

ASX Release | 20 July 2026

SUCCESSFUL STIMULATION: Pitse Pilot Well 3.5B enters commercial production testing phase following successful hydraulic stimulation.

Highlights:

- **Pitse Pilot central production well 3.5B has entered the production phase** following the successful completion of hydraulic stimulation – the final activity required before the well can demonstrate commercial gas production. Its purpose is to create conductive pathways through the coal, allowing gas to flow efficiently to the well as reservoir pressure is reduced through dewatering.
- Approximately 30% of the stimulation fluid was recovered during flowback, which represents a positive outcome and reinforces confidence in the success of its placement within the coal formation.
- **A strong reservoir response was observed following stimulation.** After the well was deliberately depressurised to below atmospheric pressure, water from the surrounding coal immediately began flowing back into the well, demonstrating hydraulic communication between the wellbore and the stimulated coal reservoir.
- No proppant (sand) was recovered during flowback, indicating the stimulation materials remain in place as designed to support the newly established flow pathways between the gas-bearing coal and the production well.
- **Controlled dewatering is now underway:** As water level progressively declines, gas production is expected to increase. Botala is targeting a sustained flow rate above its current internal commercial development benchmark of approximately 70 gigajoules (GJ) per day.
- A sequence of near-term catalysts now follows, including first gas breakthrough, flow testing, updated reserves certification and completion of the Phase 2 mini-LNG Bankable Feasibility Study (BFS).

Botala Energy Ltd (ASX/BSE: BTE) (Botala or the Company) reports that Pitse Pilot principal production well 3.5B has now entered the commercial production testing phase after being successfully stimulated at the Company's Serowe Coal Bed Methane (CBM) Project in Botswana.

Following stimulation, the well was opened to recover treatment fluids, reducing wellhead pressure from approximately 47 psi to below atmospheric pressure. Around 700 barrels of stimulation fluid (approximately 30% of the injected volume) flowed back to surface before pressure gradually recovered and stabilised as the remaining treatment fluid moved into the stimulated coal and pressures equalised between the well and the surrounding reservoir. This behaviour is consistent with successful stimulation and indicates the treatment fluid has been effectively placed within the coal rather than simply returning to surface.

Botala Chief Executive Officer, Mr Kris Martinick, stated:

"Today marks the point where years of exploration, reservoir evaluation and engineering begin to translate into measurable production performance.

"We have now completed the major activities required to prepare well 3.5B for production. The well has been drilled, logged, cased, cemented, tested, perforated and successfully stimulated. Our attention now turns to dewatering the reservoir, achieving gas breakthrough and establishing a sustainable production rate.

"The immediate reservoir response following stimulation is encouraging. Water began moving back into the well once pressure was reduced, demonstrating that the well is connected to the surrounding coal reservoir.

"The next stage is straightforward in its objective. We must progressively reduce reservoir pressure, bring gas into the well and determine how much the well can produce.

"We have passed every checkpoint to date and eagerly await first gas from 3.5B as we advance our scalable domestic gas development at a time of increasing regional demand for reliable energy."

Stimulation successfully completed

The successful stimulation represents another important milestone in Botala's disciplined progression from reservoir appraisal to commercial production testing.

Pitse Pilot well 3.5B has now completed the major drilling, logging, casing, cementing, integrity testing, perforation, reservoir testing and stimulation activities required to prepare the well for production. The focus now shifts from reservoir preparation to establishing the volume and sustainability of gas production (Figure 1).

While successful stimulation does not itself establish commercial production, it materially advances Well 3.5B into the phase where the well's production performance and commercial flow potential can be measured.

