

ASX Release | 8 July 2026

Positive Permeability Results Confirm Serowe-3.5B Ready for Stimulation

Highlights:

- **Positive reservoir response at Serowe-3.5B:** Diagnostic Stimulation Injection Test (DSIT) results indicate sufficient permeability during testing providing encouraging evidence of the Serowe Seam's capacity to respond to planned hydraulic stimulation.
- **Key technical uncertainty reduced ahead of stimulation:** The successful DSIT confirms the target coal seam can accept injected fluid, establishes initiation pressure for coal separation and provides important reservoir data for finalising the stimulation program designed to improve gas deliverability.
- **Serowe-3.5B advances toward first gas:** The next operational step is the Step Rate Test (SRT), which determines the required pumping pressure at surface to meet the DSIT calculated initiation pressure for coal separation. Subject to the SRT outcome and normal operational conditions, stimulation is targeted this month.
- **Production testing is the next major value catalyst:** Following stimulation and well completion, well 3.5B will be progressively brought online to demonstrate sustained gas production and establish the well's commercial flow potential.
- **Commercial benchmark in focus:** Botala's internal modelling indicates that sustained production above approximately 70 GJ/day could support the Company's current four phase development concept. The encouraging reservoir response at well 3.5B, together with the thickness and quality of the Serowe seam, and reported production of approximately 120 GJ/day from the nearby MAS-13 well on neighbouring acreage¹, supports Botala's view that there is potential for the well to outperform this internal benchmark. Actual flow rates will be determined through production testing.
- **Pitse is the gateway to broader Serowe development:** Successful demonstration of commercial gas flow is expected to provide important technical data for independent reserves certification, completion of the Bankable Feasibility Study and future phased development of Botala's 7,542 PJ 3C gas resource base².

Botala Energy Ltd (ASX/BSE: BTE) (Botala or the Company) advises that positive reservoir testing at its principal Pitse Pilot production well 3.5B has strengthened confidence in the well's potential to respond effectively to the planned stimulation and advance toward commercial gas flow testing.

¹ Xingjin Wang and Tim A. Moore, 24 June 2013. Initial flow model for G2a coal seam, MAS-13 Area.

² 1 Independently Certified, Sproule, Gross estimated resource. In respect of the prospective resources, the following cautionary statement applies: the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to 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.

Mr Kris Martinick, Chief Executive Officer of Botala Energy, stated,

“This is an extremely encouraging result because well 3.5B is now beginning to provide direct evidence of how the reservoir responds under conditions relevant to stimulation.

“Our 2026 work program has been deliberately sequenced to progressively reduce technical uncertainty. We have drilled the principal production well, confirmed the exceptional quality of the target coal intervals, installed and tested the production casing, established zonal isolation, perforated the Serowe Seam and have now recorded a positive response from the first diagnostic stimulation test.

“At each step we are strengthening our investment case to demonstrate sustained commercial gas flow from Pitse and generate the production data required to advance reserves certification, the Bankable Feasibility Study and development planning.

“Given our low-cost base, internal modelling indicates that production above approximately 70 GJ/day represents an important benchmark for the current development concept. Given the encouraging reservoir response seen to date at 3.5B and the performance reported from the nearby MAS-13 well on neighbouring acreage, we believe there is credible potential to outperform that benchmark. The production test will determine the actual rate, and that is now the major value catalyst ahead of us.

“Success at Pitse has significance well beyond one well. It would strengthen the pathway toward converting part of Botala’s 7,542 PJ 3C gas resource base into reserves and advancing a scalable domestic gas development at a time of increasing regional demand for reliable energy.”



Figure 1. DSIT Rig on Serowe-3.5B (SOURCE: Botala)

