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Serowe CBM Project: Pitse Pilot well 3.5B confirms thicker, cleaner and more continuous coal seams.

Highlights:

- **Open-hole wireline logging at Pitse Pilot well 3.5B confirms 13m of net Serowe coal, 30% thicker than the pre-drill estimate of ~10m.**
- **The Serowe seam thickness at well 3.5B contains a consistent 11m thick column and is consistent with offset wells 3.1, 3.2 and 3.3, further supporting geological continuity across the Pitse Pilot cluster. The lateral uniformity of the coal across all four logged wells is a material positive for the full-field development case.**
- **The 11m column is clean and continuous from top to base, with no material internal breaks, mudstone layers, partings or weaker rock intercalations. The bright vitrinite character and extensive borehole enlargement confirms a naturally fractured, well-cleated reservoir, a strong indicator of deliverable permeability.**
- **Seam characteristics are positive for Pitse's production potential as stimulation energy will be directed entirely into the target coal, not diluted across non-productive rock.**
- **Botala's target Serowe and Upper Morupule seams are materially thicker and of higher quality than the Lower Morupule seam in neighbouring acreage.**
- **Support wells 3.3 and 3.1 are showing gas build-up while 3.4A is producing strong water flows confirming reservoir permeability. All dewatering wells are expected to approach their desorption points within six to eight weeks.**

Botala Energy Ltd (ASX/BSE: BTE) (Botala) reports that open-hole wireline logging results returned by Pitse Pilot well 3.5B have further strengthened the company's confidence in the reservoir continuity and full-field development potential of its 100%-owned Serowe Coal Bed Methane (CBM) Project in Botswana.

Completed by Botala's Exploration Geophysics team following the reaching of Total Depth of 449m on 26 May 2026, the logging program confirmed the Serowe coal seam is thicker, cleaner and more uniform than the pre-drill estimate, representing another positive step in Botala's broader development case for future CBM-to-LNG production in Botswana.

Botala Energy's Chief Executive Officer, Mr Kris Martinick, said:

"Well 3.5B has not simply confirmed the presence of coal. It has confirmed a thicker, cleaner and more laterally consistent coal system with the reservoir quality indicators required to support Botala's pathway toward commercial gas production.

"We drilled the well based on a pre-drill Serowe seam estimate of approximately 10m. The logs have confirmed 13m of high-quality coal, with a continuous 11m column showing clear evidence of the natural cleat development required for permeability in a CBM reservoir.

"Importantly, these results are consistent with the surrounding Pitse Pilot wells. That lateral continuity is exactly what we want to see as we move from individual well results toward a repeatable development model.

"Our support wells are also continuing to dewater efficiently. We are seeing gas build-up in wells 3.3 and 3.1, which was flared last month. The reservoir is responding and we remain focused on progressing well 3.5B through stimulation and into flow testing towards gas production."

Figure 1. *Serowe seam coal rock chips – bright coal with well-formed cleats (Source: Botala)*

Pitse Pilot well 3.5B wireline log results

Coal seam thicknesses — better than expected

The open-hole wireline logging program confirms two coal seam intervals in well 3.5B:

- **Serowe Seam:** 13m of net coal at a depth of approximately 377m — 30% thicker than the ~10m pre-drill estimate derived from chip samples.
- **Upper Morupule Seam:** 10m of net coal at approximately 397m depth, consistent with pre-drill prognosis.

The combined 23m of Serowe and Upper Morupule coal represents a materially larger resource in this wellbore than the pre-drill prognosis. However, the program remains focused on the Serowe seam as the primary, near-term production target. The Upper Morupule represents potential upside available later in the well's life, as production from the Serowe seam matures.

Coal quality: uniform, high quality, and permeable

Wireline logging at well 3.5B has materially strengthened Botala's view of the well's production potential, confirming a coal system with the three attributes most important to successful CBM development:

1. **Uniformity:** the Serowe seam is logged with an 11m continuous, clean coal column from top to base, with no material internal breaks, mudstone layers, partings or weaker rock intercalations. This is important because uniform coal seams are generally better suited to stimulation. When stimulation fluid is pumped into the reservoir, the objective is to clean and open the natural cleat network within the coal so gas can move more freely into the wellbore. Where a coal seam is interrupted by non-productive rock, stimulation energy can be diverted away from the target zone. At Serowe-3.5B, the clean and continuous nature of the seam means the stimulation program can be focused directly on the productive coal interval.
2. **Quality**: well 3.5B's gamma ray and density log responses are consistent with high-vitrinite, low-ash coal, the petrographic type typically associated with higher gas content and better gas adsorption capacity in CBM systems. Bright vitrinite coals in the Karoo-Kalahari Basin have been demonstrated to carry materially higher gas contents than dull or inertinite-dominated coals of equivalent thickness.
3. **Permeability:** well 3.5B's logs show the wellbore has washed out in the coal zones beyond its nominal drilled diameter, indicating a naturally fractured, well-cleated, and permeable reservoir. Cleating is critical in CBM development because it provides natural pathways through which gas can move once the reservoir is dewatered and stimulated**.**

