Monday, 23 October 2023

COMMERCIAL PILOT PROGRAMME UPDATE – SECOND PILOT WELL SEROWE-3.3 COMPLETED

Highlights:

- **Second pilot well of Project Pitse completed ahead of time and on budget.**
- **Serowe-3.3 drilled to a Target Depth of 440m pursuing the highly prospective upper two coal seams with 24m of net coal in the Serowe and Upper Morupule seams.**
- **Rig moved to Pilot well site Serowe-3.5 and spudded over the weekend, reaching a depth of 60m.**
- **Solar Project progresses to next phase in Serowe Energy Hub.**
- **Second flaring of Serowe-3.1 viewed by stakeholders.**

Botala Energy Ltd (ACN 626 751 620) ("**Botala**") announces logging results of Project Pitse's second pilot well (third well of proposed pilot cluster of five wells). Serowe-3.3 intersected 24m of net coal within the upper two seams. Coals were first encountered at 342m, which is 21m higher than Serowe-3.1 located 700m to the NNE and Serowe-3.2 located

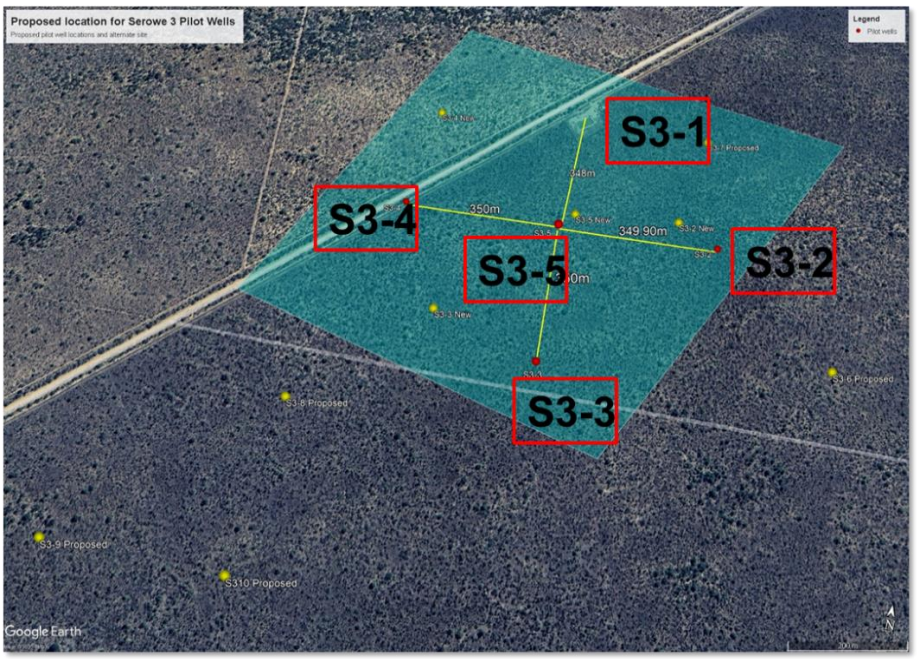

Figure 1 - Serowe-3 Pilot Well Locations.

95m to the NE (see Figure 1). The height difference is due to a localised fault identified during geophysical surveys prior to drilling.

Serowe-3.3 was drilled to a Target Depth of 440m and then logged.

Project Pitse is Botala's first Commercial Pilot Project within the Serowe Coal Bed Methane gas project of 317bcf of independently certified 2C contingent resource, and was first flared on 4 September 2023, demonstrating that gas can be brought to the surface from simple vertical wells.

The drill rig relocated to Serowe-3.5 site over the weekend and spudded the well and drilled to 60m.

Serowe-3.5 will become the central production well for Project Pitse.

Figure 2 - Visitors viewing the final day of drilling Serowe-3.3

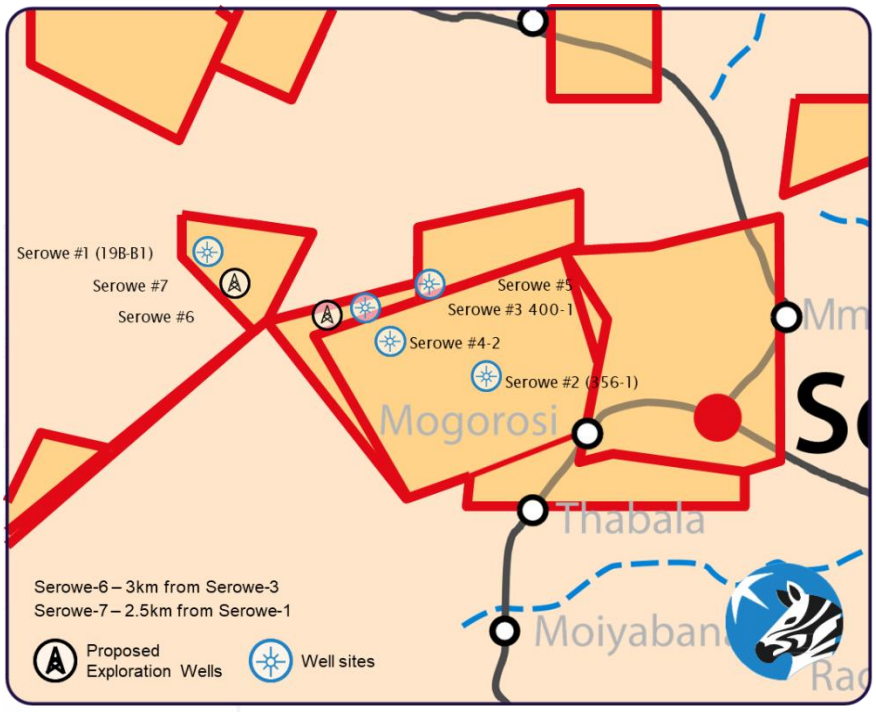

Figure 3 - Botala Acreage Map

Botala CEO Kris Martinick commented *"It's encouraging to see the ~14m thick Serowe Coal Seam (our primary target) was almost identical to that encountered at our initial Serowe-3.1, and subsequently 3-2, wells. Serowe-3.3 was designed to only test the Serowe seam. It is the bright, gaseous Serowe Coal Seam with its favourable permeability which distinguishes our acreage. Our ability to flare gas at Serowe-3.1 from a simple vertical well without any stimulation builds great confidence in Project Pitse."*

