

Serowe CBM Update: LNG Feasibility Study

Highlights

- **Phase 1 of the LNG Feasibility Study completed**, defining a clear development pathway and identifying preferred technology suppliers.
- **Chart Industries selected** as leading candidate for liquefaction solutions for Botala's planned 200 tpd LNG production facility.
- **Galileo Technology** an option for early-stage small scale LNG in the wellfield.
- **Plant design confirmed** to be modular, scalable, and located at the Serowe staging area with self-sufficient power.

Botala Energy Ltd (**ASX and BSE: BTE**) (**Botala**) is advancing the Bankable Feasibility Study (BFS) development focused on a modular LNG production facility to commercialise gas from its Serowe Coal Bed Methane (CBM) Project in Botswana. With a focus on scalable, efficient delivery of 200 tonnes per day (tpd) of liquefied natural gas (LNG), the facility is intended to meet rising energy demand in Botswana and neighbouring South Africa.

The LNG plant is a key component of Botala's strategy to provide a secure energy source, envisaged to help to alleviate the impending gas shortage in the region.

Kris Martinick, Chief Executive Officer stated: "Completing Phase 1 of the LNG Feasibility Study is a major milestone. We now have a clear development pathway and the confidence to move into the final engineering and design phase with two world-class vendors."

This study confirms that our modular strategy is technically and commercially sound and supports our goal of delivering first gas into the Southern African market. Our plan to integrate small-scale and large-scale LNG deployment offers flexibility and risk management."

Work Completed in Phase 1

Phase 1 was led by Fraser McGill and included a structured programme of:

- Framing workshops to define development priorities.
- Serowe gas field and staging area site visit.
- Global technology screening and supplier engagement.
- A structured Multi-Criteria Analysis (MCA) to assess technical, commercial, and risk factors for five shortlisted technology vendors.

Fraser McGill provides independent strategic advisory services to junior and mid-tier companies in the mining and minerals sector from the head office in Johannesburg.



Key outcomes included:

- **Location Selection:** The staging area, 40km from the wellfield, was selected for the plant location due to logistical efficiency, avoiding the need for costly upgrades to the unsealed wellfield access road.
- **Power Supply:** The project is envisaged to incorporate self-sufficient power generation with backup systems.
- **Technology Shortlist:** Five technology providers were evaluated. The assessment focused on scalability, cost, delivery timelines, and technical fit for the 200 tpd design.

Preferred Technologies and Vendor Outcomes

Botala selected Chart Industries and Galileo Technologies as the top two candidates for further evaluation in Phase 2:

Chart Industries (USA): Proposed a proven modular system capable of 200 tpd, featuring a full EPC consortium model and 5-day LNG storage. Chart's system integrates pre-treatment, liquefaction, and cryogenic storage, supported by a strong execution consortium of Chart, WBHO, Aurex, and Fluor.

Chart Industries, Inc (NYSE: GTLS) is pleased to be selected as the project partner of Botala Energy Ltd on the Serowe Gas Project in Botswana for the liquefaction of coal bed methane. Chart's process understanding and ability to implement world-class technical solutions by combining in-house technology and local execution capability in collaboration with consortium partners will strongly support Botala's project development strategy. The scope of the project will entail the utilisation of Chart's standard proprietary technology for the liquefaction of the coal bed methane source.

"We are pleased to partner with Botala Energy on this groundbreaking liquefaction project," stated Jill Evanko, Chart's CEO and President. "We look forward to continuing the work completed to date and bringing our extensive experience in providing a liquefaction plant for the required volumes needed for this project."

Chart Industries, Inc. is a leading independent global manufacturer of highly engineered equipment servicing multiple market applications in Energy and Industrial Gas. Chart's unique product portfolio is used throughout the liquid gas supply chain in the engineering, design, process technology, storage, distribution and end-use of molecules.

Galileo Technologies (Argentina): Offered a containerised Cryobox® system in 50 tpd modules. Galileo's technology is highly flexible, allows small scale well-side field ramp-up, and is backed by over 36 years of experience and more than 140 installations globally. The company has also expressed commitment to developing an African presence.

We are proud that our modular LNG technology has been selected by Botala Energy as the preferred solution for early-stage deployment. This recognition reinforces our commitment to delivering fast, flexible and scalable solutions that



accelerate gas-to-energy projects in Africa. We look forward to supporting Botala in this exciting phase of development.

