



31 October 2024

### **QUARTERLY ACTIVITIES REPORT**

FOR THE PERIOD ENDING 30 SEPTEMBER 2024

**EXPANDING BOTSWANA'S ENERGY LEADERSHIP: BOTALA ENERGY HAS BOLSTERED ITS POSITION AS A FUTURE ENERGY LEADER IN BOTSWANA AND BEYOND WITH A 42% INCREASE IN CBM RESOURCES.**

**A SUSTAINABLE STEP FORWARD: THE AWARDED 4MW SOLAR POWER PROJECT IN SEROWE IS A CRUCIAL ADVANCEMENT IN BOTALA'S SOLAR ENERGY PORTFOLIO.**

#### **Highlights:**

- **42% Increase in Certified CBM Resources:** Recent recertification increased Botala's Contingent Resources for the Serowe CBM Project solidifying the project's potential and positioning Botala as a key player in Southern Africa's energy sector.
- **4MW Solar Project Awarded:** Botala-led consortium awarded a 4MW solar power project tender from the Botswana Power Corporation, marking a significant step in expanding its integrated energy strategy.
- **Successful Gas Composition Tests:** Recent gas desorption tests revealed high methane purity, reaching up to 94%, with minimal impurities, enhancing the project's efficiency and cost-effectiveness.
- **Environmental Approval for Leupane Energy Hub:** Botala received crucial environmental approval to develop the Leupane Energy Hub, which will support a 500MW solar and 200MW gas-fired power facility, further advancing its renewable energy initiatives.
- **Feasibility Study Confirms Strong Commercial Potential:** The feasibility and concept studies completed for wellfield development and downstream distribution options confirm robust project economics, paving the way to commercial production.

*CEO Kris Martinick stated "This Quarter has set Botala on an accelerated path to becoming a pivotal energy player in Southern Africa. Our 42% increase in CBM resources is not just a boost to our portfolio: it's a testament to the untapped potential in Botswana. With this resource growth, Botala is poised to meet the surging energy demands in the region."*

*Winning the tender for our 4MW solar project and securing environmental approval for the Leupane Energy Hub were major milestones. These achievements take us one step closer to realising our vision of a Botswana-led, energy-secure Southern Africa.*

*Looking ahead, we are focused on the completion of commercial agreements and advancing the gas project into the next stage of development."*

## **1. Significant Resource Expansion in Serowe CBM Project**

Botala achieved a major resource milestone with a 42% increase in Contingent Resources, boosting the certified CBM volume (refer to ASX announcements dated 8 and 10 July 2024). This resource growth, independently validated by Sproule, resulted from enhanced mapping techniques and exploration drilling, demonstrating a robust potential to meet Southern Africa's energy needs as demand for natural gas grows. The additional resources support Botala's goal to transition from exploration to becoming a primary supplier of gas in Botswana, and ultimately, to the Southern African Power Pool.

## **2. Serowe Solar Project Award and Community Engagement**

The Botswana Power Corporation awarded Botala's consortium a tender for a 4MW solar power project within Botala's Serowe Energy Hub, marking a significant leap in Botala's renewable energy agenda. This project will integrate seamlessly with the 20MW hybrid gas-solar setup planned for the Serowe Hub. Additionally, the project is committed to reinvesting in the local community by directing 1% of revenues toward social programs in Serowe, promoting local employment, and advancing sustainable development.

## **3. Gas Quality Enhancements through High Purity and Efficient Desorption**

Recent gas desorption and composition testing at the Serowe CBM Project revealed an exceptional methane purity of up to 94%, with low levels of carbon dioxide and trace impurities, such as H<sub>2</sub>S. These quality parameters not only ensure Botala's gas meets high-efficiency standards but also enhance the commercial value of the gas. Such results affirm Botala's choice to pursue a coal-bed methane (CBM) project that aligns with cost-effective, sustainable development

goals.

## **4. Environmental Milestone: Approval for Leupane Energy Hub**

Botala secured environmental approval for the development of the Leupane Energy Hub and Industrial Park, a central component in Botswana's evolving energy landscape. This 1,520-hectare hub near Palapye will eventually house a 500MW solar project and a 200MW gas-fired power facility, establishing it as a key regional energy supplier. Initial development will involve a 250MW solar project in collaboration with AAAS Energy BV. The approval enables Botala to move forward with infrastructure that will position Leupane as a sustainable, mixed energy solution.

