

ASX Release | 8 December 2025

## Minerals Development Company of Botswana increases investment proposal to ~A\$4 million.

### Highlights

- a. Botswana Government, via Minerals Development Company Botswana (Pty) Ltd (MDCB), increases its investment offer by 40% to ~A\$4 million<sup>1</sup> in Botala Energy's Botswana registered subsidiary, Botala Gas (Pty) Ltd).
- b. The Offer of ~A\$4 million<sup>1</sup> is for a:
  - 15% stake in the CBM Project.
  - 1% royalty linked to future liquefied natural gas (LNG) production.
- c. The Offer is a:
  - 40% increase from previous discussions; and
  - Will not dilute Botala Energy's share capital.
- d. MDCB's investment will contribute to funding upcoming drilling, gas flow testing and completion of Bankable Feasibility Study (BFS).

Botala Energy Ltd's (ASX and BSE codes: BTE; Botala) CBM to LNG development project at Serowe in Botswana has received a major vote of confidence after the Government of Botswana's investment arm, MDCB, signed a non-binding Term Sheet to increase its proposed investment in the project by 40% to BWP35 million.

MDCB proposed equity and royalty agreement will help fund development of Botala's five-well Pitse Pilot. This is the first of a four-phase plan to deliver an LNG plant producing 3.5 petajoules (PJ) from 108 CBM wells (Figure 1).

### Botala Energy Chief Executive Officer, Mr Kris Martinick, said

*"Botala is making firm progress to secure the Government of Botswana's participation in its Serowe CBM project evidenced by MDCB's commitment to significantly increase its proposed investment in our Serowe CBM Project. While MDCB had the option to participate in Sharpay via the Government back-in rights linked to the Mining Licence, MDCB's support extends beyond the licence position. MDCB has demonstrated confidence in the scale of the Serowe CBM development by electing to participate in the initial LNG project phase as well. The investment will fast-track gas flow testing at our Pitse Pilot and fund the BFS for our CBM to LNG development pathway to 3.5PJ per year. A strong relationship with MDCB will align interests with the Government of Botswana and deliver more than much-needed energy. Local*

<sup>1</sup> Currency exchange rate as at 5 December 2025 (1 Botswana pula = 0.11 AUD)

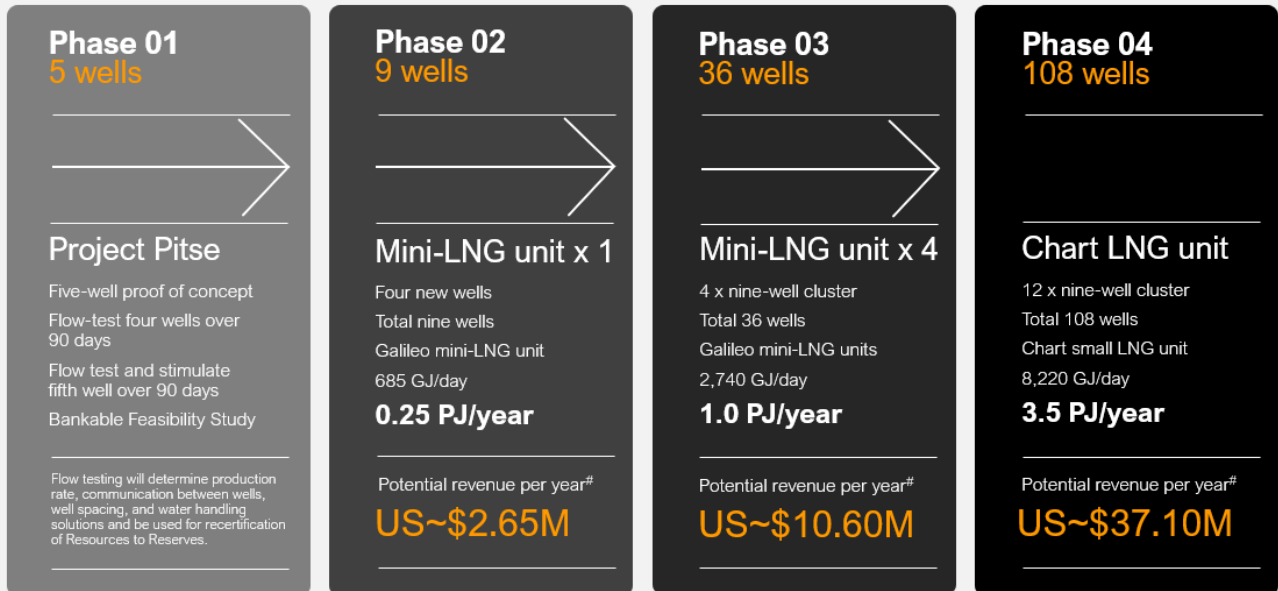
jobs, training and business opportunities will ensure Botswana shares directly in the development of Botswana’s substantial gas resources.”

