Botala Energy Ltd

ABN 41 626 751 620

Interim Report - 31 December 2024

Chairman's Letter – Half-Yearly Report

Botala Energy - A Transformational Year Ahead

Dear Shareholders,

The past six months have been a period of remarkable progress and transformation for Botala Energy Ltd (ASX: BTE), as we continue our journey from exploration to development of our Serowe Coal Bed Methane (CBM) Project in Botswana. Our strategy is to deliver tangible results and your Company has certainly achieved this over the reporting period. Botala Energy is now well-positioned to become a major supplier of natural gas and renewable energy in Southern Africa, having established itself as a first mover in Botswana's emerging CBM industry.

The foundation of our success has been a 42% increase in certified CBM resources at Serowe, growing our contingent resource base to 454bcf, with the potential to expand up to 7.1tcf as announced to the ASX on the 8 July 2024. This is a large increase from our initial estimates, reinforcing the scale and significance of our Serowe CBM Project. Coupled with high-purity gas desorption results of 94% methane and enhanced flow testing, we have now mapped the "sweet spot" across our 420,000 ha prospecting leases, paving the way for wellfield development and commercial production.

Pleasingly, we have now secured all environmental approvals required for the development of the Serowe gasfield, LNG production facilities, and energy hubs at Serowe and Leupane. This means that all material regulatory hurdles have now been cleared, providing a clear pathway to first revenue.

A significant milestone was our successful capital raise of A$1.87 million in October 2024, which was well-supported by shareholders and new investors, demonstrating confidence in our vision and execution strategy.

These funds are being predominantly applied to Pilot Project Pitse, our first commercial 5-well cluster, which is now mobilising for drilling. This pilot project is a key step towards establishing commercial gas flows, validating our wellfield design and de-risking the broader field development plan.

Commercial and Financial Milestones – Positioning for Growth

Beyond our exploration and technical successes, we have made substantial commercial progress. Our binding offtake negotiations with major South African industrial gas users are now in advanced stages, underpinning the economic viability of our Serowe CBM Project. Additionally, the January 2025 agreements with Novo Energy (refer ASX announcement dated 13 January 2025) and FFS Refiners (refer ASX announcement dated 20 January 2025) mark a significant step forward in developing a regional LNG supply chain.

The recent award of our Mining Licence further supports our transition towards commercial production. As part of this strategy, discussions are underway with potential farm-in partners to acquire up to 30% equity in the CBM project, allowing us to accelerate growth while minimising capital exposure.

At the core of our development plans is the Bankable Feasibility Study (BFS), which commenced in January 2025 and is progressing well. This independent study will specify the scope, nature, risks and contingencies of commencement of commercial CBM production and is a key step in securing project financing.

Clear Roadmap to First Commercial Gas

Looking ahead, the next 12 months will be transformational as we work towards first commercial gas production at Serowe. Our pathway to development includes:

- Drilling and commissioning Project Pitse's first five-well cluster.
- Obtaining and concluding binding offtake agreements for Phase 1 production.
- Expanding commercial agreements with Offtakers.
- Securing a high-quality farm-in partner to support project financing.
- Completion of the BFS, Field Development Plan (FDP) and financial model validation.
- Obtaining and finalising full-scale project financing for Phase 1.
- Initiating full project development subject to securing funding.

Chairman's Letter – Half-Yearly Report (continued)

We appreciate the continued support of our shareholders, stakeholders and local communities, who are all integral to our success. The next phase of growth and execution is now underway and we look forward to delivering significant value as we transition to the development stage.

Kindest regards,

Dr. Wolf Martinick
Executive Chairman, Botala Energy Ltd

Review of Operations

The Directors present their report, together with the financial statements, on the consolidated entity ('Group') consisting of Botala Energy Ltd ('Botala', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were Directors of Botala Energy Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Dr Wolf Gerhard Martinick	Director and Chairman
Mr Craig Basson	Director, Chief Financial Officer and Company Secretary
Mr Peter Desmond Grant	Non-executive Director

The Directors have been in office since the start of the financial year to the date of this report. Mr Kris Francis Martinick is the Company's CEO.

Principal activities

The principal activities of Botala during the period were focused on coal-bed methane (CBM) exploration and development of renewable energy.

No significant changes to the nature of Botala's principal activities occurred during the financial period.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Review of operations

The loss for the Group after providing for income tax amounted to $1,405,320 (31 December 2023: $990,679).

A review of Botala's operations during the financial period, and the results of those operations, is as follows:

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.

