

MDCB Extension to Conclude Due Diligence and Commercial Negotiations

Highlights

- Botala has agreed to an additional extension of the Botswana Government's 90-day option period from 31 July 2025 to 30 September 2025.
- Due diligence reports will be concluded within the first 3 weeks.
- Commercial negotiations are progressing regarding the exercising of the option to acquire a 15% equity stake in the Serowe CBM Project under Section 40 of the Mines and Minerals Act.
- Reinforces Botala's commitment to local partnerships and long-term energy security in Botswana.

Botala Energy Ltd (ASX and BSE: BTE) (Botala) provides the following update in accordance with the terms of its granted Mining Licence 0052/2025 for its Serowe coal bed methane (CBM) Project. Botala has agreed to an additional 2-month extension of the Botswana Government's 90-day option period from 31 July 2025 to 30 September 2025. The Botswana Government through the Mineral Development Company of Botswana (MDCB) is targeting completion of the due diligence process within 3 weeks and with respect to exercising its option to acquire a 15% equity stake in the Serowe CBM Gas Project under Section 40 of the Mines and Minerals Act. The additional time will be used to progress and complete commercial discussions.

Mr Kris Martinick, Chief Executive Officer stated: "We have had a very positive engagement with the Botswana Government on this project throughout this journey. It is fantastic to see MDCB going through the Due Diligence process as they would be a very welcome party. We will continue to work with them and others through this process over the coming months while continuing our work in the field."

Background previously announced

The details of the Mining Licence were announced to the ASX on the 5 March 2025.

The Mineral Development Company of Botswana (MDCB) is a minerals and mining investment holding company owned by the Government of Botswana (GrB). Its primary role is to manage and develop the GrB's mining interests to optimise returns while ensuring socially and environmentally responsible management. MDCB's vision is to become a globally competitive investment company, contributing to Botswana's financial security through its mining and mineral investment portfolio.

Botswana Investment – Fraser Institute Attractive Index

In July 2025, the Fraser Institute issued “Annual Survey of Mining Companies, 2024”¹ Botswana was ranked 20th most attractive jurisdiction globally for mining projects, refer to **Appendix A**. To provide perspective to ASX investors, this is three positions below Western Australia.

Botswana is currently assessed by Allianz Trade² as a low-risk country (BB2 grade, short-term risk level 1), placing it alongside other similarly stable emerging markets. By contrast, Western Australia, as part of Australia, benefits from an AA credit rating with very low country risk level 1, reflecting Australia's status as a developed investment-grade jurisdiction.

BY ORDER OF THE BOARD

Yours faithfully
Botala Energy Ltd

For further information, please contact:

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

¹ Julio Mejía and Elmira Aliakbari (2025). Fraser Institute Annual Survey of Mining Companies, 2024. Fraser Institute. <<http://www.fraserinstitute.org>>

² https://www.allianz-trade.com/en_global/economic-research/country-reports/Botswana.html

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

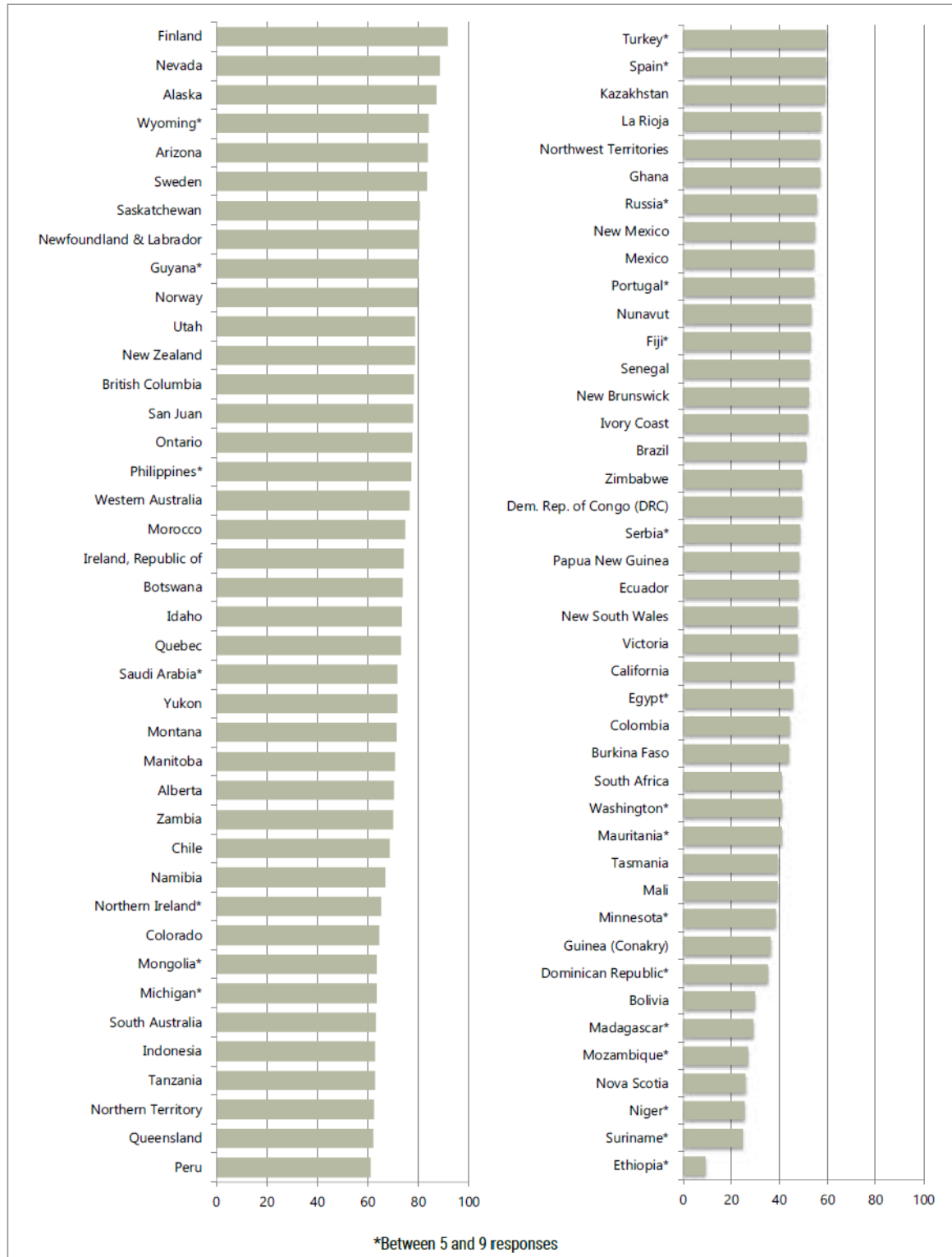
This document may contain certain statements that may be deemed forward-looking statements. Forward looking statements reflect Botala's views and assumptions with respect to future events as at the date of the Announcement and are subject to a variety of unpredictable risks, uncertainties, and other 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.

Appendix A – Fraser Institute, Figure-3 Investment Attractive Index (Full Graph)

Fraser Institute Annual Survey of Mining Companies, 2024

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Figure 3: Investment Attractiveness Index



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