seam) and logging results have increased the area of the lower 2 seams know to Botala.

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



Flow-testing of the Serowe-3 well is progressing as planned, with steady draw down, flow results have increased to a stabilised water flow of 55 bbls/day in the Serowe Coal Seam (upper coal formation). Water flow-rate is an indication of the permeability of the coals.

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 logging results encountered on the Serowe-6 well, especially seeing the upper and lower Morupule coal seams being consistent with the Serowe-3 well which extends our understanding of the geology in the area.”

### **Cautionary Statement**

*The estimated quantities of coal bed methane 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 gas. 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:**

Kris Martinick.

This report is lodged on Botala’s website, [www.botalaenergy.com](http://www.botalaenergy.com)

### **About Botala**

ASX-listed Botala is exploring and developing production of coal bed methane (**CBM**) from its 70% owned Serowe CBM Project which is located in a high-grade CBM region of Botswana. The remaining 30% are owned by ASX-listed Pure Hydrogen Corporation Ltd pursuant to a joint venture agreement with Botala. As Operator, Botala is focussed on developing the Serowe CBM Project and related early-stage renewable energy opportunities, and believes that there are considerable opportunities for Botala to commercialise CBM because of the demand for reliable and affordable energy in Botswana and neighbouring countries.

### **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.	6 December 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%, Botala 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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