Operational Update

On Wednesday, 18 October, Botala completed a second flare test of the Serowe-3.1 well, which was viewed by invited stakeholders, including funds, government departments, and the local landowner. The well has been shut-in and will remain suspended while the remaining Pilot wells are drilled, completed and made ready for production testing.

Figure 4 - Visitors to the Serowe-3.1 site to view flaring of the well

Project Development Update

Botala's key focus is the exploration and development of the Serowe CBM Project to demonstrate modest commercial production in 2024. Botala's goal for the next twelve months is to continue with conceptual design and potentially implement development of a small hybrid power station at the proposed Serowe Energy Hub, consisting of the following sub projects and planned phases:

1. Project Pitse (Serowe-3 well pilot well cluster)
   a. Phase 1: Pilot Well Programme: Five pilot well cluster to demonstrate commercial gas flow and production in 2024. (Current Phase)
   b. Phase 2: Small gas power generation ~2MW.
   c. Phase 3: Hybrid Power Station.
2. Project Puthi (Serowe Energy Hub)
   a. Phase 1: Solar Power generation research. (Current Phase)
   b. Phase 2: 4MW Pilot Solar Power Station.

On success of above phases, power generation in the Serowe Energy Hub should be increased to a 14MW solar and 10MW CBM gas hybrid electricity generating plant.

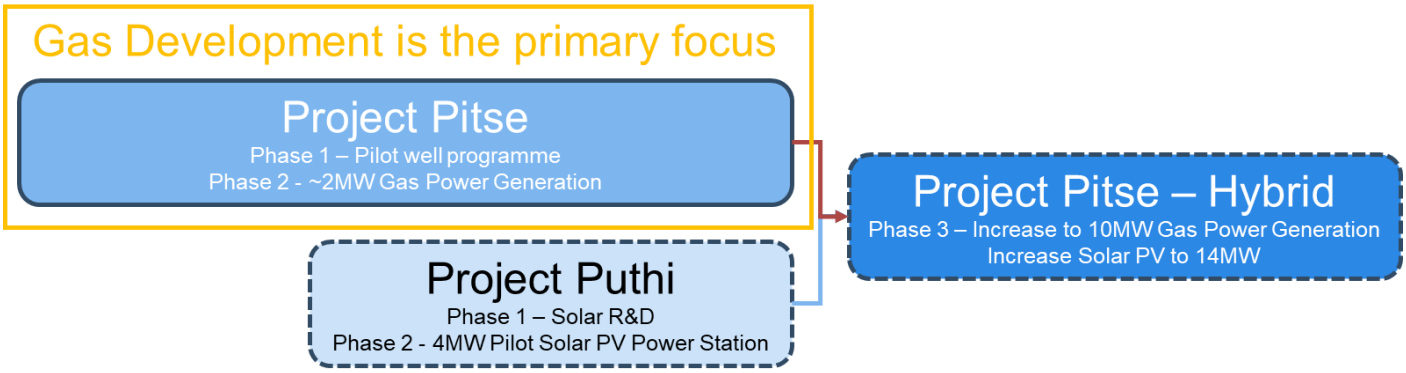

Figure 5 - Project Development Flow

Should the 24MW Hybrid Project be successful, Botala would aim to progress to a larger project at its proposed Leupane Energy Hub near Palapye. Relevant Environmental Impact Assessments for these developments are being assessed and approvals are expected early 2024.

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:

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This report is lodged on Botala's website, 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, because of new information, future events or otherwise.

Appendix A – Listing Requirements

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

Listing Rule	Rule	Response
5.30	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. (a) The name and type of well. (b) The location of the well and the details of the permit or lease in which the well is located. (c) The entity's working interest in the well. (d) If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness. (e) The geological rock type of the formation drilled. (f) The depth of the zones tested. (g) The types of test(s) undertaken and the duration of the test(s). (h) The hydrocarbon phases recovered in the test(s). (i) Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions. (j) The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured. (k) If flow rates were tested, information about the pressures associated with the flow and the duration of the test. (l) If applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied. (m) Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur. (n) Any other information that is material to understanding the reported results.	a) Well title is Serowe-3.3 and is an appraisal well targeting Coal Bed Methane. b) Serowe-3.3 is located at Latitude -22.24598 and Longitude 26.19531136 in Prospecting Licence PL-400. c) Botala Energy Ltd working interest is 70% in the well. Coal seam thickness is 24m. d) Not Applicable e) The Geological rock type is coal f) The Serowe seam was encountered a depth of 342m and the Upper Morupule was encountered at a depth of 373m g) Flow-testing to be completed as part of the commercial Pilot Project. h) Logging results will identify the hydrocarbon content, gas has been observed at surface. i) Water volumes will be tested in subsequent flow-testing j) Not Applicable k) Not Applicable l) Not Applicable m) Not Applicable n) Not Applicable