Botala Energy Ltd

ASX Announcement

Monday, 23 January 2023

SEROWE-7 SPUD DATE SET AND SEROWE-3 FLOW-TESTING UPDATE

Highlights:

- **Spud date for the Serowe-7 well is set for 27 January 2023.**
- **Serowe-3 flow-testing ongoing. Water flow rates have increased further to an average 70 bbls/day, indicating reservoir is maintaining permeability with drawdown.**

Botala Energy Ltd (ACN 626 751 620) ("**Botala**") is pleased to announce the Serowe-7 well is expected to spud on 27 January 2023. The Serowe-7 well is a ~1km step-out from the Serowe-1 well which was drilled by Strata-X Energy Ltd in 2018. Serowe-7 was due to spud in December 2022, however, delays due to weather conditions and essential rig repairs impacted on the time required to complete the Serowe-7 well prior to breaking for Christmas.

The deferral allowed Botala to engage Perth based Geophysics consultancy NewExco to complete an independent assessment of the gravity and Audio Magnetotelluric (AMT) survey results and well logs ahead of finalising the location of the Serowe-7 well.

Flow-testing of Serowe-3 continues with the water level now drawn down to 160m above the top of the coals and the average water flowrate increasing from 58 bbls/day[1] to 70 bbls/day by 20 January 2023. The increase is encouraging as it indicates the reservoir is maintaining permeability with the increasing pressure drawdown.

Further details in respect of Botala's drilling programme are set out in Sections 2.6 and 3.7 of the Prospectus.

Botala CEO Kris Martinick commented *"The results of the Serowe-3 flow test are really encouraging and if we observe gas break-out over the next few weeks then we will look to accelerate our appraisal programme.*

Although we were initially disappointed with the Serowe-7 delay it was the right decision as we minimised Botala's exposure to HSE risks which typically can increase over this period, and it provided us time to conduct rig maintenance and update our geological interpretation. I thank NewExco for their professionalism for having reviewed our geophysical data over the Christmas period.

The break also provided much needed time to re-energise after a very busy year. I particularly thank our Botswana-based team, many of whom spent weeks at a time in the field working on the surveys, drilling and undertaking community engagement. I look forward to continuing to build a strong and enthusiastic team in country and to capitalise on the work undertaken to date."

[1] Botala Announcement: *Operational Update – Exploration & Appraisal Programme, 19 December 2022*

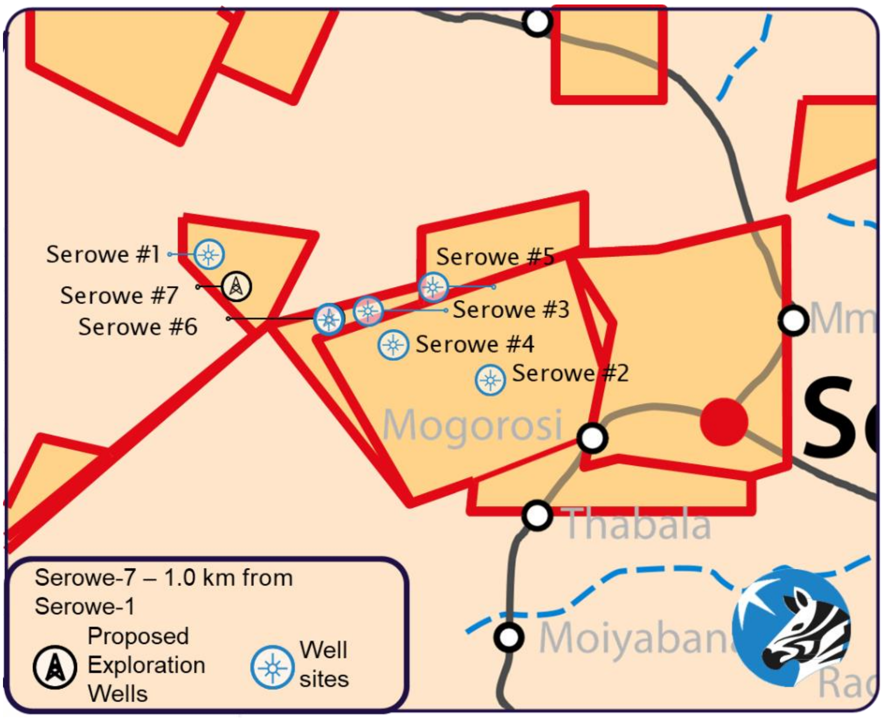

Figure 1 - Serowe CBM Project & Well Locations

Cautionary Statement

The estimated quantities of coal bed methane that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable gas. Contingent Resources assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.

This ASX announcement was approved and authorised for release by the CEO.

Yours faithfully
BOTALA ENERGY LTD

Kris Martinick
Chief Executive Officer

For more information please contact:

Kris Martinick.

This report is lodged on Botala's website, www.botalaenergy.com

About Botala

ASX-listed Botala is exploring and developing production of coal bed methane (**CBM**) from its 70% owned Serowe CBM Project which is located in a high-grade CBM region of Botswana. The remaining 30% are owned by ASX-listed Pure Hydrogen Corporation Ltd pursuant to a joint venture agreement with Botala. As Operator, Botala is focussed on developing the Serowe CBM Project and related early-stage renewable energy opportunities, and believes that there are considerable opportunities for Botala to commercialise CBM because of the demand for reliable and affordable energy in Botswana and neighbouring countries.

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 as a result of new information, future events or otherwise.