



Tuesday, 5 September 2023

GAS APPRAISAL MILESTONE – GAS FLARING

Highlights:

- **Gas flared at Serowe-3.1 well.**
- **Serowe-3.1 well: flow-testing reaches appraisal milestone.**
- **Gas pressure continuing to increase exponentially, indicating continuing increase in gas flow rate.**
- **Serowe-3.1 is an important contributor to the Independently Certified 2C resource and representative of its CBM geology.**

Botala Energy Ltd (ACN 626 751 620) (“**Botala**”) is pleased to announce that gas being produced from the Serowe-3.1 well has been successfully flared. The temporary gas flow indicates that the coals are at their desorption pressure point, resulting in the release of a sustainable gas flow from the coals. This is a significant milestone for the Serowe CBM Project and demonstrates that the field can produce gas.

Gas was flared from the Serowe-3 well (now called Serowe-3.1) over 22 minutes measuring a change in pressure of 22psi and an instantaneous flow-rate of 42Mscfd. The results are above expectations as the well has not undergone any stimulation work.

The Serowe-3.1 well test was “open hole” meaning it is open to all three coal seams. Testing of the individual seams will be undertaken as part of Project Pitse. The well has significantly increased Botala’s confidence in the commercial pilot programme. The well will be shut-in to allow the pressure to continue to build up for further flow-testing.



Figure 1 - Serowe-3.1 Flare

The Serowe CBM Project has an Independently Certified Gross estimated 2C resource (Sproule) as follows:

Volumes in Bcf (Billions of Cubic Feet)	Gross (100% Ownership) Net of Royalties			Net to Botala's 70% Working Interest Net of Royalties		
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Contingent Resources	238	317	396	167	222	277
Prospective Resources	6,006	8,008	10,010	4,204	5,606	7,007

In respect of the 2C resources, the following cautionary statement applies: the estimated quantities of gas that may potentially be recovered by the application of a future development project(s) relate to some 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.

Serowe-7 flow-testing update

Flow-testing equipment has been shipped from Brisbane to Botswana. Preparation of the site and facilities is complete and waiting for the equipment to arrive for flow test commissioning expected to take place in November 2023.

