

Serowe CBM Mining Licence Granted

Highlights

- Botala secures final regulatory approval to transition to commercial production.
- Gives exclusive rights and security of tenure to develop and produce coal bed methane (CBM) gas within Botala's Mining Licence (ML) for 10 years with the right to renew for a further 25 years.
- Allows Botala to progress to commercial production and early revenue generation.
- Provides clear pathway to large-scale gas production when aligned with Botala's Bankable Feasibility Study (BFS), gas flow rate and related studies.
- Exploration for CBM on remaining Prospecting Licences is ongoing.

Botala Energy Ltd (**ASX and BSE: BTE**) (**Botala**) is pleased to announce the granting of a Mining Licence (ML0052/2025) for its Serowe CBM Project in accordance with Section 39 of the Mines and Minerals Act of Botswana.

This is a transformational milestone for Botala, providing the final regulatory approval required for project development and unlocking the pathway to commercial production.

Mr Kris Martinick, Chief Executive Officer stated: "The granting of the Mining Licence is a defining moment for Botala and a major de-risking milestone for the Serowe CBM Project. It removes the final regulatory hurdle and provides us with the green light to transition from exploration to development, bringing us closer to first revenue."

With all environmental and planning approvals secured, our fieldwork advancing and the Bankable Feasibility Study progressing, we have strengthened our position to deliver a commercially viable gas project. These developments coincide with the growing energy demand in Southern Africa.

We look forward to accelerating our development efforts to bring much-needed natural gas to the region."

ML0052/2025 provides Botala with the security of tenure required to produce CBM natural gas within the approved licence area for 10 years with the option to renew for a further 25 years. It follows the successful completion of environmental and planning approvals together with feasibility assessments to ensure that all key regulatory requirements are now met.

With the regulatory framework now in place, Botala is accelerating development activities, including the drilling of additional wells, infrastructure upgrades, and completion of its BFS. These efforts are designed to position the Serowe CBM project for first revenue generation, aligning with increasing demand for natural gas in Botswana and the broader Southern African market.