A stronger reservoir position than neighbouring CBM targets

Logs for well 3.5B have confirmed 13m of net coal, and 10m for the Upper Morupule seam for a total combined target of 23m. This gives Botala a broader and higher-quality production target than many previous regional analogues.

The Serowe seam also demonstrates stronger uniformity, quality and permeability than the seams targeted by neighbouring operations, providing a strong platform for the next phase of work at Pitse Pilot, including stimulation, dewatering and flow testing.

Cluster correlation: geological continuity confirmed

Well 3.5B's log results have been correlated with wireline data from the other logged wells in the Pitse cluster. The cross-section below shows the four-well correlation panel, hung on the top of the Serowe Siltstone stratigraphic datum. This shows the coals are uniform over the Pitse Pilot area and most likely will remain consistent as the project is extended out.

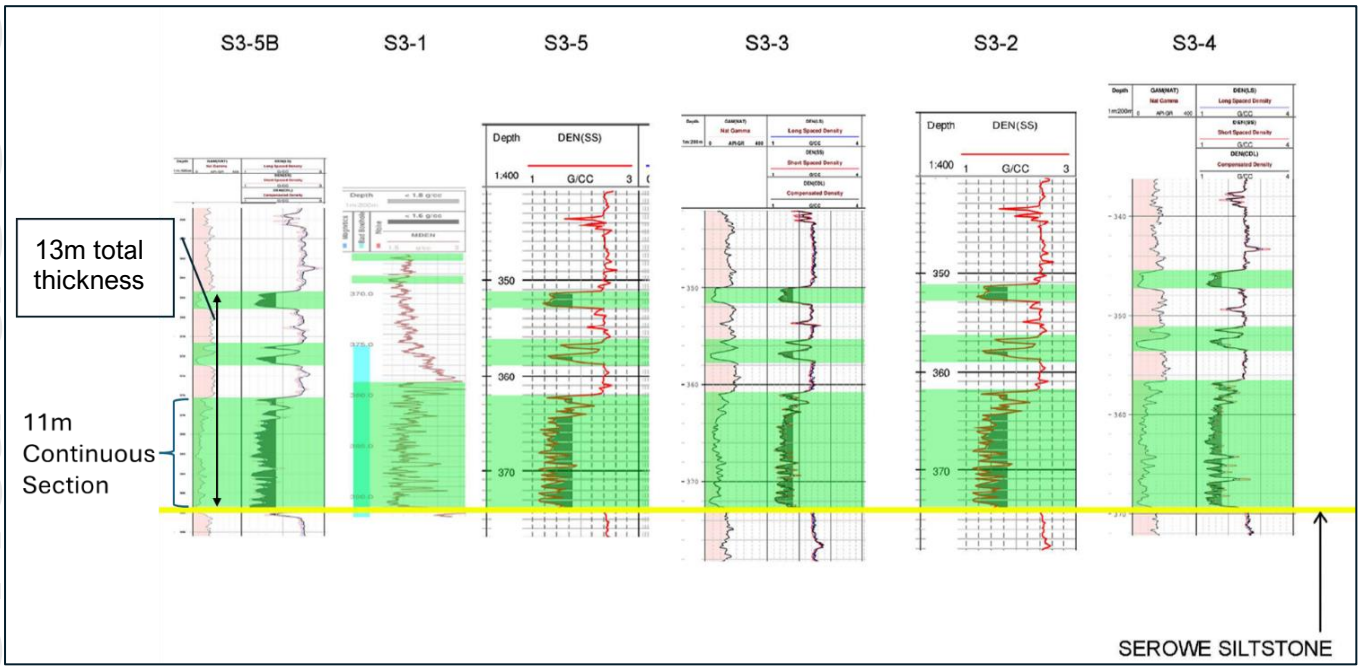

Figure 2. Stratigraphic cross-section — Pitse Pilot wells 3.1, 3.5B, 3.3 and 3.2, hung on top of Serowe Siltstone. Green = Serowe Seam

Table 1: The cross-section confirms lateral geological continuity of the Serowe and Upper Morupule seams consistent across all four wells:

Well	Serowe Seam	Upper Morupule	Serowe + Upper Morupule Target
Serowe-3.5B (production well)	13m	10m	**23m**
Serowe-3.1	14m	11m	**25m**
Serowe-3.3	12m	11m	**23m**
Serowe-3.2	12m	10m	**22m**
Pre-drill estimate	~10m	—	**~10m**

The Serowe seam varies by only 2m across the four wells (12–14m). The Upper Morupule varies by only 1m (10–11m). This degree of lateral uniformity across a cluster with a footprint of several hundred square metres is exceptional. It confirms the seams are continuous, coherent, and geologically consistent. For a full-field development programme targeting 108 wells, this lateral predictability is a fundamental requirement. The Pitse cluster data is now providing it.

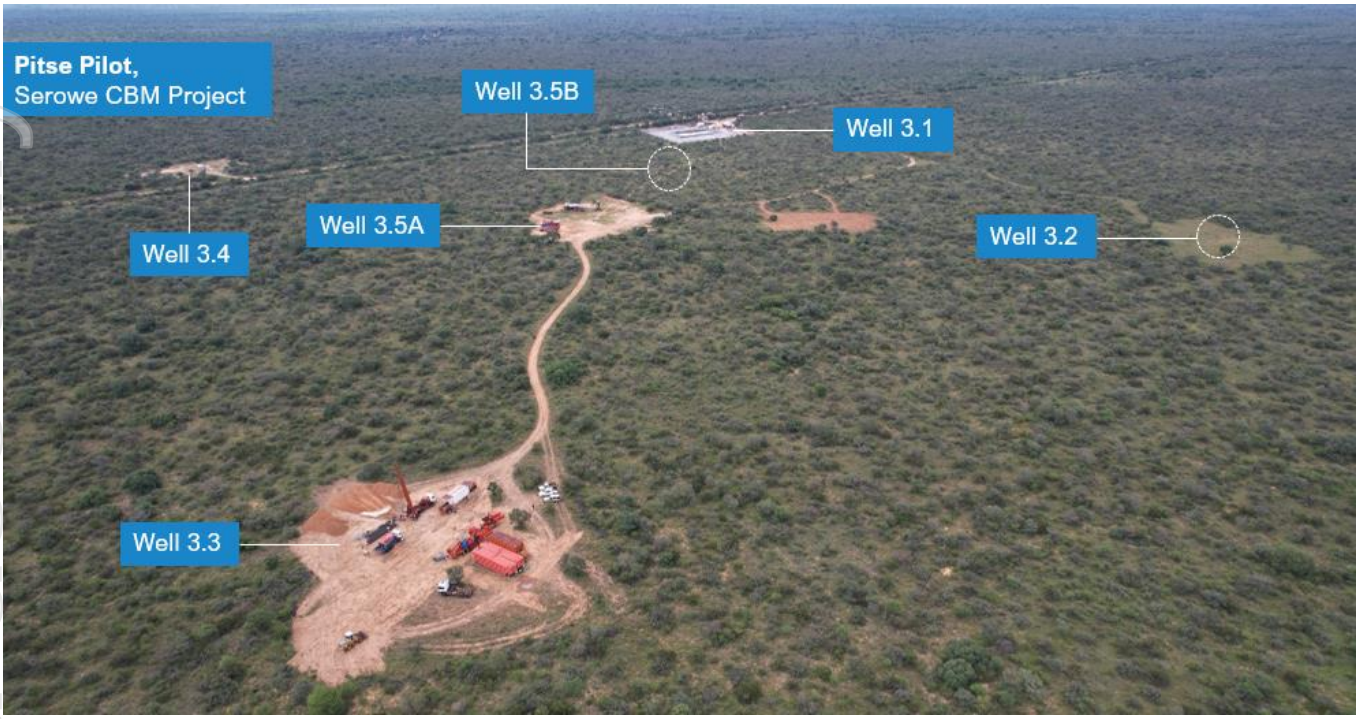

Figure 3. The Phase-1 Pitse Pilot at Botala's Serowe CBM Project in Botswana is designed to establish a production pathway to 3.5 petajoules of LNG per year. (Source: Botala)

Pitse support wells: dewatering progress and gas build-up

While well 3.5B advances through the completion sequence, the four support wells surrounding the production well are continuing to dewater the coal seams, reducing reservoir pressure toward the critical desorption threshold at which gas begins to flow freely from the coal matrix. The status of each well as at the date of this announcement is summarised below.