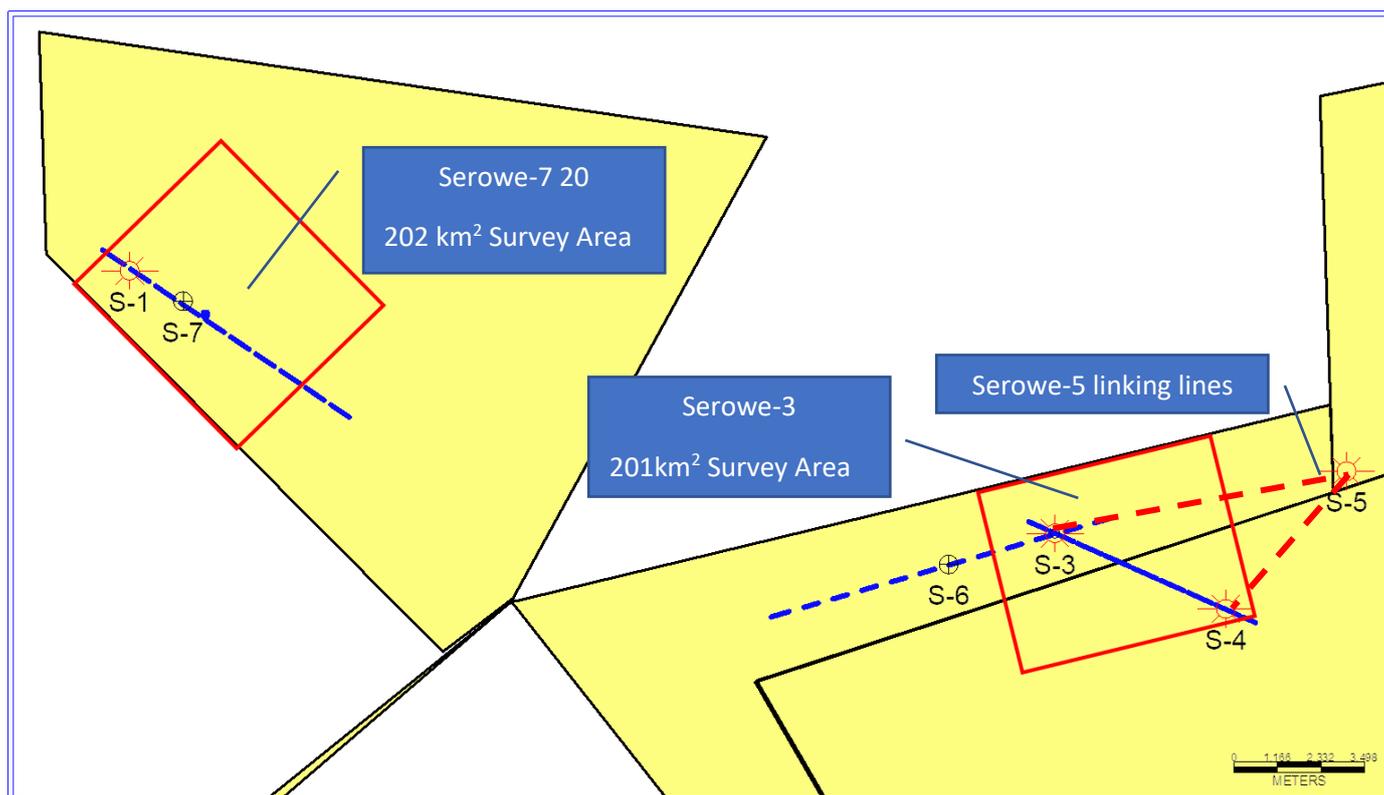


Figure 2 - AMT Survey Scope

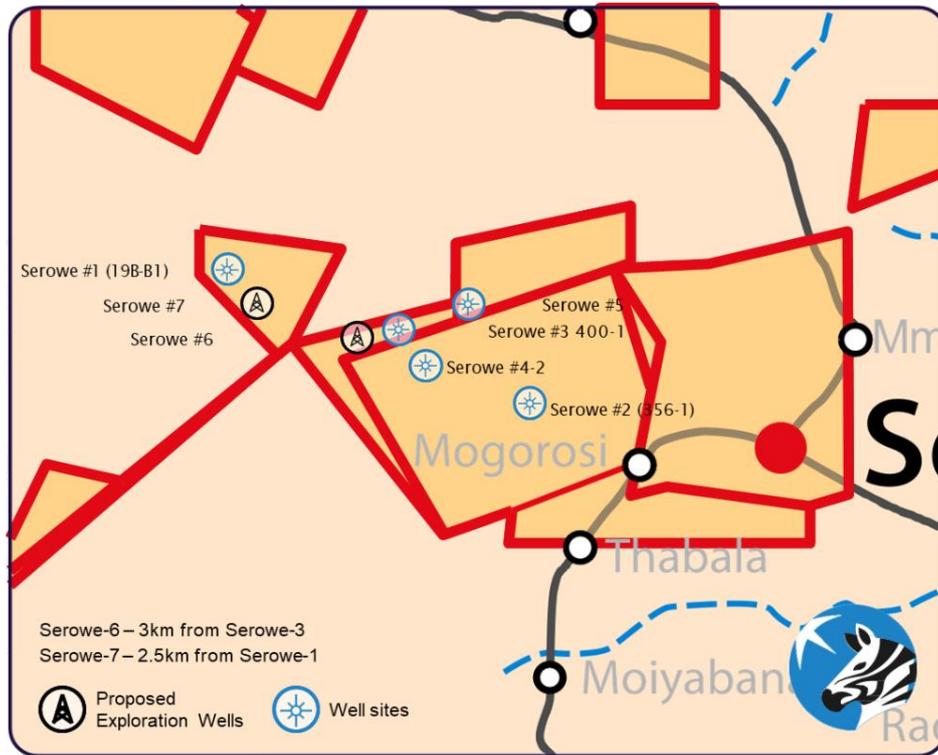


Figure 3 - Botala Acreage Map, Botswana

Botala CEO Kris Martinick commented: “Flaring gas from the Serowe-3.1 well is a major milestone for the Company and indicates the coals in our licences can produce gas. We are continuing to see a consistent build-up of pressure and increased gas flow-rate from the Serowe-3.1 well. It’s very exciting as this is a single well which is providing encouraging data for Project Pitse, where we are targeting production of a commercial flow-rate potential from 4 additional wells.”

This ASX announcement was approved and authorised for release by the CEO.

Yours faithfully

BOTALA ENERGY LTD



Kris Martinick
Chief Executive Officer

For more information please contact:

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

About Botala

ASX-listed Botala is exploring and developing production of coal bed methane (**CBM**) from its 70% owned Serowe CBM Project which is in a high-grade CBM region of Botswana. The remaining 30% is owned by ASX-listed Pure Hydrogen Corporation Ltd pursuant to a joint venture agreement with Botala. As Operator, Botala is focussed on developing the Serowe CBM Project and related early-stage renewable energy opportunities and believes that there are considerable opportunities for Botala to commercialise CBM because of the demand for reliable and affordable electricity and liquified natural gas (LNG) in Botswana and neighbouring countries.

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 – Listing Requirements

The following information is provided in respect of this announcement and the reporting of contingent resources and prospective resources.

Listing Rule	Rule	Response
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> <p>(a) The name and type of well. (b) The location of the well and the details of the permit or lease in which the well is located. (c) The entity's working interest in the well. (d) If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness. (e) The geological rock type of the formation drilled. (f) The depth of the zones tested. (g) The types of test(s) undertaken and the duration of the test(s). (h) The hydrocarbon phases recovered in the test(s). (i) Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions. (j) The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured. (k) If flow rates were tested, information about the pressures associated with the flow and the duration of the test. (l) If applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied. (m) Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur. (n) Any other information that is material to understanding the reported results.</p>	<p>a) Well title is Serowe-3.1 and is an exploration well targeting Coal Bed Methane. b) Serowe-3.1 is located at Latitude -22.24614 and Longitude 26.195233 in Prospecting Licence PL-400. c) Botala Energy Ltd working interest is 70% in the well. Coal seam thickness is 42m. d) Not Applicable e) The Geological rock type is coal f) The Serowe seam was encountered a depth of 360m, the Upper Morupule was encountered at a depth of 398m and the Lower Morupule was encountered at a depth of 428m. g) NMR logging completed. Flow testing completed on 4/9/2023 to determine the pressure drop and instantaneous flow-rate, further flow-testing to be completed. h) NMR logging results and flow-testing has confirmed presence of hydrocarbon gas which will be further tested via a commercial flow-test, gas has been flared. i) Water volumes 85bbls/day will be tested in subsequent flow-testing j) The 2-inch Gate Valve on the separator outlet was used to control the gas flow to the fully open position. Gaseous phase of the flow-test had a peak flow-rate of 42Mscfd over the 22 minutes of flow-testing. k) Testing was conducted over 22 minutes with a pressure drop of 22psi over the duration. l) Not Applicable m) Not tested at this stage, gas sampling will take place over coming weeks. n) Not Applicable</p>