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 be seamlessly integrated 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.

Gas Quality Enhancements through High Purity and Efficient Desorption

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 H2S. 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.

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.

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.

Environmental Impact Approval for Serowe CBM Project

On 7 October 2024, Botala announced that it had received Environmental Impact Approval for its Serowe CBM Project. This approval is a significant milestone, clearing a major regulatory hurdle and allowing the Company to proceed with its development plans. The approval underscores Botala's commitment to sustainable operations and environmental compliance.

All environmental approvals are now in place for development of the Serowe CBM Project including:

- Serowe gasfield.
- LNG production facilities.
- Energy hubs in Serowe and Leupane.
- Pipeline from the gasfield to Leupane.

The Serowe CBM Project represents a major opportunity to supply natural gas to both domestic and regional markets, particularly as South Africa faces an impending gas shortage.

The environmental approval aligns Botala with its long-term strategy of becoming a key energy supplier in Southern Africa.

Successful A$1.87 million Capital Raising

On 23 October 2024, Botala successfully completed a capital raising via a placement to raise $1.87 million. The funds will be used to advance exploration and development activities at the Serowe CBM Project and support the Company's ongoing operations.

This placement was well-supported by existing shareholders and new investors, reflecting confidence in Botala's strategy and the growing recognition of the Serowe CBM Project's potential to address regional energy needs.

Annual General Meeting and Shareholder Support

On 28 November 2024, Botala held its Annual General Meeting, where all resolutions were passed by poll. This strong shareholder endorsement demonstrates confidence in the Company's leadership and future plans.

Key resolutions included the re-election of a director, approval of the Company's remuneration report, and the ratification of prior share placements. These approvals provide the Company with the flexibility to continue its exploration and development activities, whilst pursuing strategic partnerships.

TENEMENT DIRECTORY AT 31 DECEMBER 2024

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^2)	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^2 *as at 31 December 2024)*

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

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial period.

Matters subsequent to the end of the financial period
The following matters were announced to the market subsequent to the end of the period:

- 13 January 2025 – Botala and Novo Energy to build regional LNG supply chain.
- 20 January 2025 - Botala signs strategic term sheet with FFS Refiners to address Southern Africa's gas crisis.
- 28 February 2025 – 18,707,000 founder options expired/(unexercised).
- 5 March 2025 – Serowe CBM Mining Licence Granted.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001. On behalf of the Directors

Wolf Gerhard Martinick
Executive Chairman

12 March 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Botala Energy Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
12 March 2025

L Di Giallonardo
Partner

hlb.com.au

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General information

The financial statements cover Botala Energy Ltd as a Group consisting of Botala Energy Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Botala Energy Ltd's functional and presentation currency.

Botala Energy Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
24 Hasler Road, Osborne Park WA 6017	Unit 2, 22 Mounts Bay Road, Crawley WA 6009

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 12 March 2025.

Botala Energy Ltd
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	Consolidated 31 December 2024 $	Consolidated 31 December 2023 $
Other income			
Interest received		6,946	17,250
Gain on financial assets at fair value through profit or loss		1,081	-
Other income		2,580	-
Expenses			
Share of loss of equity accounted investee	21	-	(495,618)
Share-based payments	18	(419,232)	-
Employee benefits expense		(308,488)	(136,643)
Finance costs		(40,699)	(37,395)
Consultancy costs		(165,501)	(104,978)
Marketing costs		(7,861)	(13,914)
Depreciation		(52,563)	(8,045)
Administration costs		(421,583)	(211,336)
Loss before income tax		(1,405,320)	(990,679)
Income tax expense	4	-	-
Loss after income tax for the half-year attributable to the owners of Botala Energy Ltd		(1,405,320)	(990,679)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Joint venture foreign currency translation		-	145,337
Items that will be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		578,948	3,614
Other comprehensive income for the half-year, net of tax		578,948	148,951
Total comprehensive loss for the half-year attributable to the owners of Botala Energy Ltd		(826,372)	(841,728)
Loss for the period is attributable to:			
Owners of Botala Energy Ltd		(1,381,596)	(990,679)
Non-controlling interests		(23,724)	-
		(1,405,320)	(990,679)
Total comprehensive loss for the period is attributable to:			
Owners of Botala Energy Ltd		(801,574)	(841,728)
Non-controlling interests		(24,798)	-
		(826,372)	(841,728)
		Cents	**Cents**
Basic loss per share		(0.66)	(0.69)
Diluted loss per share		(0.66)	(0.69)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 31 December 2024 $	30 June 2024 $
Assets			
Current assets			
Cash and cash equivalents		1,398,227	443,394
Trade and other receivables	5	514,463	419,836
Other assets		75,938	58,969
Total current assets		1,988,628	922,199
Non-current assets			
Exploration and evaluation expenditure	6	16,463,324	15,486,739
Inventories	7	527,085	399,866
Property, plant & equipment	8	1,146,360	709,758
Right-of-use assets	9	560,746	545,092
Financial assets		3,112	-
Total non-current assets		18,700,627	17,141,455
Total assets		20,689,255	18,063,654
Liabilities			
Current liabilities			
Trade and other payables	10	304,620	172,910
Total current liabilities		304,620	172,910
Non-current liabilities			
Lease liabilities	11	660,451	619,500
Financial liabilities		750,000	750,000
Total non-current liabilities		1,410,451	1,369,500
Total liabilities		1,715,071	1,542,410
Net assets		18,974,184	16,521,244
Equity			
Issued capital	12	21,532,411	18,476,731
Reserves	13	1,697,877	894,223
Accumulated losses		(4,166,593)	(2,784,997)
Equity attributable to owners Botala Energy Ltd		19,063,695	16,585,957
Non-controlling interest		(89,511)	(64,713)
Total equity		18,974,184	16,521,244

