

Botala Energy Ltd is advancing its 100%-owned Serowe Coal Bed Methane (CBM) Project in Botswana, as it establishes a scalable CBM to LNG production pathway to deliver new domestic gas supply into a Southern African region facing a looming energy shortfall.

botalaenergy.com
ASX & BSE: BTE

Highlights

Pitse Pilot:

- Principal production well 3.5B spudded, marking a key milestone for Pitse and the first well designed to demonstrate scalable CBM production for future development.
- Encouraging results from well 3.3 increases confidence in the multi-seam gas potential at Serowe, with stimulation and step-rate testing confirming a gas-charged Upper Morupule seam and improved understanding of reservoir behaviour.

Corporate:

- A\$3 million capital raising completed to support the Pitse Pilot, with funds directed toward drilling, stimulation, flow testing and BFS-related activities at the Serowe CBM Project.
- Post quarter – A\$1.45 million placement completed to a new African cornerstone investor.



Letter from the CEO



Kris Martinick
Chief Executive Officer

“A key milestone was achieved with the spudding of well 3.5B, Botala’s principal production well within Pitse.”

Dear Shareholders

The March quarter was an important period of execution for Botala Energy as we advanced the Serowe Coal Bed Methane (CBM) Project in Botswana toward commercial validation and future liquefied natural gas (LNG) production.

Our focus during the quarter was firmly on our Pitse Pilot, the multi-well cluster designed to de-risk reservoir performance, demonstrate commercial flow potential and provide the technical data required to support the Bankable Feasibility Study (BFS) for the broader Serowe Project.

A key milestone was achieved with the spudding of well 3.5B, Botala’s principal production well within Pitse. This well is designed to deliver critical data on flow performance, reservoir behaviour and future production potential, and represents an important step in our pathway toward a commercial LNG development targeting up to 3.5 petajoules (PJ) per annum.

Importantly, the spud of 3.5B followed encouraging technical results from well 3.3. Stimulation and step-rate testing confirmed a strong reservoir response, measurable permeability and evidence that the Upper Morupule seam, in addition to the Serowe seam, may contribute to future production. The results also indicated that relatively simple, low-cost stimulation techniques may improve permeability, supporting a scalable and efficient development approach.

During the quarter, we also strengthened Botala’s funding position. The Company announced a successful A\$3 million capital raising, which was undertaken to support drilling, stimulation and flow testing activities at well 3.5B, as well as ongoing workstreams required to progress the BFS. Subsequent to the end of the period, Botala announced it had completed a A\$1.45 million placement to a new African cornerstone investor. Further capital is expected as strategic project investment negotiations with the Minerals Development Company of Botswana (MDCB) enter the final stage.

Our development strategy remains disciplined and risk-managed. The Pitse Pilot has been deliberately structured to build technical confidence before committing to larger-scale infrastructure. The surrounding dewatering and support wells are designed to reduce reservoir pressure, improve data quality and enhance the ability of well 3.5B to demonstrate commercial gas flow potential.

Botala’s broader opportunity remains compelling. The Serowe Project is 100% owned, located in a high-grade CBM region of Botswana and positioned to supply new domestic gas into a Southern African market facing a forecast energy shortfall. Our staged development pathway is intended to

convert this strategic resource into a reliable source of gas supply for Botswana and the wider region.

Looking ahead, our immediate priorities are to complete drilling and stimulation of well 3.5B, commence flow testing and production evaluation, and integrate results into reserves determination and BFS workstreams. Successful outcomes from this program have the potential to materially advance Botala's pathway toward commercial gas production and long-term shareholder value creation.

Yours sincerely

Kris Martinick
Chief Executive Officer
Botala Energy

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Serowe CBM Project

Botswana, Africa
100% ownership

The Southern African region, particularly South Africa, is facing an impending gas shortage, commonly referred to as the "gas cliff," which is expected to take effect from mid-2028. This looming supply gap has created an urgent need for alternative sources of natural gas to ensure energy security and continuity for industries across the region. Botata is growing a world-class regionally advantaged gas resource to supply this surging energy demand.

Botata is in the process of transforming its Serowe CBM Project from an exploration asset into a commercially viable gas production project. We are maturing our substantial 2C resource to support a small-scale liquefied natural gas (LNG) plant capable of producing at least 3.5 petajoules (PJ) per year for 20 years. Our current resource is drawn from less than 5% of our exploration acreage. 95% remains undrilled.



Figure 1. Serowe CBM Project location

Project Status

Botata is currently advancing a BFS to develop a modular LNG production facility to commercialise gas from its Serowe CBM Project. Detailed engineering, financial modelling, and commercial delivery planning is being completed for a four-phase plan to reach a production benchmark of 3.5 PJ served by 108 wells (see Figure 2).