**Transaction terms**

- a. **MDCB Equity:** BWP30,000,000 in exchange for 15% equity in the Serowe CBM Project via a shareholding in Botala’s subsidiary, Botala Gas (Pty) Ltd); and
- b. **MDCB Royalty:** BWP5,000,000 for a 1% royalty of the “Received Price” (ex-works) paid annually, over a 20-year term from commercial production.

A clear production pathway.

**A phased, risk-managed approach to grow production.**



**Figure 1.** Botala Energy has a phased, risk managed approach to grow gas production at its Serowe CBM Project in Botswana to serve Southern Africa’s emerging industrial gas supply crisis<sup>2</sup>.

**Non-Binding Status and Cautionary Statement**

The Term Sheet is non-binding as it remains subject to, among other things, final documentation, MDCB and Botala board approvals, fulfilment of conditions precedent, and execution of definitive agreements. This is expected to be completed in early 2026.

<sup>2</sup>Sale price per gigajoule = US\$10.60. Calculation is based on multiplying the potential sales agreement with the current gas price in South Africa as per the following: SASOL Announcement 5-August-2022 “SASOL Position on gas prices”, piped gas price R133,34/GJ (1 Rand = 0.086 A\$ 24/2/2025). NOTE: This is for pipeline gas and not LNG prices which are anticipated by NERSA to be higher.

**Next steps to progress to binding agreements and funding availability**

Financial closure of the Term Sheet requires the following:

- a. Authorisation of the proposed investment and documentation by the Boards and relevant approval bodies of MDCB and Botala.
- b. Signing of the following principal binding agreements:
  - Share Purchase Agreement for MDCB's 15% equity in Botala Gas (Pty) Ltd.
  - MDCB Royalty Agreement.
  - Joint Venture Operating Agreement governing Sharpay Enterprises (Pty) Ltd and related JV arrangements.
- c. Legal opinion confirming validity and enforceability of the transaction.

**Approved by the Board of Botala Energy Ltd.****For further information:**

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**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.

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**Botala Energy - answering Southern Africa's increasing call for gas.**

Botala Energy Ltd (ASX: BTE) is an Australian natural resources company focussed on developing its 100% owned Serowe Coal Bed Methane (CBM) Project in Botswana to serve Southern Africa's emerging gas supply deficit. Detailed engineering, financial modelling, and commercial planning is currently underway for a four-phase plan to deliver a liquefied natural gas (LNG) plant targeting 3.5 petajoules (PJ) of production from 108 wells. Botala has made significant progress since listing on the ASX in 2022. The company has established a major resource, and secured production licences, government and community support, environmental approvals, and an offtake partner. South African steel maker Scaw Metals signed a binding letter of intent in March 2025 to purchase up to 4.7 petajoules annually.

**About MDCB**

Minerals Development Mining Company (MDCB) is an investment company that holds and manages natural resources assets for the Government of Botswana (GRB). Established as a commercial entity, the company is mandated and well positioned to grow, optimise and diversify its local natural resources sector. MDCB also provides the GRB with commercial and technical advisory services. The company's vision is to be a globally competitive investment company, contributing to Botswana's financial security through generation of attractive returns.

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