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Botala Energy Ltd
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	13,372,240	677,759	(773,830)	13,276,169
Loss after income tax for the half-year	-	-	(990,679)	(990,679)
Other comprehensive income for the half-year, net of tax	-	148,951	-	148,951
Total comprehensive income/(loss) for the half-year	-	148,951	(990,679)	(841,728)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (Note 12)	2,372,811	-	-	2,372,811
Options issued to brokers	-	132,991	-	132,991
Balance at 31 December 2023	15,745,051	959,701	(1,764,509)	14,940,243

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2024	18,476,731	894,223	(2,784,997)	16,585,957	(64,713)	16,521,244
Loss after income tax expense for the half-year	-	-	(1,381,596)	(1,381,596)	(23,724)	(1,405,320)
Other comprehensive income/(loss) for the half-year, net of tax	-	580,022	-	580,022	(1,074)	578,948
Total comprehensive income/(loss) for the half-year	-	580,022	(1,381,596)	(801,574)	(24,798)	(826,372)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (Note 12)	2,860,080	-	-	2,860,080	-	2,860,080
Share-based payments – directors and key management personnel (Note 18)	-	149,252	-	149,252	-	149,252
Share-based payments – employees and consultants (Note 18)	-	269,980	-	269,980	-	269,980
Conversion of performance rights	195,600	(195,600)	-	-	-	-
Balance at 31 December 2024	21,532,411	1,697,877	(4,166,593)	19,063,695	(89,511)	18,974,184

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Consolidated	
	31 December 2024 $	**31 December 2023 $**
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(427,638)	(323,396)
Interest received	6,946	17,249
Net cash used in operating activities	(420,692)	(306,147)
Cash flows from investing activities		
Payments for joint venture costs/interest	-	(2,538,149)
Payments for exploration and evaluation	(1,025,233)	-
Net payment of deposits	(41,113)	-
Payments for investments at financial assets at fair value through profit or loss	(2,030)	-
Payments for property, plant and equipment	(406,091)	-
Net cash used in investing activities	(1,474,467)	(2,538,149)
Cash flows from financing activities		
Proceeds from issue of shares	2,900,600	2,988,199
Share issue transaction costs	(52,250)	(84,221)
Net cash generated from financing activities	2,848,350	2,903,978
Net increase in cash and cash equivalents	953,191	59,682
Cash and cash equivalents at the beginning of the financial half-year	443,394	1,866,802
Effects of exchange rate changes on cash and cash equivalents	1,642	-
Cash and cash equivalents at the end of the financial half-year	1,398,227	1,926,484

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policies

These general purpose condensed financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The condensed financial statements have been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts presented are in Australian dollars. For the purpose of preparing the condensed financial statements, the half-year has been treated as a discrete reporting period.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business and at the amounts stated in the financial statements.

Notwithstanding the fact that the Group incurred a loss of $1,405,320 with net cash used in operating activities of $420,692 and investing activities of $1,474,467 for the period, the Directors are of the opinion that the Group is a going concern. The Group has net current assets of $1,684,008 net asset surplus of $18,974,184.