Both vendors offer modular and scalable liquefaction solutions, aligning with Botala's strategy to ramp up supply based on market demand.

Scope of the Bankable Feasibility Study and Strategic Role of SCAW

The Bankable Feasibility Study (BFS) for Botala's modular LNG development is structured into two key phases and is designed to deliver a commercially viable, technically robust, and investment-ready plan for the Company's proposed 200 tonnes per day (tpd) LNG production facility. The project will underpin regional energy security by supplying gas into Botswana and neighbouring South Africa, where industrial demand is rapidly rising.

Phase 1 of the BFS, now completed, focused on defining and evaluating development options. This included a global review of modular LNG technologies, technical and commercial engagement with leading vendors, site assessments, and framing workshops.

The BFS has now progressed to Phase 2, which involves detailed engineering, financial modelling, and commercial delivery planning.

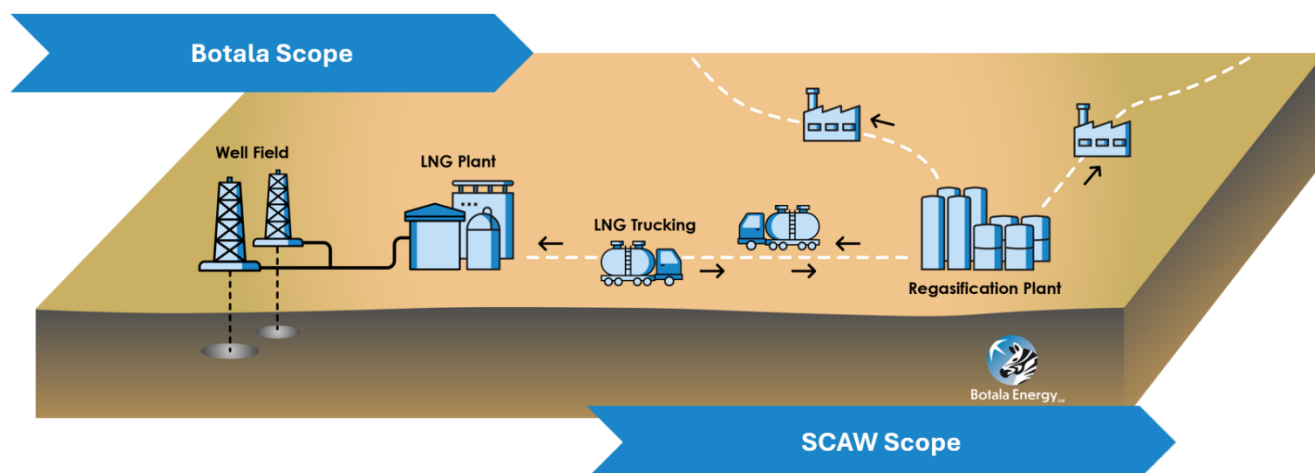


Figure 1 - BFS Scope Schematic (SOURCE: Botala Energy)

A key strategic element of Phase 2 is the direct participation of SCAW South Africa, Botala's first industrial gas offtake partner. SCAW is a major consumer of natural gas in the South African steel and metallurgical sector and has signed a binding Letter of Intent (LOI) for long-term LNG supply (refer ASX announcement 27 March 2025). As part of the BFS, SCAW is actively collaborating with Botala to optimise downstream infrastructure including LNG storage, delivery logistics, and site-specific regasification solutions. Their input is critical in designing a fit-for-purpose delivery model that aligns with end-user requirements, maximises plant utilisation, and ensures early uptake of Botala's LNG volumes.



This integrated BFS approach, combining upstream production, midstream liquefaction, and end-user delivery, ensures that commercial, technical, and financial elements are fully aligned ahead of final investment decision. Botala is also updating its financial models with revised capital and operating costs, evaluating phased production scenarios, and identifying procurement and project execution strategies.

The outcome of the BFS will be a comprehensive and financeable development plan that supports project funding, execution, and offtake finalisation. With regional gas shortages looming, and an industrial buyer like SCAW on board, Botala is positioned to emerge as a prominent gas provider in Southern Africa's LNG market. The BFS is a critical step on the pathway to delivering first commercial gas.

