

ASX Release | 20 April 2026

African cornerstone investment to support development of commercial well pilot program.

Highlights:

- New African cornerstone investor acquires a ~7% shareholding to become Botala's third largest shareholder. A \$1.45 million placement completed at A\$0.05 per share.
- The new placement increases Botala's African ownership from ~5% to ~12%, demonstrating growing in-region confidence in the Serowe Project.
- Funds will be applied to the development of commercial gas flows at the Serowe Coal Bed Methane (CBM) Project's Pitse Pilot and progress the project's Bankable Feasibility Study ("BFS").
- Further capital expected as strategic project investment negotiations with the Minerals Development Company of Botswana ("MDCB") enter final stage.
- Drilling of well 3.5B, the central production well at Serowe's Pitse Pilot is progressing well.

Botala Energy Ltd (ASX/BSE: BTE) ("Botala") has received a major vote of confidence in the commercial production potential of its flagship Serowe CBM Project after completing a A\$1.45 million placement with a new African cornerstone investor.

The timing of this placement is significant as Botala continues to drill 3.5B, the central production well at Serowe's Pitse Pilot which is designed to deliver the commercial flow-rate data underpinning the project's Bankable Feasibility Study.

Botala Energy Chief Executive Officer Kris Martinick commented:

"It's encouraging to see a growing support from African capital that has done its homework on our Serowe CBM Project, a project with a proven gas resource, and a defined development pathway to LNG to serve a thirsty market and benefit regional stakeholders. The placement reflects a timely and considered assessment of the project's potential by an in-region investor who understands the local energy challenge and the strategic value of a domestic gas industry for Botswana and the broader Southern African region."

"Furthermore, African investors backing a Botswana energy project, with real capital, sends a signal that resonates with counterparties like MDCB: this project commands support not just from international capital markets, but from the region it will serve and the communities it will benefit."

Transaction overview

Botala has secured A\$1.45 million through a placement of new fully paid ordinary shares at an issue price of A\$0.05 per share to a sophisticated African investor. The new investor becomes Botala's third-largest shareholder with a ~7% shareholding.

Twenty-nine million new shares will be issued under the Placement pursuant to Botala's available capacity under ASX Listing Rule 7.1. Settlement and issue of the new shares is expected to occur on 20 April 2026. The new shares will rank equally with Botala's existing fully paid ordinary shares.

Prior to this transaction, African shareholders held approximately 5% of Botala's issued capital with the completion of this placement, total African ownership of Botala rises to approximately 12%.

Funds raised from the Placement, together with proceeds from the previous placement (totalling ~A\$4.5 million), will be applied to activities aimed at demonstrating sustained commercial gas flows and advancing feasibility studies for the Serowe CBM Project. Funding is expected to increase further following completion of the MDCB strategic investment in the project.

Central production well 3.5B drilling update

Drilling of pilot well-3.5B well is progressing towards a total depth of approximately 435m. Well 3.5B is the central production well of Botala's Pitse Pilot at its Serowe Project and is specifically designed to replicate the strong production performance demonstrated by well MAS-13, located in adjacent acreage, which sustained a flowrate of approximately 120,000 scfd for three months following a similar stimulation program.

Well 3.5B is Botala's first well to be fully stimulated from the outset using the optimised perforation and jetting methodology validated during stimulation of well 3.3 in February 2026. That program delivered the highest formation pressure and water flow rates recorded at Pitse to date, confirming strong seam permeability and reservoir responsiveness.

Sustained commercial gas flows from well 3.5B will:

- Provide the critical production rate data needed to support reserves certification;
- Enable completion of the BFS for the Serowe CBM Project; and
- Underpin the business case for deployment of modular LNG production facilities for early gas monetisation into domestic and regional markets.



Figure 1. Drilling at Serowe-3.5B (Source: Botala)

Strategic Partnership with MDCB Progressing

Botala and the MDCB are finalising legal agreements relating to MDCB's proposed 15% strategic investment in the Serowe CBM Project.

Legal drafting is being finalised for a:

- Subscription and Shareholders' Agreement; and a
- Royalty Agreement.

Both parties continue to progress the legal drafting with target agreement execution and subscription proceeds and transaction close expected in May 2026.

Key Transaction Terms

MDCB Equity Investment

- BWP30,000,000 subscription to acquire 15% equity in the Serowe CBM Project through a shareholding in Botala Gas (Pty) Ltd, Botala's wholly owned Botswana subsidiary.

MDCB Royalty

- BWP5,000,000 payment in exchange for a 1% royalty on future LNG production.

The proposed investment by MDCB represents a significant strategic partnership with Botswana's state-owned mining investment company and a strong endorsement of the Serowe CBM Project and Botala's development of a natural gas industry in Botswana for Southern Africa.

Approved by the Board of Botala Energy Ltd.

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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.

About the Serowe CBM Project

The Serowe CBM Project in central Botswana aims to develop a new domestic source of natural gas to support power generation, industrial energy demand and LNG supply.

Botswana currently relies heavily on imported fuels for energy, highlighting the strategic importance of developing domestic gas resources.

Botala's development strategy focuses on demonstrating sustained gas flows through well stimulation and production testing, followed by the deployment of modular LNG production facilities to enable early commercialisation of the resource and supply gas to domestic and regional energy markets.