Given the potential funding options and cash management initiatives noted below, the Directors believe the going concern basis is appropriate:

- The Group will continue to exercise appropriate cash management and monitoring of operating cashflows according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Group’s cash management strategy.
- The Group has demonstrated its ability to raise capital via equity placements to shareholders during the period. Given the strong support of substantial shareholders and the prospectivity of the Group’s current projects the Directors are confident that any future capital raisings will be successful.

After consideration of the above factors together with a review of the Group’s financial position and forecast cash flows, the Directors reasonably expect the Group will be able to generate sufficient future cashflows to ensure the Group is able to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. However, should results be materially worse than expected and/or the Group is unable to generate any additional funding required, there would exist a material uncertainty which could cast significant doubt as to whether the Group would in such circumstances be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into one operating segment: exploration. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The information reported to the CODM is on a monthly basis.

Geographical information

	Consolidated	
	31 December 2024 $	30 June 2024 $
Geographical non-current assets		
Australia	1,559	2,096
Botswana	18,699,068	17,139,359
	18,700,627	17,141,455

Note 4. Income tax expense

	Consolidated	
	31 December 2024 $	31 December 2023 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,405,320)	(990,679)
Tax at the statutory tax rate of 30%	(421,596)	(297,204)
Current half-year tax losses not recognised	-	18,618
Movement in unrecognised deferred tax assets	421,596	278,586
Income tax expense	-	-

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 December 2024 $	30 June 2024 $
Goods and services tax receivable	11,663	9,999
Other receivables	187,468	107,553
Other receivables – BPC Tender[1]	315,332	302,284
	514,463	419,836

[1] Botswana Power Corporation (BPC) tender was successful during the period.

Note 6. Exploration and evaluation expenditure

	Consolidated	
	31 December 2024 $	30 June 2024 $
Exploration and evaluation phase	16,463,324	15,486,739

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current financial half-year and previous financial full year are set out below:

	6 months to 31 December 2024 $	12 months to 30 June 2024 $
Opening carrying amount	15,486,739	-
Additions through acquisition of Sharpay Enterprises (Pty) Ltd	-	14,726,179
Additions	470,163	592,380
Exchange differences	506,422	168,180
Closing carrying amount	16,463,324	15,486,739

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the underlying exploration properties.

Note 7. Inventories

	Consolidated	
	31 December 2024 $	30 June 2024 $
Inventories[1]	527,085	399,866
	527,085	399,866

[1] Inventories include consumable supplies and maintenance spares expected to be utilised as part of the Group's ongoing exploration activities. Inventories are valued at the lower of cost and net realisable value. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

Note 8. Property, plant and equipment

	Consolidated	
	31 December 2024 $	**30 June 2024 $**
Non-current assets		
Computer equipment - at cost	14,351	11,174
Less: Accumulated depreciation	(4,878)	(2,036)
	9,473	9,138
Assets under construction	109,764	105,234
Plant & Equipment	954,416	485,097
Less: Accumulated Depreciation	(26,552)	(8,639)
	927,864	476,458
Motor Vehicles	123,276	119,117
Less: Accumulated Depreciation	(30,302)	(9,817)
	92,974	109,300
Furniture & Fittings	11,738	11,429
Less: Accumulated Depreciation	(5,453)	(1,801)
	6,285	9,628
Total property, plant & equipment	1,146,360	709,758

Reconciliations
Reconciliations of the written down values at the beginning and end of the current period and previous financial year are set out below:

Consolidated	Motor Vehicles $	Furniture & Fixtures $	Computer Equipment $	Plant & Equipment[1] $	Assets under construction[2] $	Total $
Balance at 1 July 2023	-	-	3,160	-	82,561	85,721
Additions	-	-	-	400,000	21,923	421,923
Additions – Acquisition of Sharpay Enterprises (Pty) Ltd (Note 31)	120,105	11,526	8,079	86,169	-	225,879
Depreciation expense	(9,817)	(1,801)	(2,036)	(8,639)	-	(22,293)
Exchange differences	(988)	(97)	(65)	(1,072)	750	(1,472)
Balance at 30 June 2024	109,300	9,628	9,138	476,458	105,234	709,758
Additions			2,381	406,091	-	408,472
Depreciation expense	(20,485)	(3,652)	(2,842)	(17,913)	-	(44,892)
Exchange differences	4,159	309	796	63,228	4,530	73,022
Balance at 31 December 2024	92,974	6,285	9,473	927,864	109,764	1,146,360

[1]Equipment purchased during the prior period relates to flow testing and monitoring equipment acquired by way of 4,444,444 shares with a deemed fair value of $400,000. As at 31 December 2024, the equipment was not yet ready for its intended use and as such no depreciation expense has been recognised for the financial period ended 31 December 2024. Plant & equipment additions during the current half-year period of $406,091 related to drilling equipment acquired. As at 31 December 2024, the drilling equipment was not yet ready for its intended use and as such no depreciation expense has been recognised for the half-year period.