Development pathway to revenue

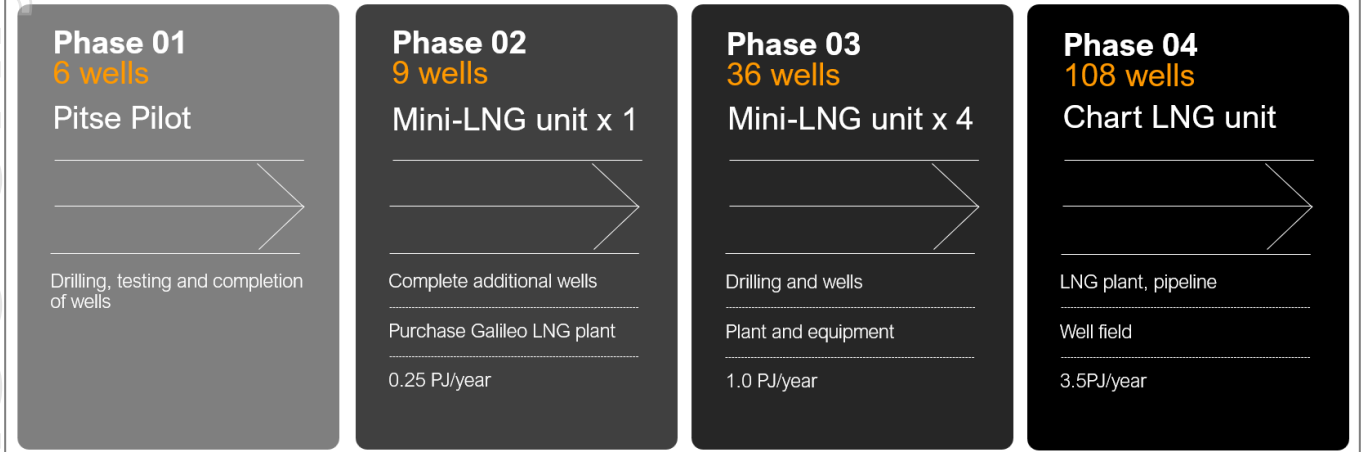


Figure 2. Botala Energy has a phased, risk managed approach to grow gas production at its Serowe CBM Project in Botswana to serve Southern Africa's emerging industrial gas supply crisis.

Successful DSIT strengthens stimulation case

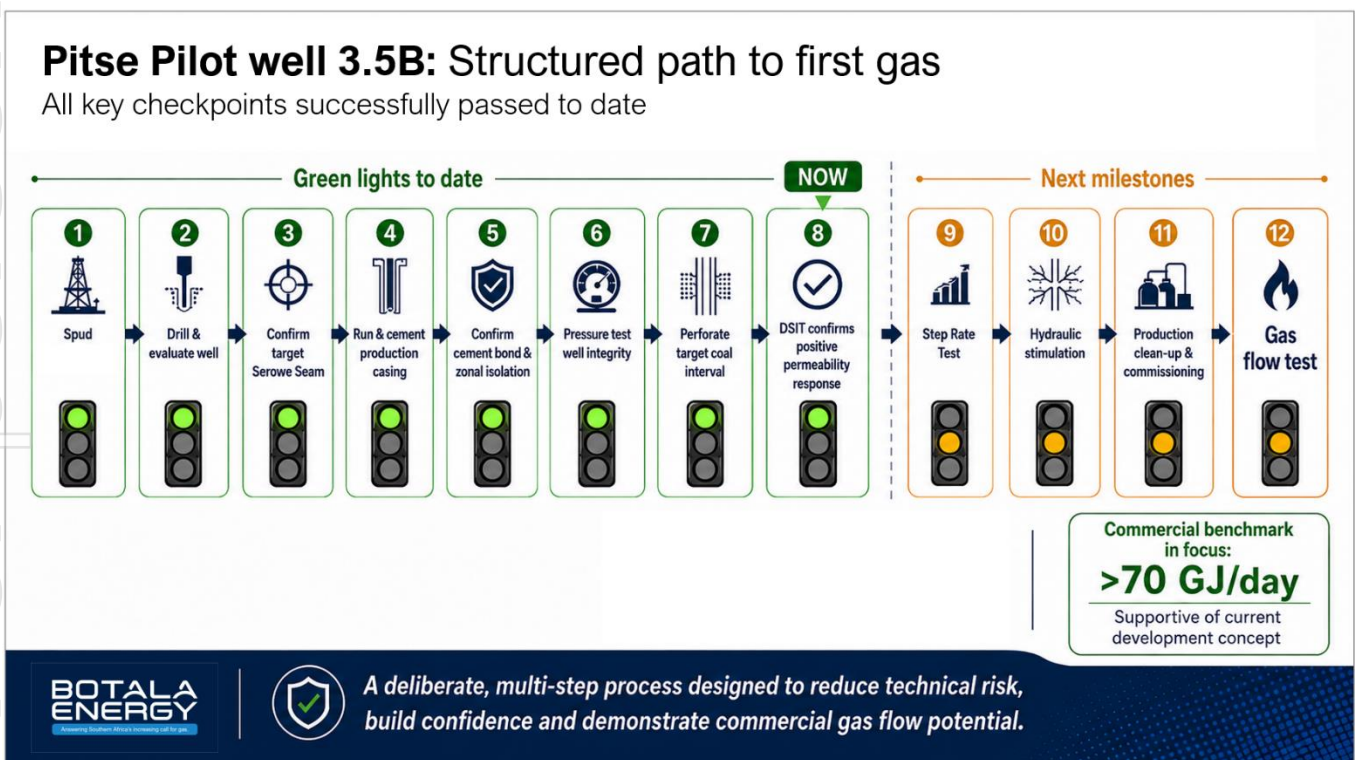


Figure 3. Stepped pathway to development of the Pitse commercial well 3.5B at the Serowe CBM Project.