Field Development Plan and Integration with the BFS

The Field Development Plan (FDP) forms the geological and operational foundation of Botala's development strategy for the Serowe CBM Project. The FDP documents over six years of structured exploration, encompassing 11 wells drilled across key tenements, regional and proprietary geophysical surveys, and advanced coal characterisation through nuclear magnetic resonance (NMR) logging and desorption analysis. These investigations have confirmed the presence of three target coal seams; Serowe; Upper Morupule; and, Lower Morupule, with a combined average net coal thickness of 33 metres, and multiple wells showing evidence of free gas. The outcomes of this work were critical in securing Mining Licences over PL356 and PL400 in early 2025. Refer to the Botala announcement 10 July 2024 '*Amended Announcement – 42% Increase in CBM Resource*'.

Significantly, the recent announcement of strong gas flowrates from the MAS-13 cluster, drilled by a third party within a neighbouring prospecting licence, has validated the regional continuity and production potential of the Serowe seams. This result, when considered alongside Botala's own findings, provides further confidence in the productivity of the eastern flank and informs the current expansion of the exploration and appraisal focus across both flanks of the basin. The MAS-13 flow data will be integrated into Botala's reservoir modelling and well spacing assumptions, helping refine the location of initial production clusters and accelerate resource conversion from contingent to reserve status.

The FDP has directly informed the Bankable Feasibility Study (BFS) by providing the subsurface models, gas content estimates, and flow performance projections that underpin field layout, stimulation requirements, infrastructure planning, and full-field scale-up concepts. This includes guiding the design of the 200 tpd LNG development scenario and phased ramp-up options. It also outlines future well design strategies, drawdown management protocols, and flow assurance considerations essential to maintaining commercial uptime and gas deliverability.

As part of an integrated development strategy, the FDP ensures that the BFS is underpinned by a technically sound, field-proven geological model. It will continue to evolve alongside operational results and new regional data, such as those from MAS-13, with a view to ensuring that Botala's phased development approach remains low-cost, technically flexible, and commercially resilient.



What is Small-Scale LNG?

Small-scale LNG (ssLNG) refers to the production, storage, and distribution of liquefied natural gas in smaller volumes, typically under 500 tonnes per day (tpd), compared to conventional large-scale LNG export terminals which process thousands of tonnes daily. It is an established, commercially proven solution for monetising gas in regions where pipeline infrastructure is limited, uneconomic, or delayed.

Global Use and Proven Track Record

- The small-scale LNG sector has been in commercial operation for over 50 years, with the first units deployed in North America and Europe in the 1970s for peak-shaving and off-grid power.
- According to industry data, there are **over 150 operational ssLNG plants globally**, with a strong concentration in:
 - **North America:** Used for off-grid communities, trucking fuel, and temporary industrial supply.
 - **Europe:** Supporting decentralised energy markets and providing supply to island economies.
 - **China:** Home to **more than 100 small-scale LNG plants**, many under 100 tpd, used to serve inland provinces and industrial hubs.
 - **South America:** Emerging markets like Argentina, Brazil, and Colombia are using ssLNG for rural electrification and transport.

Why Small-Scale LNG Works

- **Flexible & Modular:** Plants can be containerised and relocated or expanded with modular additions.
- **Fast Deployment:** Many systems (e.g., Galileo's Cryobox®) can be installed within 6–12 months, accelerating time to market.
- **Lower Upfront Cost:** Capital costs are significantly lower than traditional pipeline or export-scale LNG facilities.
- **Commercialisation Enabler:** Ideal for early-stage field monetisation where reserves are proven but infrastructure is immature.

Strategic Fit for Botala

Botala's adoption of small-scale LNG technology, is intended to allow for early gas production directly at the wellfield or a staging area immediately adjacent to the wellfield. This approach is intended to:

- Provide first revenue while full-scale LNG infrastructure and markets are developed.



- Validate operational processes, gas quality, and demand with real-world customer delivery.
- Establish brand and logistics capability ahead of next phase production, currently estimated at 600 tpd.

By combining small-scale LNG for early market entry with larger-scale production via Chart and Galileo systems, Botala is executing a flexible, phased LNG strategy used globally in successful CBM and remote gas projects.

Next Steps and Future Work

Phase 2 of the BFS will now commence, incorporating:

- Detailed engineering and design (Class 2 cost estimates) for the Chart and Galileo solutions.
- Final plant location infrastructure planning at the Serowe staging area.
- Evaluation of power generation solutions, likely involving gas or hybrid generation models.
- Financial model updates, incorporating revised CapEx/OpEx profiles, contingency frameworks, and delivery timelines.
- Development of implementation scenarios to allow for phased rollout and early production using modular trains.