[2]Assets under construction relate to establishment costs related to the Leupane Energy and Industrial Park & Serowe Energy Hub. As at 31 December 2024, these assets were not yet ready for their intended use and as such no depreciation expense has been recognised for the financial period ended 31 December 2024.

Note 9. Non-current assets – Right-of-use assets

	Consolidated	
	31 December 2024 $	**30 June 2024 $**
Non-current assets		
Land - right-of-use	592,239	567,735
Less: Accumulated depreciation	(31,493)	(22,643)
	560,746	545,092

The Group leases land for the proposed site of the Leupane Energy and Industrial Park and the Serowe Energy Hub under agreements of between 35 to 44 years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The implicit interest rate used is 12%.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current period and previous financial year are set out below:

Consolidated	**Land $**	**Total $**
Balance at 1 July 2023	557,592	557,592
Additions	-	-
Exchange differences	2,577	2,577
Depreciation expense	(15,077)	(15,077)
Balance at 30 June 2024	545,092	545,092
Additions	-	-
Exchange differences	36,709	36,709
Depreciation expense	(21,055)	(21,055)
Balance at 31 Dec 2024	560,746	560,746

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 December 2024 $	**30 June 2024 $**
Trade payables	262,094	152,436
Other payables	42,526	20,474
	304,620	172,910

Note 11. Lease liabilities

	Consolidated	
	31 December 2024 $	30 June 2024 $
Non-current liabilities		
Lease liability - Leupane Energy and Industrial Park	471,717	444,188
Lease liability - Serowe Energy Hub	188,734	175,312
	660,451	619,500

Lease liabilities are classified as non-current due to the length of the lease being between 35 to 44 years and the impact of the time value of money.

The following are the amounts recognised in profit or loss:

	Consolidated	
	31 December 2024 $	31 December 2023 $
Depreciation expense of right-of-use assets	7,664	7,510
Interest expense on lease liabilities	38,087	35,533
	45,751	43,043

Note 12. Equity - issued capital

	Consolidated			
	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 $	30 June 2024 $
Ordinary shares - fully paid	248,156,009	188,502,923	21,532,411	18,476,731

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2023	136,189,594		13,372,240
Issue of Ordinary Shares	29 September 2023	8,944,444	$0.09	805,000
Issue of Ordinary Shares	27 November 2023	5,833,333	$0.09	525,000
Issue of Ordinary Shares for Equipment (refer Note 13)	27 November 2023	4,444,444	$0.09	400,000
Issue of Ordinary Shares	29 December 2023	9,813,331	$0.09	883,200
Issue of Ordinary Shares	16 April 2024	8,333,333	$0.09	750,000
Issue of Ordinary Shares to Employees (refer Note 4)	17 April 2024	333,333	$0.09	30,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 1	17 April 2024	6,000,000	$0.08	480,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2[1]	28 June 2024	-	$0.08	705,500
Issue of Ordinary Shares - Directors	28 June 2024	8,611,111	$0.09	775,000
Share issue costs		-		(249,209)
Balance	30 June 2024	188,502,923		18,476,731
Issue of Ordinary Shares	12 August 2024	1,700,000	$0.075	127,500
Issue of Ordinary Shares	13 September 2024	2,666,673	$0.075	200,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2[1]	16 September 2024	6,500,000	-	-
Issue of Ordinary Shares	16 September 2024	27,778,080	$0.056	1,555,572
Issue of Ordinary Shares - Directors	2 December 2024	5,625,000	$0.056	315,000
Issue of Ordinary Shares - Directors	2 December 2024	9,633,333	$0.075	722,500
Conversion of Performance Rights	5 December 2024	5,750,000	-	195,600
Share issues costs		-		(60,492)
Balance		248,156,009		21,532,411

[1]Accounting value of the Tranche 2 Sharpay acquisition shares was recognised during the prior financial year ended 30 June 2024, whilst the shares were issued on 16 September 2024.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 13. Equity - reserves

	Consolidated	
	31 December 2024 $	**30 June 2024 $**
Foreign currency translation reserve	562,677	(17,345)
Share-based payments reserve	-	195,600
Options reserve	1,135,200	715,968
	1,697,877	894,223

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payment reserve
The reserve is used to recognise the value of performance right equity benefits provided to directors and employees as part of their remuneration. The performance rights have been valued using the Monte-Carlo Simulation method.