The successful DSIT, which is designed to assess how the reservoir responds to controlled fluid injection and subsequent pressure behaviour, represents an important transition point for the Pitse Pilot. Following completion of drilling, casing, cement integrity testing and perforation activities reported during 2026, this pressure response enables Botala's technical team to evaluate key reservoir characteristics, including

permeability, which is an important factor influencing the movement of gas and water through the coal seam and ultimately toward the well.

Interpretation of the DSIT indicates sufficient permeability to enable the coal seams to increase gas production post stimulation. The result provides encouraging evidence that the Serowe Seam can accept the planned stimulation treatment and supports progression to the final Step Rate Test and stimulation program.

The positive result also builds on the sequence of technical milestones completed at well 3.5B during 2026.

Final engineering step to optimise stimulation design

The team are in the process of installing the main pressure value and crossover pipework along with completion of the return water evaporation pond and water monitoring bore. The Step Rate Test (SRT) is expected to be completed next week and followed immediately by stimulation before preparing the well for production testing.

The SRT is the final engineering milestone before stimulation, which correlates the downhole pressure for a given pumping pressure at surface. This data is used to ensure the pressure being pumped at surface will meet the initiation pressure for coal separation determined by the DSIT.

Path to first gas and reporting approach

Following the stimulation and completion of the well, Pitse Pilot well 3.5B will be progressively brought online for production testing.

The focus will then shift from preparing the well for production, to demonstrating:

- commencement of gas flow;
- initial gas production response;
- sustained gas production;
- water production and reservoir pressure behaviour;
- production decline or build-up characteristics; and
- the well's potential to support future commercial development.

Botala's current internal economic modelling indicates that sustained production above approximately 70 GJ/day could support the Company's current development concept.

This benchmark provides shareholders with a clear reference point against which future production performance can be considered.

From Pitse Pilot to broader Serowe development

The significance of the Pitse Pilot extends beyond the performance of well 3.5B.

Botala's broader Serowe CBM Project contains a 7,542 PJ 3C gas resource base, providing substantial potential scale should commercial gas deliverability be demonstrated and the relevant technical, economic, regulatory and funding requirements for future development be satisfied.

The Pitse Pilot is intended to establish critical production data required to advance the project from resource definition toward commercial development.

Successful sustained production is expected to provide important inputs for:

- independent reserves certification, subject to the requirements of the applicable resource and reserves reporting framework;
- completion and refinement of the Bankable Feasibility Study;
- wellfield development planning;
- future production-well design and optimisation;
- assessment of LNG development parameters;
- project financing discussions; and
- future gas sales and commercial negotiations.

This development pathway is consistent with Botala's strategy of progressing the 100%-owned Serowe CBM Project toward a scalable domestic gas supply capable of supporting power generation, industrial energy demand and LNG markets across Southern Africa.

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.

This announcement has been authorised for release by the Board of Botala Energy Ltd.

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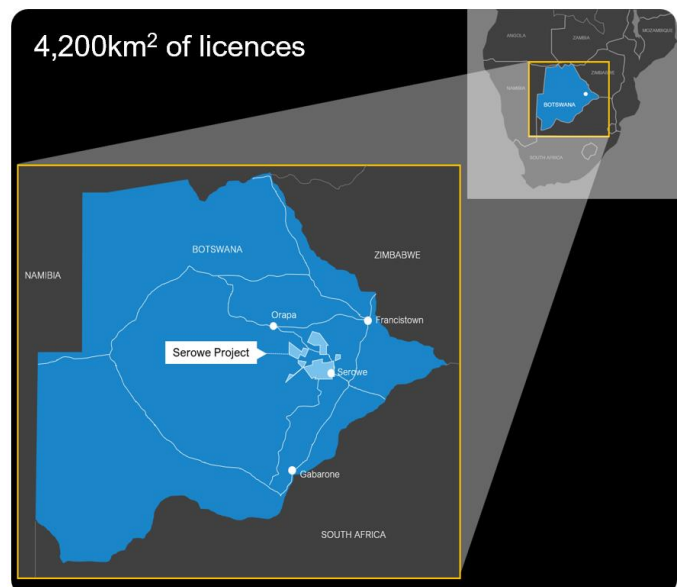
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Forward-looking Statements

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 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 stimulation stages and the size and nature of 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) A Diagnostic Stimulation Injection Test (DSIT) has been completed on the Serowe Seam. A step-rate test (SRT) is scheduled to follow, ahead of the main stimulation and subsequent flow testing. [HOLD Interpretation of the DSIT pressure data.] 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.