Gas already emerging in the cluster

Two wells in the Pitse Pilot cluster are already demonstrating gas production ahead of stimulation — both from natural desorption under dewatering alone:

Well-3.1 completed a successful flare cycle in April 2026, producing gas at approximately 6,500 scfd (~6.5 GJ/day) from a simple, unstimulated open-hole well. Following the flare, the well was shut in for a planned workover (Lower Morupule plug-off and tubing inspection). Casing pressure was rebuilding at approximately 3 psi per day prior to shut-in, confirming ongoing gas desorption. The well will be returned to operation as a two-seam producer following the workover.

Well 3.3 is actively dewatering the Upper Morupule Seam and is showing gas build-up — casing pressure is increasing, indicating that reservoir pressure in the Upper Morupule has been drawn down to the point where gas is beginning to desorb from the coal matrix. This is an important milestone: it confirms that the dewatering programme is working as designed and that the Upper Morupule seam at Pitse is responsive to drawdown.

Wells 3.4 and 3.5B continue dewatering.

Strong water flows confirm permeability

Across the dewatering wells, water flow rates are strong and sustained, a positive reservoir indicator. In CBM development, high water flow rates during the dewatering phase are generally indicative of good reservoir permeability; the water is being transmitted through the coal cleat network to the wellbore, and the same network will transmit gas once reservoir pressure falls below the desorption threshold.

Well 3.4A, targeting the Serowe seam on the northern fault block is producing approximately 45 barrels of water per day, a strong sustained rate for an unstimulated open-hole coal well. This water flow rate, combined with the strong natural cleating confirmed by well's 3.5B's logs, builds a consistent picture of a naturally permeable reservoir system across the Pitse cluster footprint.

Desorption timeline: 6–8 weeks

Based on current dewatering progress across the Pitse Pilot, Botala expects the support wells to approach their individual desorption points within approximately six to eight weeks. When a CBM well crosses the desorption threshold, casing pressure begins to build consistently as gas detaches from the coal matrix and accumulates in the wellbore.

The observation of this behaviour already in well 3.3, and the prior flare at well 3.1, indicate that parts of the Pitse reservoir are already at or beyond desorption. The broader cluster drawdown is catching up.

The significance of this timing is that the pressure drawdown network will be substantially operational and contribute to reservoir depressurisation across the cluster footprint as well 3.5B moves through stimulation and into extended flow testing. The support wells are not just observation wells; they are actively managing the reservoir conditions that the production well's flow test will measure.

Table 2: *Pitse well status:*

Well	Target Seam(s)	Pressure / Gas Status	Desorption Outlook
3.1	Serowe + Upper Morupule (LM isolated)	Casing pressure rebuilding; flare completed April 2026; gas building	Near desorption; workover scheduled
3.4A	Serowe seam only	Active drawdown; strong water flow confirming permeability	4–6 weeks to desorption
3.3	Upper Morupule only	Gas build-up observed; pressure increasing	Approaching desorption — gas detected
3.5A	Serowe + Upper Morupule	Progressive drawdown; adjacent to 3.5B	6–8 weeks to desorption

About the Serowe CBM Project

The Serowe CBM Project in central Botswana is designed to develop a domestic source of natural gas to support power generation, industrial energy demand and LNG supply for Southern Africa. The project is 100% owned by Botala through its wholly owned Botswana subsidiary, Botala Gas (Pty) Ltd.

Project Pitse is the first of four development phases, targeting a cluster of six wells designed to demonstrate commercial CBM production and underpin the Bankable Feasibility Study for a Serowe-to-Leupane gas development, initially targeting LNG production of 3.5 petajoules (PJ) per year from ~108 wells. All environmental approvals are in place across the Serowe gasfield, LNG production facilities, energy hubs, and pipeline corridor.

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 Botala Energy Ltd

Botala Energy Ltd (ACN 626 751 620) is an ASX-listed Coal Bed Methane (**CBM**) exploration and development company focused 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 focused 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.

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	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. (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.	a) Well title is Serowe-3.5B and is an appraisal well targeting Coal Bed Methane. b) Serowe-3.5B is located at Latitude -22.24839 and Longitude 26.19624 in Mining Licence ML-52 (previously Prospecting Licence PL-400). c) Botala Energy Ltd working interest is 100% in the well. d) Coal seam thickness is 23m in total consisting of 13m of Serowe Seam and 10m of Upper Morupule Seam. e) The Geological rock type is coal. f) The Serowe seam was encountered at a depth of 377m and the Upper Morupule seam was encountered at a depth of 397m. g) Not applicable. h) Gas is the target hydrocarbon and will be measured once well is completed. i) Water volumes will be tested in subsequent flow-testing. j) Not Applicable. k) Not Applicable. l) Not Applicable m) Not Applicable. n) Not Applicable.