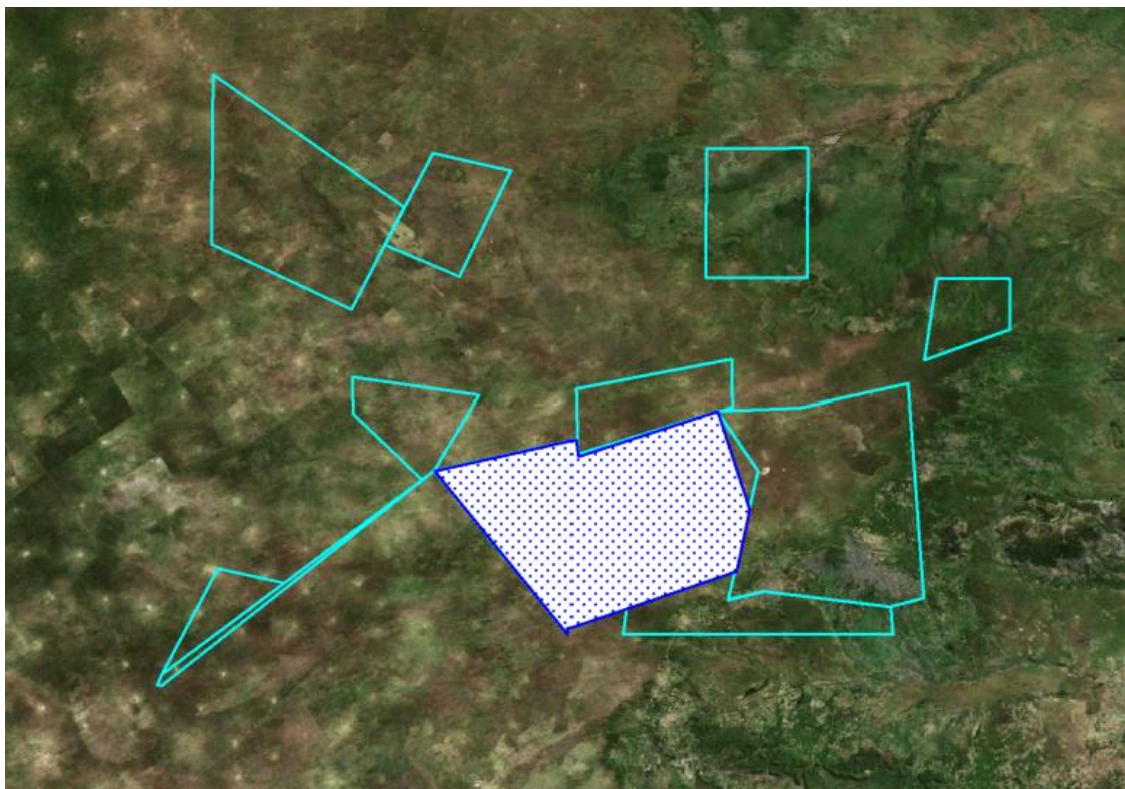


Figure 1 - Mining Licence (shown in white) and Tenement Map

This achievement highlights progress made by Botala, including:

- Certified CBM resources as announced in July 2024.
- Advancement of commercial CBM pilot at Project Pitse.
- Secured environmental and planning approvals to develop the CBM Wellfield, complete with a pipeline to Botala's Leupane Energy Hub and Industrial Park near Palapye.
- ML0025/2025 covers areas of Botala's Prospecting Licences that have been explored and all have relatively uniform distributed CBM containing coals.

Mining Licence 0052/2025 Overview and Key Terms

- **Surface area:** The ML incorporates most of the region previously designated under Prospecting Licences PL356/2018 and PL400/2018.
- **Duration:** Granted for a period of 10 years with the option to renew for a further 25 years providing long-term security for project development.
- **Full Coverage:** Covers the full area applied for, enabling Botala to proceed with its staged Development Plan.
- **Government Participation:** The Botswana Government has a 90-day period in which it must decide whether to exercise its option to acquire a 15% equity stake in the project under Section 40 of the Mines and Minerals Act. If the Botswana Government exercises this option, it should result in a receipt of around A\$2.2 million to Botala.
- **Royalties:** A royalty of **3% of the gross market value** is payable to the Government of Botswana, calculated at the mine gate (wellhead) on an arm's length sale basis.



- **Licence Fees:** An annual licence fee of **BWP100 per km²** is payable to the Director of Mines.
- **No Minimum Spend Requirement:** Botala has full flexibility to commence project development at its own pace, without a stipulated minimum capital investment requirement.

Awarding of ML0052/2025 is a testament to the quality and potential of the Serowe CBM Project and further solidifies Botala's position as a leader in Botswana's emerging natural gas industry.

Strategic Alignment with Ongoing Field Work and BFS

The ML approval is particularly well-timed as Botala progresses its field development and BFS. Key ongoing activities include:

- **Well Drilling and Infrastructure Development:** Botala is advancing its well drilling programme to further define gas reserves, gas flow rates and prepare the field for production.
- **Pilot Project Progression:** The commercial CBM pilot at Project Pitse continues to gather valuable data, de-risking the transition to full-scale development.
- **Feasibility Study Completion:** The BFS is evaluating long-term production strategies, infrastructure requirements, and commercial gas offtake opportunities.

With increasing demand for natural gas in Botswana and South Africa, ML0052/2025 ensures that Botala is well-positioned to capitalise on market opportunities.

BY ORDER OF THE BOARD

Yours faithfully

Botala Energy Ltd

Kris Martinick
Chief Executive Officer

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



About Botala Energy Ltd

Botala Energy Ltd (ACN 626 751 620) is an ASX-listed Coal Bed Methane (**CBM**) exploration and development company focussed on developing production from its 100% owned Serowe CBM Project located in a high-grade CBM region of Botswana (and related early-stage renewable energy opportunities). Botala, 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 and elsewhere in Southern Africa. 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, we do not undertake any obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.