A clear production pathway.

A phased, risk-managed approach to grow production.



Figure 2. Botata 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 crisis¹.

Project Pitse

The first phase of development at the Serowe CBM Project involves the establishment of Project Pitse, a multi-well pilot designed to act as a proof-of-concept for reservoir behaviour, operational performance and commercial deliverability.

Five wells have been drilled to date across the pilot area. Production outcomes are being assessed across low (40 GJ/day), medium (80 GJ/day) and high (100 GJ/day) well performance scenarios to complete development planning and economic sensitivity analysis. The objective of this phase is to gather sufficient technical and operational data to support the design of a subsequent Phase-2 nine-well cluster, targeting annual gas production of approximately 0.25 PJ (250,000 GJ).

¹ 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.

Gas from the Phase-2 cluster is intended to supply a modular, plug-and-play, in-situ LNG production system, using a Cryobox® LNG Production Station manufactured by Galileo Technologies. This staged approach allows gas deliverability, well spacing, water handling and surface operations to be validated before committing to larger-scale infrastructure.



Figure 3. Project Pitse showing commercial well pilot locations.

A key focus during the quarter was ongoing work at Pitse well 3.3, where stimulation and step-rate testing delivered encouraging technical results. Testing confirmed a strong reservoir response, measurable permeability and evidence that the Upper Morupule seam, in addition to the Serowe seam, may contribute to future production. The results also demonstrated the potential for relatively simple, low-cost stimulation techniques to enhance reservoir performance, supporting Botala's strategy of pursuing an efficient and repeatable development model.

Data generated from the 3.3 program will be incorporated into the design of Botala's future stimulation activities, including optimisation of abrasive sand jetting perforation, injection rates and fluid systems. These learnings are expected to improve the technical design of future wells and support ongoing BFS workstreams.

Following the 3.3 results, Botala spudded 3.5B, Pitse's central production well which has been designed to deliver commercial gas flow rates and provide important data for flow-rate analysis, reserves determination and reservoir performance assessment. It is a key step in progressing the Serowe CBM Project from appraisal toward commercial validation. A purpose-built dewatering network of four support wells (Serowe-3-1, 3-3, 3-4 and 3-5A) was completed prior to the spudding to depressurise the surrounding coal seam to enhance gas production from 3-5B.

Drilling of 3.5B well is currently tracking according to schedule with gas flow results expected to be announced in the June quarter.



Figure 4. Pitse pilot well 3.5B spudding in late March.

Corporate

Cash Position

As at 31 March 2026, Botala held A\$1,315,831 cash at bank.

Capital raising

The Company strengthened its funding position during the quarter through a successful A\$3 million placement in February. Funds raised are being used to advance the Pitse Pilot, including drilling, stimulation and flow testing activities at well 3.5B, together with work required to support the Bankable Feasibility Study.

Subsequent to the end of the quarter, Botala announced it had 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. 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%.

Tenement Directory at 31 March 2026

The following tenements (collectively, Serowe CBM Project) are held by Sharpay Enterprises (Pty) Ltd in which Botala has a 100% legal interest and is Operator. All tenements are in good standing.

Prospecting Licence Number	Expiry Date	Area (KM ²)	Comments
016/2018	31/03/2027	648.12	Current
018/2018	31/03/2027	694.35	Current
019/2018	31/03/2027	511.39	Current
356/2018	-	918.97	Mining Licence
357/2018	30/09/2027	892.23	Current
400/2018	-	192.79	Mining Licence
055/2021	-	267.14	Renewal submitted

The Serowe CBM Project is located in the Karoo-Kalahari Basin of Central Botswana.

Gas Production

There was no gas production for the March 2026 Quarter.

Additional ASX Listing Rule Disclosure

Pursuant to ASX Listing Rule 5.4.5, Botala includes a description of and an explanation for payments to related parties and their associates as disclosed in the Appendix 5B in Section 6 as follows:

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	42
6.2	Aggregate amount of payments to related parties and their associates included in item 2	62

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1: The aggregate amount of payments to related parties and their associates during the March 2026 quarter was A\$42k in Director and CEO consulting fees for Botala administration.

Item 6.2: The aggregate amount of payments to related parties and their associates during the March 2026 quarter was A\$62k in Director and CEO consulting fees for exploration and evaluation activities.

