



Friday, 22 September 2023

### ***A\$1.3M INSTITUTIONAL PLACEMENT TO ADVANCE DRILLING AND FLOW TESTING***

#### **Highlights:**

- **Firm commitments received to raise A\$1.3m via an Institutional Placement**
- **Strong support from new and existing sophisticated and professional investors**
- **Board participated in the placement with an investment of A\$525,000, subject to shareholder approval.**
- **Service provider will also provide A\$400,000 of equipment for New Shares in the Company at the same price as the Placement.**
- **Strengthened balance sheet positions the Company strongly to progress its commercial pilot programme.**
- **Funds will be applied to support additional drilling and flow testing primarily targeting the Serowe Coal Seam extensively found within the Botala Prospecting Licences.**

Botala Energy Ltd (ACN 626 751 620) ("**Botala**" or "**Company**") is pleased to announce that it has received firm commitments from sophisticated investors for a placement of fully paid ordinary shares to raise a total of A\$1.3 million (before costs) at an issue price of A\$0.09 per share ("**New Shares**") with a free attaching 1 for 1 unlisted option exercisable at A\$0.15, expiring 31 December 2025 ("**Attaching Options**") to advance additional drilling and flow testing ("**Placement**").

The issue price represents a discount of 23.1% to the 30-trading day Volume Weighted Average Price ("**VWAP**").

In addition to the Placement, a service provider will provide A\$400,000 of equipment for New Shares in the Company at the same price as the Placement ("**Equipment Provider Shares**"). This equipment will be used for flow testing and monitoring.

A total of approximately 19.2 million New Shares, and approximately 14.8 million unlisted options will be issued in respect to the Placement and Equipment Provider Shares with approximately 13.4 million shares issued under the Company's remaining capacity under Listing Rule 7.1.

Approximately 8.9 million unlisted options will be subject to shareholder approval at the 2023 Annual General Meeting. In addition, subject to the receipt of shareholder approval to be sought at the 2023 Annual General Meeting, approximately 5.8 million shares and approximately 5.8 million unlisted options will also be issued at the same terms of the Placement to the Board as investors in the Placement.

Funds raised from the Placement will be used to support additional drilling and flow testing, research and development of renewables projects including a Solar Panel Manufacturing Plant in Botswana and general working capital.

Results of the first Pilot Well Serowe-3.2 for Project Pitse is expected to be completed and logged over the coming weekend. The rig will then be mobilised to spud the second Pilot well Serowe-3.3.

The Issue of New Shares under the Placement (excluding shares to Board and Management) is expected to occur on or around 29 September 2023.

New Shares and exercised Attaching Options (if any) will rank equally with the Company's existing shares on issue.

Botala Energy Chief Executive Officer Kris Martinick commented: "Botala is very pleased to receive the support shown by investors in our Projects as evidenced by the strong demand for the Offer. The funds secured by the placement will now allow the Company to undertake significant activities across a number of targets focused on the higher Serowe Coal Seam with the aim to receive results from our first Pilot well over the weekend. The plan is to move straight onto the next Pilot well Serowe-3.3."

Palomar Advisory Pty Ltd (**Palomar**) and Cadmon Advisory Pty Ltd (**Cadmon**) acted as Joint Lead Managers to the Placement and will receive, subject to shareholder approval, approximately 3.69 million broker options with each option having an exercise price of A\$0.135 and an expiry of 31 December 2025.

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 because of new information, future events or otherwise.