Pitse Pilot well 3.5B: Structured path to first gas

All key checkpoints successfully passed to date

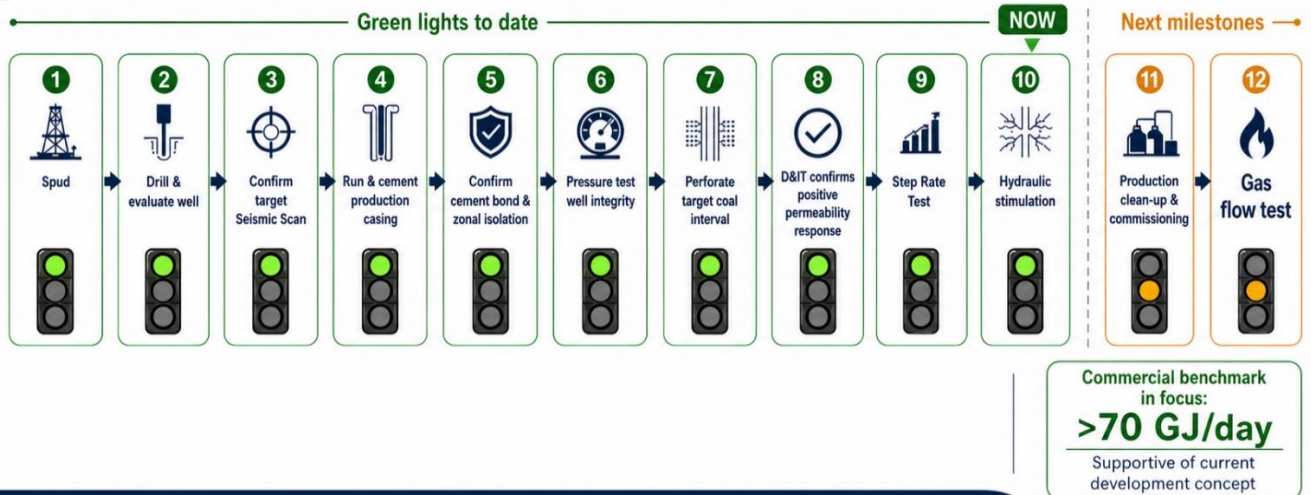


Figure 1. Well 3.5B has now completed the final stage before commercial production testing.



Figure 2. Stimulation units on site at Pitse Pilot well 3.5B (SOURCE: Botala).

Positive post-stimulation reservoir response

Following completion of the stimulation treatment, well 3.5B was opened under controlled conditions to recover treatment fluids and commence the transition toward production.

Wellhead pressure was progressively reduced from approximately 47 psi to below atmospheric pressure. Approximately 700 barrels of stimulation fluid, representing around 30% of the injected volume, were recovered at surface.

Flowback then reduced as pressure between the well and the surrounding reservoir began to equalise, with the remaining treatment fluid retained within the stimulated coal formation. This behaviour is consistent with the treatment fluid having been effectively placed within the coal seam rather than immediately returning to surface.

Importantly, once the well had been depressurised below atmospheric pressure, water from the surrounding coal reservoir immediately began moving back into the well.

This response demonstrates hydraulic communication between the wellbore and the surrounding coal and provides encouraging evidence that the stimulation treatment has opened and connected flow pathways within the coal's natural cleat network.

No proppant was recovered during the flowback process, indicating that the stimulation material remains within the reservoir as intended to help maintain these newly established pathways.

Dewatering and production testing underway

Controlled dewatering of Serowe-3.5B is now underway.

Coal bed methane is held within the coal matrix under reservoir pressure. As water is removed from the well, reservoir pressure progressively declines toward the point at which gas begins to desorb from the coal and move through the connected cleat network into the production well.

Gas production is therefore expected to build progressively rather than commence immediately at its maximum potential rate.

Table 1. The expected commissioning sequence

Stage	What investors should look for
High water production ▼	Demonstrates the stimulation has successfully increased reservoir permeability and that the well is effectively dewatering.
First gas breakthrough ▼	First measurable methane confirms the stimulated network is connected to the gas-bearing reservoir.
Increasing gas production ▼	As reservoir pressure declines, gas production is expected to progressively increase while water production reduces.
Flow testing	The well is evaluated against Botala's commercial development objectives, with current modelling indicating production above approximately 70 GJ/day could support commercial development.

Near-term news flow

Botala is targeting a production rate above its current internal commercial development benchmark of approximately 70 GJ per day. The nearby analogue well MAS-13 has previously demonstrated sustained production of approximately 120 GJ/day.

Results from well 3.5B will provide important technical and commercial data for the broader development of the Serowe CBM Project, including future well design, reserves assessment, field development planning and completion of the Phase 2 mini-LNG BFS.