Environmental regulation, sustainability and governance

Botala's environmental and occupational health and safety (OHS) obligations are regulated under both State and Federal Law or in the case of Botala's overseas interests, by the governing laws of that country. All environmental and OHS performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. Botala has a policy of complying, and in most cases exceeding its performance obligations. Botala ensures that it complies with all necessary conditions while exploring its permits, which is governed by the terms of respective joint operating agreements. Botala has established environmental and OHS Board policies under which all exploration is carried out. Both policies ensure all employees, contractors and other service providers are fully acquainted with the Botala environment and OHS programs. Botala's primary goal in the environmental management of exploration activities is to prevent unnecessary environmental impact and reinstate sites where disturbance cannot be avoided, whilst its goal in OHS is to provide and foster a culture of carrying out exploration activities in a safe working environment at best exploration practice. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007, which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2025 to 31 March 2026 the Directors have assessed that there are no current reporting requirements but may be required to do so in the future.

The Group's ESG responsibilities are a key consideration when planning and conducting its activities, whether in the corporate office or as part of its exploration activity. Our core responsibilities are outlined in our Corporate Governance Statement and Company Policies. The areas of particular focus are:

- **People:** We aim to foster a working environment that is collaborative, enjoyable, and stimulating and where our employees can fully utilise and develop new skills to the benefit of the Company and their ongoing careers. Our people drive our ESG efforts, so we value and place high value on new initiatives in this regard.
- **Safety:** The health, safety and wellbeing of our people, including employees and contractors, is of the utmost importance. We have well developed safety procedures and recognised that a safe work environment comes when a culture of safety is fostered amongst our people such that it becomes an inherent part of all we do. We are pleased to advise that there were no injuries incurred by our workforce during the year.
- **Stakeholders:** We value and respect all stakeholders in the regions where we work and recognise the unique long-term relationship local Stakeholders have with the land. We endeavour to build long-term mutually beneficial relationships with our local stakeholders.
- **Environment:** We have a dual focus when it comes to our environmental impact. Firstly, we strive to minimise the impact that our activities have on the areas in which we work. Secondly, we place high importance on our land rehabilitation obligations and aim to leave no long-term adverse environmental impacts.

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

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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 Botala Energy Ltd

Botala Energy Ltd (ACN 626 751 620) is focused on developing its 100%-owned Serowe Coal Bed Methane (CBM) Project in Botswana. The Company is currently advancing the Pitse Pilot at the project to de-risk reservoir performance, support reserves determination and progress a Bankable Feasibility Study for future commercial development. Botala's strategy is to establish a scalable CBM-to-LNG production pathway capable of supplying domestic and regional energy markets in Southern Africa. With certified gas resources, granted development tenure and a growing operational footprint, Botala is positioned to support Botswana's energy security and create long-term value for shareholders. Botala is listed on the Australian Securities Exchange and the Botswana Stock Exchange.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BOTALA ENERGY LTD

ABN

41 626 751 620

Quarter ended ("current quarter")

31 MARCH 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(131)	(386)
(e) administration and corporate costs	(223)	(599)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	3	3
1.9 Net cash from / (used in) operating activities	(349)	(978)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(1,068)	(2,611)
(e) investments	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,068)	(2,611)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,790	3,340
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(90)	(117)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – placement advance from directors	710	1,210
3.10	Net cash from / (used in) financing activities	2,410	4,433

4.	Net increase / (decrease) in cash and cash equivalents for the period	993	844
4.1	Cash and cash equivalents at beginning of period	323	472
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(349)	(978)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,068)	(2,611)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,410	4,433

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,316	1,316

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,316	323
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,316	323

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	42
6.2	Aggregate amount of payments to related parties and their associates included in item 2	62

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	50	2
7.3 Other (please specify)	80	-
7.4 Total financing facilities	130	-
7.5 Unused financing facilities available at quarter end		128
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>7.2 Credit standby facilities are for a credit card facility of A\$50,000 from the NAB at commercial interest rates, which is secured.</p> <p>7.3 Bond deposit secured refund of A\$80,000 from Botswana Power Corporation anticipated to be received in June 2026.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(349)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,068)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,417)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,316
8.5 Unused finance facilities available at quarter end (item 7.5)	128
8.6 Total available funding (item 8.4 + item 8.5)	1,444
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.0
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Sole ownership of the Serowe CBM Project is important for engagement with prospective strategic partners as Botala advances towards development. Botala is currently in advanced negotiations with a number of development partners (though for completeness, no binding terms have been agreed and there is no guarantee that any such transaction will materialise on terms favourable to Botala, or at all). Botala is currently completing the binding agreements with the Minerals Development Company Botswana based on the ASX announcement released on the 20 April 2026. In addition, Botala raised a further A\$1.45 million after the current reporting quarter.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, refer to the Company's response provided under item 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2026

Date:



Authorised by:

Craig Basson
(Company Secretary)

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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