As part of its early rollout strategy, Botala is considering a small-scale field deployment using Galileo's Cryobox units to produce LNG directly in the wellfield, designed to enable early revenue, operational readiness and market entry.

BY ORDER OF THE BOARD

Yours faithfully
Botala Energy Ltd

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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.

Understanding Small-Scale LNG (ssLNG): A Proven Solution for Remote and Off-Grid Gas Monetisation

Small-scale LNG (ssLNG) refers to the production, storage, and distribution of liquefied natural gas in smaller quantities—typically under 1 million tonnes per annum (MTPA) or approximately 200–500 tonnes per day (tpd). Unlike large-scale LNG facilities designed for bulk export, ssLNG systems are modular and flexible, enabling the monetisation of gas resources in regions lacking extensive pipeline infrastructure.

A Century of Technological Evolution

1917: The first LNG plant commenced operations in West Virginia, USA, demonstrating the viability of liquefying natural gas for storage and transport.

1941: The United States introduced "peak shaving" plants to store LNG during low-demand periods and vaporise it during peak demand, enhancing grid reliability.

1959: The Methane Pioneer completed the first transoceanic LNG shipment, transporting 2,000 tonnes of LNG from the U.S. to the UK.

1960s–1970s: The U.S. expanded its ssLNG infrastructure, primarily for peak shaving and supplying remote communities.

Global Adoption and Applications

Today, ssLNG plays a critical role in diversifying energy supply and reaching underserved markets:

- China: Hosts over 100 ssLNG plants, many under 100 tpd, supplying inland provinces and industrial hubs.
- Europe: Countries like Norway and Spain utilise ssLNG for marine bunkering and to supply isolated regions.
- South America: Nations such as Argentina and Brazil deploy ssLNG for rural electrification and as a cleaner transport fuel.
- Africa: Emerging markets are exploring ssLNG to address energy access challenges and reduce reliance on diesel generators.

Market Growth and Economic Viability

The ssLNG market is experiencing robust growth:

Market Size: Valued at approximately USD 52.5 billion in 2023, with projections reaching USD 108 billion by 2033.

Growth Drivers: Increasing demand for cleaner fuels, energy access in remote areas, and the flexibility of modular LNG solutions.

Regional Focus: Asia-Pacific and Africa are expected to contribute over 40% of the market growth, driven by infrastructure development and energy diversification efforts.



References:

Esanda Engineering - LNG History: <https://esandaengineering.com/Useful-Information/Lng-history.html>

LNGDirect - Small-Scale LNG: <https://www.lng.direct/sslng>

Global Growth Insights - Small Scale LNG Market Report: <https://www.globalgrowthinsights.com/market-reports/small-scale-lng-market-110291>

Global LNG Hub - Sunny Days Ahead for Small-Scale LNG Projects: <https://globallnghub.com/wp-content/uploads/2020/12/sunny-days-ahead-for-small-scale-lng-projects.pdf>

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.

Listing Rule	Rule	Response
5.25.1	The date at which the estimates are reported.	8 July 2024
5.25.2	Petroleum resources must be classified in accordance with SPE-PRMS and reported in the most specific resource class in which petroleum resources can be classified under SPE-PRMS.	Reported according to SPE-PRMS and Sproule standards
5.25.3	The disclosure of total petroleum initially-in- place, total resource base, estimated ultimate recovery, remaining recoverable resources or hydrocarbon endowment is prohibited unless all of the following information is included in the report proximate to that disclosure: <ul style="list-style-type: none"> • An estimate of petroleum reserves; • An estimate of contingent resources; • An estimate of prospective resources; and • Whether and how each of the resource classes in the 	Not applicable, project is not at the reserve certification stage.