## **5. Completed Feasibility and Concept Studies for Wellfield and Distribution**

The feasibility study for the Serowe wellfield confirms the project's economic potential, with detailed analysis covering well design, infrastructure, and environmental factors. The study projects a viable commercial pathway, beginning with a five-well pilot cluster capable of generating up to 10MW of electricity. Downstream options include gas compression, liquefaction (LNG), and integration into hybrid power generation facilities. The commercial feasibility of these options is promising, with anticipated positive internal rates of return (IRR) even at lower flow rates, positioning Botala to meet growing regional demand for natural gas.

## **Looking Forward**

The substantial resource growth, project approvals, and progress on hybrid power infrastructure solidify Botala's readiness to address Southern Africa's energy demands. The next Quarter will focus on securing offtake agreements for CBM gas, expanding the wellfield pilot, and advancing the solar project to operational status.

Botala has been informed that its Mining Licence (ML) application is progressing within Government Departments.

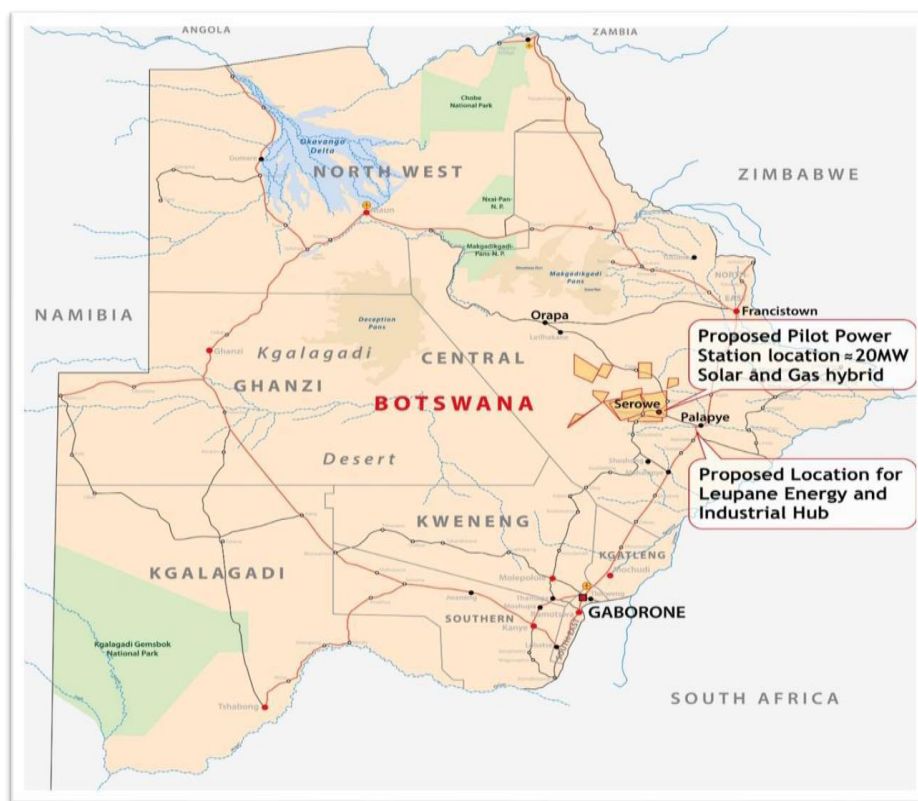


Figure 1 - Botswana and Serowe CBM Project acreage map

## TENEMENT DIRECTORY

The following tenements (collectively, **Serowe CBM Project**) are held by Sharpay Enterprises (Pty) Ltd in which Botala has a 100% legal interest and is Operator. All tenements are in good standing.