Options reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. The options have been valued using the Black-Scholes method and further information can be found in Note 18.

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	**Options reserve $**	**Share based payments reserve $**	**Foreign currency translation reserve $**	**Total $**
Balance at 1 July 2024	715,968	195,600	(17,345)	894,223
Share based payments – Director/CEO options	149,252	-	-	149,252
Share based payments – employee/consultant options	269,980	-	-	269,980
Performance rights converted to ordinary shares (transfer to issued capital)	-	(195,600)	-	(195,600)
Foreign currency translation	-	-	580,022	580,022
Balance at 31 December 2024	1,135,200	-	562,677	1,697,877

Note 14. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Key management personnel disclosures

Directors
The following persons were Key Management Personnel of Botala Energy Ltd during the financial half-year:

Wolf Gerhard Martinick	Director and Chairman
Kris Francis Martinick	Chief Executive Officer
Craig Basson	Director, Chief Financial Officer and Company Secretary
Peter Desmond Grant	Non-executive Director

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	31 December 2024 $	**31 December 2023 $**
Short-term employee benefits	319,790	280,415
Share-based payments	149,252	-
	469,042	280,415

Short-term employee benefits relate to director and consulting fees settled in cash.

During the half-year options were issued to directors and key management personnel. Refer to Note 18 for further details.

Note 17. Related party transactions

Parent entity
Botala Energy Ltd is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 16.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting dates.
Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 18. Share-based payments

	Consolidated	
	31 December 2024 $	**31 December 2023 $**
Share-based payment expense	419,232	-
Share-based payments – Director/CEO Options (i)	149,252	-
Share-based payments – Employee/Consultant Options (ii)	269,980	-
Total share-based payments expense recognised through profit and loss	419,232	-

The details of the share-based payments provided for the half-year period to 31 December 2024 are:

(i) During the financial period, the Company issued 6,300,000 options to directors and executives. The grant date of the options was 5 December 2024 being the date of shareholder approval and each option has a fair value of $0.024. As there are no attached service conditions, a total charge of $149,252 has been expensed through profit and loss on the date of grant.

Share based payments – Director/CEO Options

	KMP Options
Number Issued	6,300,000
Exercise Price	$0.10
Expiry Date	5/12/2027
Grant Date	5/12/2024
Volatility (%)	90%
Risk Free Rate (%)	3.67%
Underlying Fair Value on Grant Date	$0.024
Total Fair Value ($) – Life of Options	$149,252
Total Fair Value ($) – expensed to 31 Dec 2024	$149,252

(ii) During the financial period, the Company issued 9,250,000 options to directors and executives. The grant date of the options was 5 December 2024 being the date of shareholder approval and each option has a fair value of $0.024. As there are no attached service conditions, a total charge of $269,980 has been expensed through profit and loss on the date of grant.

Share based payments – Employee/Consultant Options

	Employee/Consultant Options
Number Issued	9,250,000
Exercise Price	$0.10
Expiry Date	24/12/2027
Grant Date	24/12/2024
Volatility (%)	90%
Risk Free Rate (%)	3.67%
Underlying Fair Value on Grant Date	$0.029
Total Fair Value ($) – Life of Options	$269,980
Total Fair Value ($) – expensed to 31 Dec 2024	$269,980

Note 20. Events after the reporting period

The following matters were announced to the market subsequent to the end of the period:

- 13 January 2025 – Botala and Novo Energy to build regional LNG supply chain.
- 20 January 2025 - Botala signs strategic term sheet with FFS Refiners to address Southern Africa's gas crisis.
- 28 February 2025 – 18,707,000 founders' options expired/(unexercised).
- 5 March 2025 – Serowe CBM Mining Licence Granted.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 21. Investment in joint venture

As disclosed in the annual report for the year ended 30 June 2024, on 4 April 2024 the Company announced the completion of the acquisition of the remaining interest in the issued capital of Sharpay Enterprises (Pty) Ltd, which up to that date, had been accounted for using the equity accounting method. Sharpay became a 100% owned subsidiary of the Company on 4 April 2024.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Wolf Gerhard Martinick
Executive Chairman

12 March 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Botala Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Botala Energy Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Botala Energy Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2025

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L Di Giallonardo
Partner