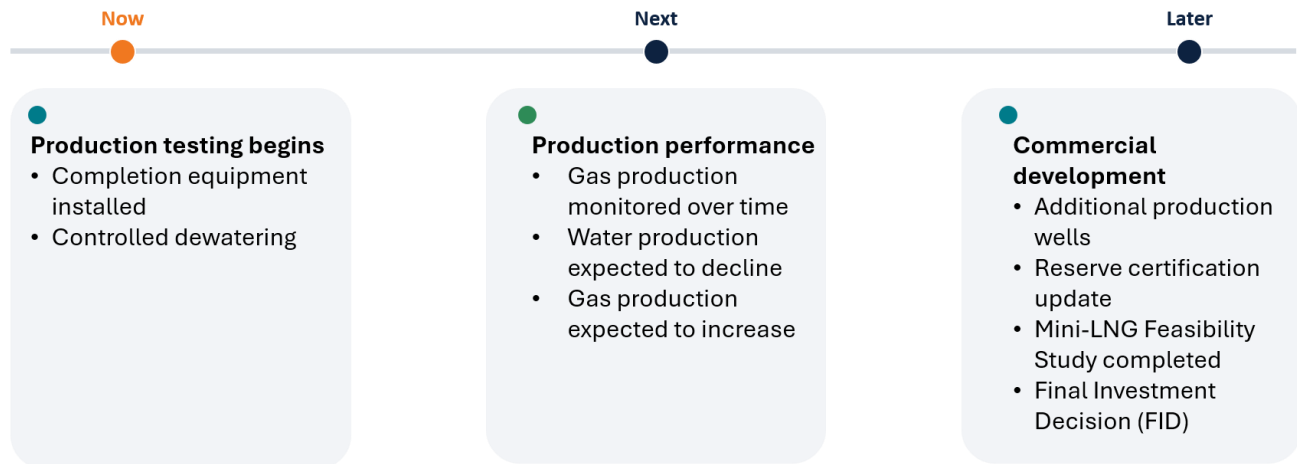


Figure 3. Near-term milestones underpinning the Serowe development pathway¹.

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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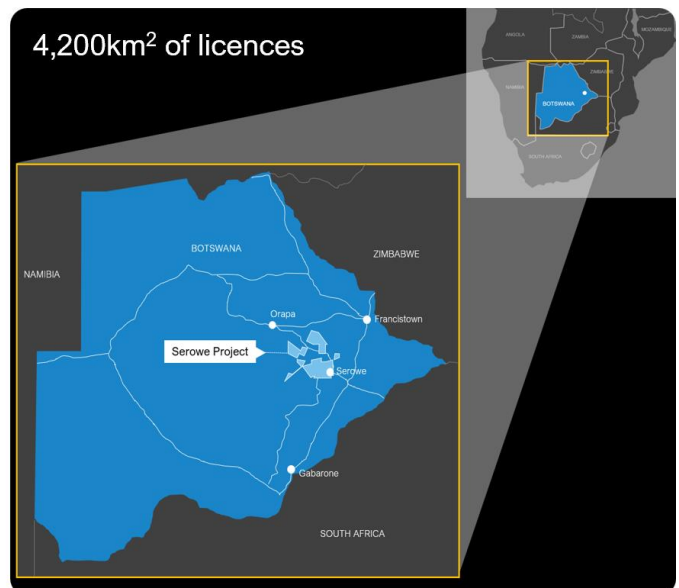
¹ Near-term milestones are indicative and provide a planning pathway for the Company within its work planning to progress the project. The Company cautions investors that timelines are not fixed and that funding of all future activities is subject to constant review and prioritisation of the company's objectives. This information is provided to inform shareholders of the intended pathway to develop the Serowe CBM Project.

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) was completed ahead of the stimulation, flow testing to commence. h) Gas is the target hydrocarbon and will be measured once well is completed. i) Stimulation water was recovered with no visible returns of proppant, water is currently being evaporated. Produced water volumes will be tested in subsequent flow-testing. j) Not Applicable. k) Not Applicable. l) Single stimulation conducted over 1.5hrs with 2,200 bbl of total fluid and 43.5 tons of sand at a rate of 24 bbls/min. A stable pressure range from 390-450 documented during the duration with no pressure spikes. m) Not Applicable. n) Not Applicable.