	summation were adjusted for risk.	
5.25.4	<p>The disclosure of discovered petroleum-initially-in-place is prohibited unless all of the following information is included in the report proximate to that disclosure.</p> <ul style="list-style-type: none"> • An estimate of petroleum reserves; • An estimate of contingent resources; and • Whether and how each of the resource classes in the summation were adjusted for risk. 	Gas discovery has been made and flowed. No reserves just contingent resources, 2C
5.25.5	<p>Estimates of petroleum reserves, contingent resources and prospective resources must:</p> <p>(a) Be reported according to the entity's economic interest in the petroleum reserves, contingent resources and prospective resources including its entitlements under prospection sharing contracts and risk-service contracts;</p> <p>(b) Be reported net of:</p> <ol style="list-style-type: none"> Contractual royalty quantities (including overriding royalties provided for in farm-out agreements) that the entity is required to pay in-kind or in-cash to the royalty owner; and Those volumes that the entity is allowed to lift and sell on behalf of the royalty owner; and <p>(c) Not be reported in relation to pure service contracts.</p> <p>For the avoidance of doubt, paragraph (b)(i) above does not apply to production taxes, even though they may in the nature of a royalty. Production taxes in the nature of a royalty may either be accounted for and reported as a reduction in the entity's petroleum resource entitlement or as a tax expense. The entity must disclose which treatment it is applying to such taxes.</p>	<p>a) Botala Energy Ltd is 100% Owner and Operator of the CBM Field and licences.</p> <p>b) Royalty to Government of Botswana of 3%</p> <p>c) Not applicable</p>
5.25.6	The entity must disclose whether the deterministic or probalistic method was used to prepare the estimates of petroleum reserves, contingent resources and prospective resources in the report.	Deterministic



5.25.7	<p>Estimates or petroleum reserves, contingent resources and prospective resources must be reported in the appropriate units for each individual product type reported. If estimates are also reported in units of equivalency between oil and gas, the entity must disclose in the report the conversion factor used to convert:</p> <ul style="list-style-type: none"> gas to oil, where the estimates are reported in BOEs; and oil to gas, where the estimates and reported in McfGEs. 	Not Applicable
5.27.1	<p>Contingent resources must be categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities of potentially recoverable petroleum, that is, 1C, 2C or 3C. If an estimate of 3C is reported, estimates of 2C and 1C must also be reported.</p>	Contingent Resource Estimates Low 363 bcf (1C) Best 454 bcf (2C) High 544 bcf (3C)
5.28.1	<p>Prospective resources must be categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities of potentially recoverable petroleum, that is, low estimate, best estimate or high estimate. If a high estimate of prospective resources is reported, the best estimate and low estimate of prospective resources must also be reported.</p>	Prospective Resources Estimates Low 5,334 bcf Med 7,112 bcf High 8,890 bcf
5.28.2	<p>A cautionary statement approximate to, and with equal prominence as the reported prospective resources must be included in the report.</p>	The estimated quantities of petroleum (contingent and prospective) that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.
5.30	<p>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.</p> <ol style="list-style-type: none"> The name and type of well. The location of the well and the details of the permit or lease in which the well is located. The working interest in the well. If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness. The geological rock type of the formation drilled. The depth of the zones tested. 	Not applicable



	<p>(g) The types of test(s) undertaken and the duration of the test(s).</p> <p>(h) The hydrocarbon phases recovered in the test(s).</p> <p>(i) Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions.</p>	
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In Respect of Contingent Resources, the following table applies:

5.33.1	The types of permits or licences held by the entity in respect of the reported estimates of +contingent resources.	Prospecting Licence Number Expiry Date Area (KM²) Comments
		016/2018 31/03/2027 648.4 Current 018/2018 31/03/2027 694 Current 019/2018 31/03/2027 510.4 Current 356/2018 30/09/2025 926 Current 357/2018 30/09/2025 892 Current 400/2018 30/09/2025 192 Current 055/2021 31/03/2026 268 Current
5.33.2	The basis for confirming the existence of a significant quantity of potentially recoverable hydrocarbons and the determination of a discovery.	The following has been conducted in the determination: Drilled 11 wells through the coals and 1 well cored through the full section of coals. Conducted desorption tests of the cores that confirmed the gas saturation of the coals Flowed 40,000 scf/d of gas at the S3-1 well over 4 tests (not long term) Wire line conveyed logging on all wells using standard logging runs/procedures including NMR that provides a measure of gas content in the coals Used all available 3rd party offset wells in the area Conducted 8 magnetic/AMT surveys and obtained aerogravity data over the area All this data have been interpreted by an experienced geologist who provided thickness maps and volumes of the coals across the Botala licences. These data were then sent to the reserve certifier for their review/endorsement
5.33.3	A brief description of: <ul style="list-style-type: none"> the analytical procedures used to estimate the +contingent resources; the key contingencies that currently prevent the +contingent resources from being classified as +petroleum reserves; any further appraisal drilling and evaluation work to be undertaken to assess the potential for commercial recovery of the +contingent resources; and any other work the entity is proposing to undertake to assess or improve the chance of development of the +contingent resources. Note: SPE-PRMS defines the 'chance of development' and the 'chance of commerciality' in section 2.1.3 and Appendix A. For contingent	A) Refer to 5.33.2 above B) long term production test to provide sustainable flow rate of gas and demonstration of a commercial, accessible market for the gas C) Not required D) Long term production testing and sales agreement(s)