Prospecting Licence Number	Expiry Date	Area (KM <sup>2</sup> )	Comments
016/2018	31/03/2025	648.12	Current
018/2018	31/03/2025	694.35	Current
019/2018	31/03/2025	511.39	Current
356/2018	30/09/2025	918.97	Current
357/2018	30/09/2025	892.23	Current
400/2018	30/09/2025	192.79	Current
055/2021	31/03/2026	267.14	Current

(Total KM<sup>2</sup> as at 30 September 2024)

The Serowe CBM Project is located in the Karoo-Kalahari Basin of Central Botswana.

## GAS PRODUCTION

There was no gas production for the September 2024 Quarter.

## CORPORATE AND CASH MANAGEMENT

Botala raised approximately A\$1.1 million by placement and a Share Purchase Plan during the Quarter and held net cash of A\$847,000 at 30 September 2024.

## **ADDITIONAL ASX LISTING RULE DISCLOSURE**

Pursuant to ASX Listing Rule 5.4.5, Botala must include a description of and an explanation for payments to related parties and their associates as disclosed in the Appendix 5B in Section 6 as follows:

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	66
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Item 6.1: The aggregate amount of payments to related parties and their associates during the September 2024 Quarter was A\$50k in Director and CEO consulting fees for Company administration.

Item 6.2: The aggregate amount of payments to related parties and their associates during the September 2024 Quarter was A\$66k in Director and CEO consulting fees for exploration and evaluation activities.

BY ORDER OF THE BOARD

Yours faithfully

**BOTALA ENERGY LTD**



Kris Martinick

**Chief Executive Officer**

**For more information please contact:**

Kris Martinick: [kris.martinick@botalaenergy.com.au](mailto:kris.martinick@botalaenergy.com.au) or 0421 322 737

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

## **About Botala**

Botala Energy Ltd (ACN 626 751 620) is an ASX-listed coal bed methane (**CBM**) exploration and development Company focused on developing production from its 100% owned Serowe CBM Project in a high-grade CBM region of Botswana, and related early-stage renewable energy opportunities. Botala, as Operator, is focused on developing the Serowe CBM Project and believes that there is a considerable opportunity for Botala to commercialise the project due to the demand for a stable, reliable power supply in Botswana.

Botala is listed on the Australian Securities Exchange and the Botswana Stock Exchange.

## **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, Botala does not undertake any obligation to update or revise any forward- looking statements, whether as a result of new information, future events or otherwise.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BOTALA ENERGY LTD

ABN

41 626 751 620

Quarter ended ("current quarter")

30 SEPTEMBER 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(122)	(122)
(e) administration and corporate costs	(82)	(82)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(201)</b>	<b>(201)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(364)	(364)
(e) investments	-	-
(f) other non-current assets	(91)	(91)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	50	50
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(405)</b>	<b>(405)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	327	327
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – placement advance Directors	704	704
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,010</b>	<b>1,010</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>404</b>	<b>404</b>
4.1	Cash and cash equivalents at beginning of period	443	443
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(201)	(201)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(405)	(405)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,010	1,010

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>847</b>	<b>847</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	847	443
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>847</b>	<b>443</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	66

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	50	2
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	50	2
7.5	<b>Unused financing facilities available at quarter end</b>		48
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Credit standby facilities are for a credit card facility of \$50,000 from the NAB at commercial interest rates, which is secured.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(201)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(364)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(565)
8.4	Cash and cash equivalents at quarter end (item 4.6)	847
8.5	Unused finance facilities available at quarter end (item 7.5)	48
8.6	Total available funding (item 8.4 + item 8.5)	895
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.6
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No, Botala expects costs to further reduce in the next Quarter as it continues to evaluate the drilling and desorption testing results from Project Pitse.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Botala raised \$1,870,000 by placement subsequent to the Quarter as announced to the ASX on the 23 October 2024. As announced to the ASX on the 4 April 2024, sole ownership of the Serowe CBM Project is important for engagement with prospective strategic partners as Botala advances towards development. Botala is currently in advanced negotiations with a number of development partners (though for completeness, no binding terms have been agreed and there is no guarantee that any such transaction will materialise on terms favourable to Botala, or at all).	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, refer to the Company's response provided under item 8.8.2 above.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 October 2024

Date: .....



Authorised by: .....

Craig Basson  
(Company Secretary)

Authorised by: The Board

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.