	resources, the chance of commerciality is equal to the chance of development. The determination of commerciality is covered by SPE PRMS 2.1.2, which requires an assessment of the factors in paragraphs A – G in SPE PRMS 2.1.2.1.	
5.33.4	<p>If the reported estimates of +contingent resources are contingent on technology under development, a brief explanation of:</p> <ul style="list-style-type: none"> • whether the technology is under active development; • whether a pilot for that technology is planned and budgeted; and • whether the technology has been demonstrated to be commercially viable in analogous reservoirs and, if not, whether it has been demonstrated to be commercially viable in other reservoirs. 	No new technology required
5.33.5	If the reported estimates of +contingent resources relate to unconventional +petroleum resources, the land area, the number of wells, the proposed extraction method and any additional processing which may be required before sale.	<p>Areas are outlined in 5.33.1, conventional CBM extraction is proposed.</p> <p>Gas will likely undergo dehydration and CO2 removal prior to sale.</p>
5.34	<p>The first time an entity publicly reports estimates of +contingent resources in relation to a +material oil and gas project that have materially changed from when those estimates were previously reported, the entity must include all of the following information in a market announcement and give it to ASX for release to the market.</p> <p>5.34.1 An explanation of the new data and information.</p> <p>5.34.2 An explanation of how the new data and information has affected the estimates of +contingent resources.</p> <p>5.34.3 Any changes or additions to the information provided under Rules 5.33.1 to 5.33.5.</p>	<p>A) Refer to section 5.33.2 above.</p> <p>B) Data has increased the areas around Serowe-3-1 and Serowe-1 due to near field drilling activities.</p> <p>C) None, drilling wells for long-term production testing have been completed, but not all wells commissioned yet.</p>



Botala Certified Gas Resource

Volumes in BCF (Billions of Cubic Feet)	Gross (100% Ownership) Net of Royalties		
	Low Estimate	Best Estimate	High Estimate
Contingent Resources	363	454	544
Prospective Resources	5,334	7,112	8,890

The estimated quantities of petroleum (contingent and prospective) that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

Unrisked Contingent and Prospective Resources; independently certified by Sproule Inc. This was announced to the ASX on the 8 July 2024.

South African gas supply gap estimated at >50 PJ pa (approx. 50 BCF pa) by 2026 (IGUA-SA Annual Report 2023).

Competent Person Statement

This estimate of **Contingent Resources** for the Serowe CBM Project (Botswana) is based on and fairly represents information and supporting documentation determined by and under the supervision of Mr Timothy L. Hower of Sproule Incorporated (Sproule) in accordance with SPE-PRMS 2018 guidelines. In addition, Mr Timothy L. Hower supervised the preparation of the **Prospective Resources**. Mr Hower has prepared CBM and conventional oil and gas reports for other companies listed on the Australian Securities Exchange.

Mr Hower is a full-time employee of Sproule and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Hower is a Licensed Professional Engineer in the States of Colorado and Wyoming as well as being a member of The Society of Petroleum Engineers. Mr Hower has consented to the publication of the Prospective and Contingent Resource estimates for the Serowe CBM Project in the form and context in which they appear in this announcement.

Sproule is a leading independent petroleum engineering and certification firm based in Calgary, Canada with offices in Denver, Colorado which has experience working in most of the significant petroleum provinces throughout the world. Sproule has completed Reserve and Resource assessments for a number of clients in Australia and internationally including Adelaide Energy, Arrow Energy, Bow Energy, ConocoPhillips, CS Energy, Eastern Star Gas, Metgasco, Molopo Energy Australia, Pure Energy, Santos, Senex, Sunbird Energy and Sunshine Gas.